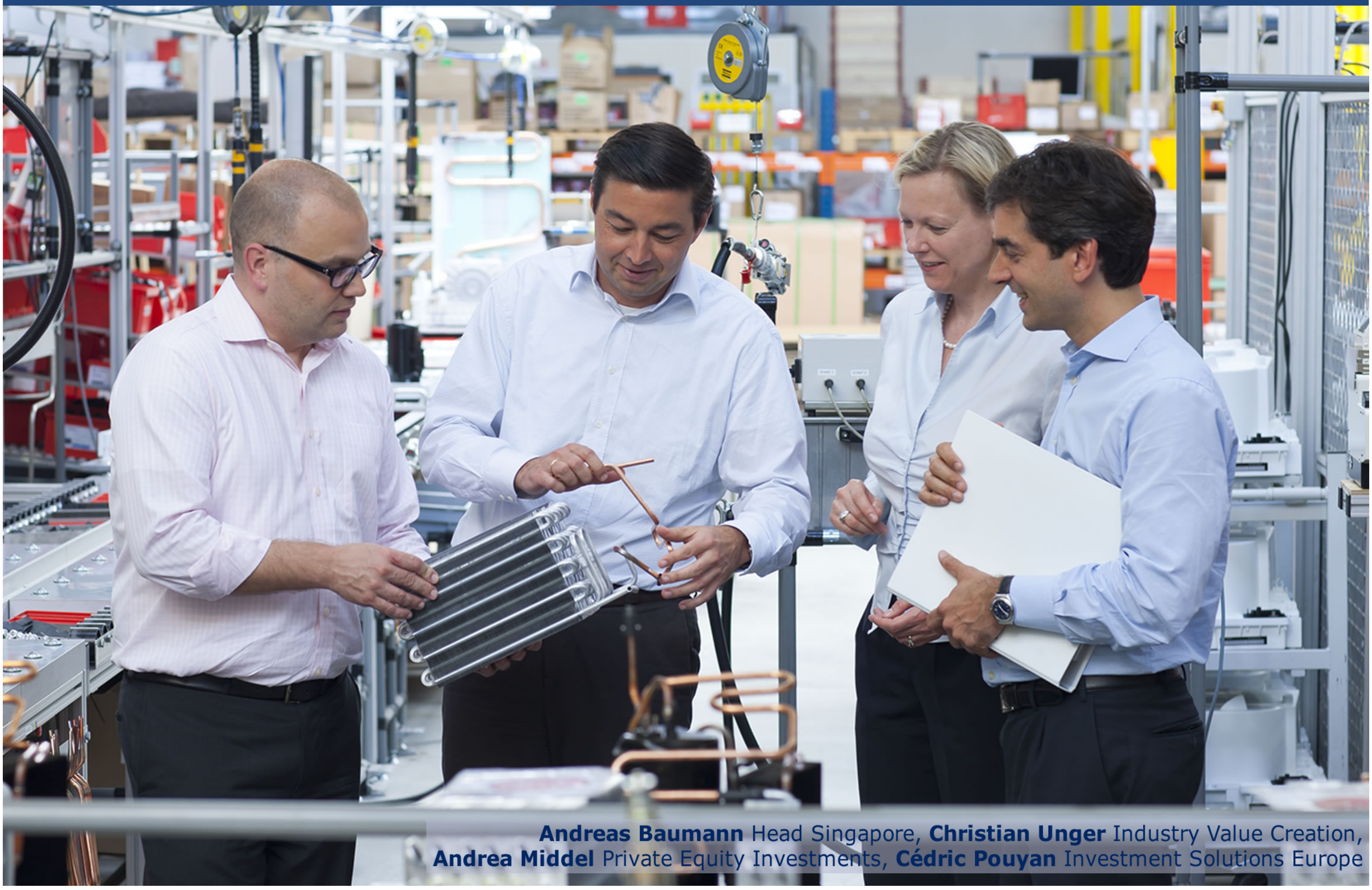
PRINCESS PRIVATE EQUITY HOLDING LIMITED

HALF-YEAR REPORT 2013

Unaudited financial statements for the period from 1 January 2013 to 30 June 2013



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Partners Group
Passion for Private Markets

PRINCESS PRIVATE EQUITY HOLDING LIMITED

Princess Private Equity Holding Limited (Princess or the Company) is an investment holding company domiciled in Guernsey that invests in private equity and private debt. The portfolio includes direct, primary and secondary fund investments. Princess aims to provide shareholders with long-term capital growth as well as an attractive dividend yield. The shares are traded on the main market of the London Stock Exchange.

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HALF-YEAR REPORT 2013

1 KEY FIGURES

IN EUR	30 JUNE 2013	31 DECEMBER 2012
Net asset value (NAV)	574'840'169	583'142'838
NAV per share	8.28	8.40
Total dividend per share	0.26	0.49
Closing price	6.58	6.83
Discount to NAV	-20.55%	-18.69%
Cash and cash equivalents	62'915'712	65'724'027
Use of credit facility	0	0
Value of private equity investments	413'088'601	417'783'627
Undrawn commitments	202'711'436	228'204'095
Investment level	71.86%	71.64%
Net liquidity (incl. secondary receivables)	161'751'568	165'359'212
Overcommitment	7.13%	10.78%
Overcommitment incl. credit line	-6.79%	-2.94%

2 INVESTMENT MANAGER'S REPORT

NAV growth remains stable

Princess' net asset value (NAV) grew by 1.8% to EUR 8.28 per share during the first half of 2013, adjusted for the interim dividend of EUR 0.26 per share distributed to qualifying shareholders at the end of June.

Valuation developments were the primary contributor to NAV growth over the period (+2.5%), as the portfolio's underlying companies continued to show strong operational improvements despite a low-growth economic environment. Foreign-exchange movements had only a minor (+0.1%) impact on the positive development.

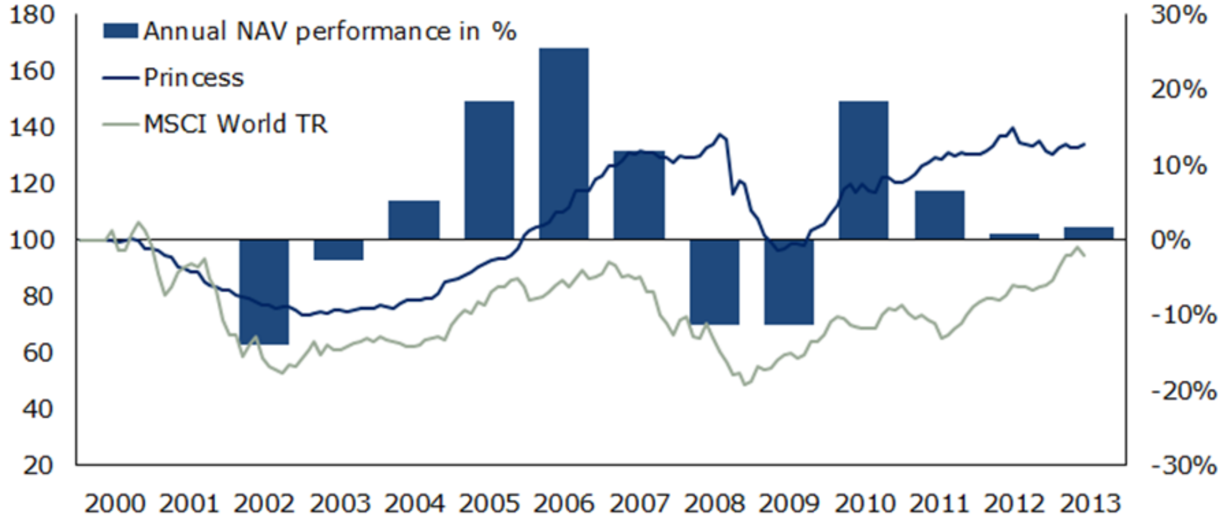
Over the past twelve months, the 50 largest portfolio companies, representing 32.0% of NAV, achieved double-digit weighted average revenue and earnings (EBITDA) growth of 11.0% and 13.3%, respectively. Constructive value creation initiatives by the Investment Manager and its partners were a key determinant behind this performance.

Over the review period, several investments were marked up after being wholly or partially exited above their previous carrying value within the portfolio. These successful exits contributed to NAV growth over the first half of 2013. Notable exits from the portfolio included the trade sale of Bausch & Lomb, one of the largest global providers of eyecare products, to NYSE-listed Valeant Pharmaceuticals for USD 8.7 billion and the trade sale of AssuraMed, a direct-to-home provider of specialty medical products, to drug distributor Cardinal Health for USD 2.1 billion.

First interim dividend of EUR 0.26 paid to qualifying shareholders

On 26 June 2013, Princess paid a first interim dividend for 2013 of EUR 0.26 per share to qualifying shareholders which corresponds to an 8.3% increase compared to the EUR 0.24 per share distributed in the corresponding period last year.

NAV PERFORMANCE (SINCE INCEPTION)



The above chart is as of 30 June 2013

This translates into a dividend yield of 7.8% on the half-year closing share price of EUR 6.58. The Company intends to pay dividends semi-annually following the publication of the quarterly reports as of 31 March and 30 September.

Continued progress with repositioning of portfolio

Princess continued to make progress with its strategy to reposition the portfolio towards direct investments, with new direct investments in CSS Corp and Softonic, via its allocation to the Partners Group Direct Investments 2012 program. CSS Corp is a global technology support services leader, based in India. The company provides a range of technology support services, including mobility solutions, cloud enablement, technical support and remote infrastructure management to blue-chip clients. Softonic is a market-leading, global multi-platform software guide company, headquartered in Spain.

Princess also made a joint investment with its investment partner Apollo Global Management. The acquired company is a leading global publisher of educational materials and learning solutions in digital, print and custom formats, headquartered in the US.

Looking forward, Princess' deal flow for direct transactions remains strong, particularly in the small- and mid-cap market segment, where, according to Partners Group's relative value assessment, investments offer cheaper valuations and more options to create value during the period of ownership than large-cap deals.

The direct investment allocation within the portfolio has increased from 22% to 42% since the end of 2011, and it is envisaged that direct investments will rise to more than half of the portfolio by the end of 2013.

Ongoing strong distributions

During the first half of 2013, distributions from successful realizations (EUR 28.3 million) exceeded capital calls from existing third-party fund commitments (EUR 10.8 million). Nevertheless, the Company's net liquidity position decreased over the reporting period by 19.7% to EUR 55.9 million, as the dividend and healthy investment activity exceeded distributions from exited portfolio companies.

Furthermore, an undrawn EUR 80 million multi-currency credit facility is available to address short-term funding needs if and when required. Additionally, at the end of June, Princess had deferred receivables of EUR 105.9 million. As a result, the Company holds sufficient liquidity on its balance sheet to permit new direct investments and the ongoing return of capital to shareholders through semi-annual dividend payments and opportunistic share buybacks.

Price-to-NAV discount widened

Princess' discount closed the period at -20.6%, compared with -18.7% at the end of 2012. Following the strong share price performance during 2012 (+26.0%), Princess' share price remained broadly flat during the first half of 2013 (+0.2%), adjusted for the first interim dividend, lagging the positive NAV development (+1.8%) and leading to a slight widening of the discount.

Given the maturity of Princess' portfolio and the positive outlook for realizations, the Investment Manager believes that the current discount continues to offer considerable value, and anticipates a re-rating of the shares. The latter should reflect the phased repositioning of the Company towards becoming a pure direct investment vehicle and the payment of semi-annual dividends.

Continued decrease in unfunded commitments to third-party funds

Unfunded commitments to third-party funds in the Princess portfolio further decreased by 14.7% in the first half of 2013 to EUR 62.7 million, from EUR 73.5 million as at the end of 2012.

Around EUR 23.8 million of the portfolio's total unfunded commitments (EUR 202.7 million) originate from funds with vintage years 2001 or older, and as such are unlikely to be called. Looking forward, unfunded commitments to third-party funds are expected to virtually disappear over the next two to three years as the underlying funds approach the end of their respective investment periods.

As part of its direct investment strategy, Princess also has unfunded commitments of EUR 140.1 million to two direct pooling vehicles, Partners Group Direct Investments 2012 and Partners Group Direct Mezzanine 2011. These unfunded commitments are also expected to decrease at a steady pace over the next few years as capital is deployed in new investments.

Outlook

The transition to a direct investment portfolio is going to continue for the remainder of 2013. This development is supported by continued strong deal flow in the small- and mid-cap market segment. The Investment Manager continues to screen a number of attractive investment opportunities and two further direct transactions are expected to be announced imminently.

In addition, the Investment Manager expects Princess to deliver positive NAV growth in 2013, with healthy operating results from underlying portfolio companies and successful realizations from the mature fund investments having a positive impact on performance.

Distributions are anticipated to continue to receive support from the mature part of the diversified Princess portfolio which is in harvesting stage and continues to generate strong cash flow. These distributions should help to enhance Princess' already strong liquidity position, while also facilitating new direct investments and supporting the high dividend yield objective of 5-8% of NAV. The latter should help to further address discount to NAV as well as enhancing the attractiveness of the stock to new and existing shareholders alike.

3 PRIVATE EQUITY MARKET ENVIRONMENT

Rocky path to monetary normalization

The second quarter of 2013 gave a foretaste of market volatility on the path to monetary normalization. The US Federal Reserve (Fed) emphasized that a tapering of monthly asset purchases could start in the later part of this year and end in mid-2014, which resulted in a significant sell-off on financial markets. Emerging countries were hit particularly hard as investors withdrew part of the money that had been invested into debt and equities since 2009. The sharp correction reflects the difficulties the Fed will face in engineering a smooth exit.

Meanwhile, the global economy continued its three-speed progress in the second quarter of 2013. The US unemployment rate fell to 7.6% and non-farm payrolls have increased to pre-crisis levels. The housing sector is also showing signs of life, as prices are inching higher. Coupled with an increase of net wealth of approximately USD 15 trillion over the past three years and an expected decline in the pace of fiscal spending cuts, consumer confidence has rebounded strongly. Private consumption is now the main driver of GDP growth.

Going forward, however, the thrust from Fed tapering rhetoric may weigh on real economic performance. Higher yields have translated into higher corporate funding costs in public debt markets. Mortgage rates have moved in sync with government bond yields, possibly applying renewed downward pressure on the housing market; while exports should be impacted by a stronger US dollar. In line with Fed comments, monetary policy should remain accommodative and responsive to economic developments as the central bank is not expected to put the still-fragile recovery at risk. In the medium term, fiscal finances present a gloomy picture, with persistent budget deficits and a stabilizing of government debt at roughly 100% of GDP.

At the same time, the Eurozone is experiencing the longest recession since the post-war period. The challenges imposed by structural imbalances have been mismanaged, as aggressive fiscal adjustment programs - while necessary to a certain extent - have dragged the region into a spiral of rising debt burdens and falling growth. In a number of core and peripheral countries, economic activity is now weaker compared to six months ago and unemployment is at a record high.

Fiscal deficit reduction targets have been eased somewhat more recently. Nonetheless, European fiscal policy makers seem to have indulged in a false sense of security that global expansionary monetary policy and the ECB's promise to save the euro would resolve structural issues over time. An important next step is the acceleration of structural reform and incentivizing investments to boost productivity, competitiveness and trend growth. Until policy makers address fundamental flaws, the Eurozone is likely to endure a period of weak economic performance.

Meanwhile, emerging markets continue to see slowing economic growth. Apart from lower export growth to Europe and the US, emerging markets are dealing with their own challenges. China's rise to economic power was predominantly driven by credit expansion over the past years, which has reached its limits. Historically, the government's growth target (7.5% for 2013) was seen as a lower bound for actual growth. Now, it seems a realistic projection. Elsewhere in emerging markets, GDP growth is stagnating in India as external vulnerabilities are intensifying and a political drift is becoming evident. In Turkey and Brazil, anti-government protests, twin deficits and an increased reliance on capital inflows combined with rising real rates in the US have the potential to drag on growth. The secular emerging markets growth story and the rise of the middle-class consumer remain appealing trends, yet growth is likely to stabilize at lower levels.

In the first half of the second quarter, financial markets benefited from liquidity and the search for yield, before being impacted by the Fed's tapering comments in May/June and continued disappointing emerging market macro data. A number of equity indices fell back by 5-10% in mid-June, while 10-year government bond yields in various countries increased by more than 100 basis points. By the end of the quarter, the MSCI World index of advanced economies had recovered from its lows to gain 1.7% over the quarter, while the MSCI Emerging Markets index posted a 4.4% loss.

Mixed signals in M&A markets

Global M&A activity in the second quarter of 2013 totaled USD 469.5 billion, gaining 10.1% compared to the first quarter, but still 17.0% below the prior-year level, according to data on announced transactions compiled by mergermarket. Even though June showed an increase in activity, global M&A volume in the first half of the year had the lowest tally since the first six months of 2010.

There were five mega-deals worth a combined USD 61.6 billion announced in the second quarter, one more than in the previous quarter but 31% lower in terms of value. Nonetheless, the global average deal size expanded by 14.3% to USD 337.3 million. Those two facts combined signify an increase in average deal size on smaller and medium-sized transactions.

After a strong first quarter 2013, deal activity in the US dropped slightly by 5.8% to USD 164.4 billion, but the region continued to demonstrate appetite for large-scale deals, with three transactions topping the USD 10 billion mark (USD 37.7 billion in total). These include Thermo Fisher Scientific's USD 15.0 billion offer for Life Technologies Corp. and the USD 10.4 billion bid by MidAmerican Energy for NV Energy.

Meanwhile, European M&A activity, valued at USD 148.0 billion, picked up by 20.7% from the previous quarter, but was still more than 20% below the same period last year. Overall, deal value in Europe for the first half of the year slowed 24% year on year to USD 270.5 billion. This decrease, in addition to a decline in deal count by 13.6%, places the first six months of 2013 as the slowest first half in three years. Vodafone's USD 13.7 billion bid for Kabel Deutschland and Eurasian Resources Group's USD 10.1 billion offer to purchase the remaining 46.2% outstanding shares of its subsidiary Eurasian Natural Resources were the largest transactions announced in the quarter.

Deal activity in the Asia-Pacific region picked up pace compared to the first three months, gaining 25.6% to USD 87.6 billion, the strongest second quarter since 2008. The biggest transaction so far this year in the Asia-Pacific region was China Resources' proposed USD 7.0 billion merger of its Hong Kong-listed utilities and gas subsidiaries.

Buyout numbers weaken after a good start to 2013

Coming off a strong first quarter, due in large part to the proposed H.J. Heinz and Dell buyouts (aggregate value USD 49.2 billion), global private equity buyout activity dropped 28.4% to USD 61.6 billion in the second quarter of 2013, according to Preqin.

Buyout volume in North America dropped by 59.2% over the quarter to USD 29 billion, missing the influence of the mega-buyouts announced earlier this year. The top buyout deals announced were the Bain Capital consortium's public-to-private offer for US business service management software specialist BMC Software (USD 6.9 billion), as well as the USD 1.4 billion merger of CSC ServiceWorks into AIR-Serv, a transaction sponsored by Pamplona Capital Management.

Similarly, buyout activity in the Asia-Pacific region slowed by 50.0% to USD 2.0 billion, making it the weakest three-month period since the third quarter of 2008. In contrast, Europe made up for its weak start in 2013 with USD 27 billion of deals announced, more than double the previous quarter's amount. Highlights were BC Partners' buyout of German publishing house Springer Science+Business Media (EUR 3.3 billion) and CVC Capital Partners' reacquisition of Ista, a German metering firm.

Strong rebound in exit markets

After a weak start in the first three months of 2013, private equity exit volume increased by 84% to USD 92 billion, making it the second-most successful quarter for more than two years. Private equity-backed exits via IPO and follow-on share offerings were numerous, with 73 exits via the public market. Since 2006, only the fourth quarter of 2010 exhibited a higher count.

The largest private equity exits during the quarter were the Warburg Pincus-led consortium's USD 8.7 billion trade sale of eye-care specialist Bausch & Lomb to Valeant Pharmaceuticals and the Bain Capital-led USD 8.5 billion sale of healthcare company Warner Chilcott to a strategic buyer, Actavis Group.

Strong IPO activity in North America

Global IPO activity recorded USD 44.4 billion of capital raised in the second quarter of 2013, broadly flat when compared to the same period in 2012, but a steep increase of 83% compared to the beginning of the year, according to Ernst & Young. IPOs in North America raised USD 13.5 billion, an increase of 88% compared to the previous three months, reflecting rising equity markets for much of the quarter and an increase in the number of large listings. The highest contribution came from ING US, as the financial services company raised USD 1.5 billion from its listing on the New York Stock Exchange. ING US, the US division of the Dutch financial services group, will be renamed as Voya Financial.

Venture-backed IPOs gained momentum as well, with 21 offerings raising USD 2.2 billion, more than double the volume and value compared to the first quarter of this year, according to an exit poll report from Thomson Reuters and the National Venture Capital Association. The largest venture-backed IPO in the quarter was Tableau Software's USD 292 million New York Stock Exchange offering.

Meanwhile, IPO activity continued to be weak in the Europe, Middle East and Africa (EMEA) region with USD 6.3 billion in capital raised, as the lackluster economic outlook for the region causes market participants to be cautious. At the same time, listings in the Asia-Pacific region raised USD 17.7 billion, an increase of 14.2% compared to the previous year. The largest IPO in Asia was Japanese Suntory Beverage & Foods' listing on the Tokyo Stock Exchange with USD 3.8 billion raised.

Fundraising markets still bifurcated

Private markets fundraising activity was strong in the second quarter of 2013, with a total of USD 122 billion raised from the 154 funds that held a final close. This represents a robust rise in volume, compared to both the same period last year (+35.6%) and the previous quarter (+54.4%), but at the same time the quarter saw the lowest fund count in the last ten years. A further 155 private equity funds held an interim close, securing an additional USD 24 billion towards their final targets.

Again, fundraising activity was difficult for first-time funds, of which 26 reached a final close, raising a modest USD 5 billion in total. This volume was 33.3% less than in the first quarter and constituted only 4% of overall fundraising, signaling institutional investors' continued preference for well-established funds.

As a result of strong fundraising activities, but a low count, the average size of private equity funds closed in the second quarter was USD 800 million, the highest figure in the last ten years, with the top ten funds securing 55% of total capital raised. The largest fund that closed during the quarter was Warburg Pincus Private Equity XI at USD 11.2 billion. The fund invests across all development stages (50% target allocation for growth opportunities) and has a global investment approach.

Outlook

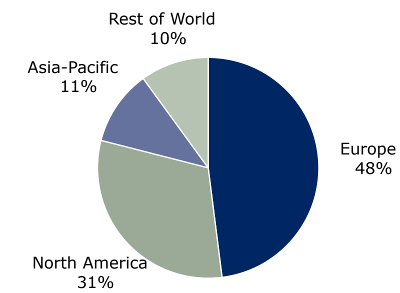
The global macroeconomic outlook is mixed. The US economy is growing, albeit modestly, with many important economic indicators like housing prices, consumer confidence and domestic demand exhibiting positive momentum. The Fed's potential tapering of asset purchases, however, brings an element of uncertainty into the outlook for financial markets and higher volatility is to be expected. The Eurozone, aside from Germany, is in recession and is still being dragged down by a number of unresolved problems: the economic divide between several members; chronic unemployment in some countries, and slow responses to pressing structural problems. These issues are not expected to be resolved in the near future. Meanwhile, emerging markets promise continued economic growth, however at a slower pace than has been seen in recent years.

There are mixed signals regarding M&A and buyout activity, with climbing volatility giving rise to swift changes in market conditions. On the back of liquid financing conditions, a number of mega-deals have been announced in recent quarters, which instills confidence. However, rising yields in the US will likely make transactions more expensive going forward. Exit conditions are currently favorable, with a positive IPO environment, especially in the US, and the availability of leverage facilitating trade sales and secondary buyouts as good exit alternatives.

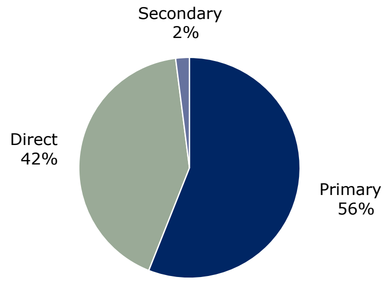
Sources: mergermarket; Preqin; Ernst & Young; Thomson Reuters; National Venture Capital Association; Partners Group Research

4 PORTFOLIO COMPOSITION

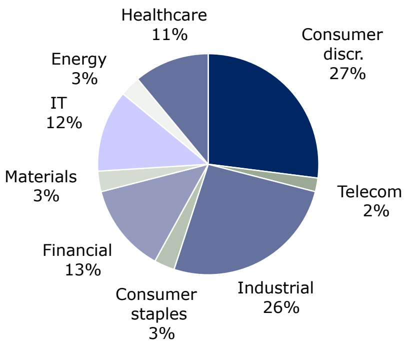
INVESTMENTS BY REGIONAL FOCUS



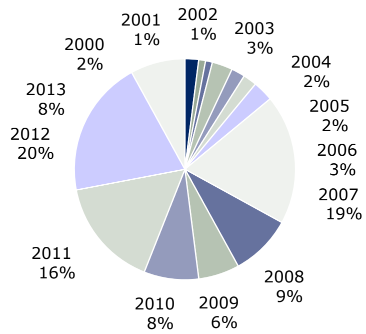
INVESTMENTS BY TRANSACTION TYPE



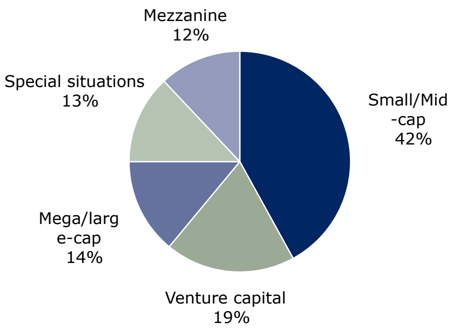
PORTFOLIO ASSETS BY INDUSTRY SECTOR



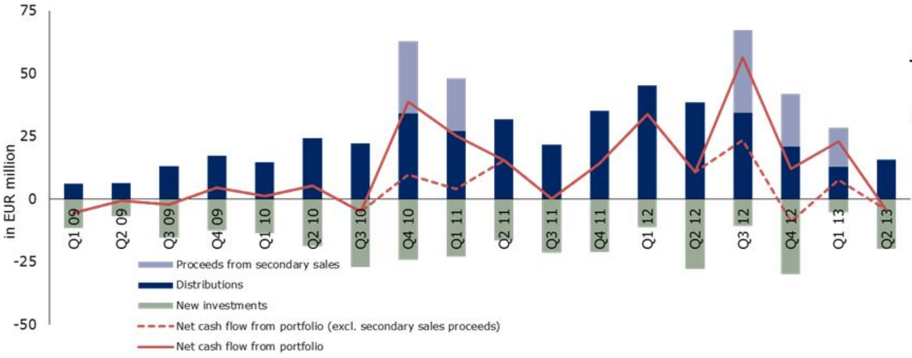
PORTFOLIO ASSETS BY INVESTMENT YEAR



INVESTMENTS BY FINANCING CATEGORY

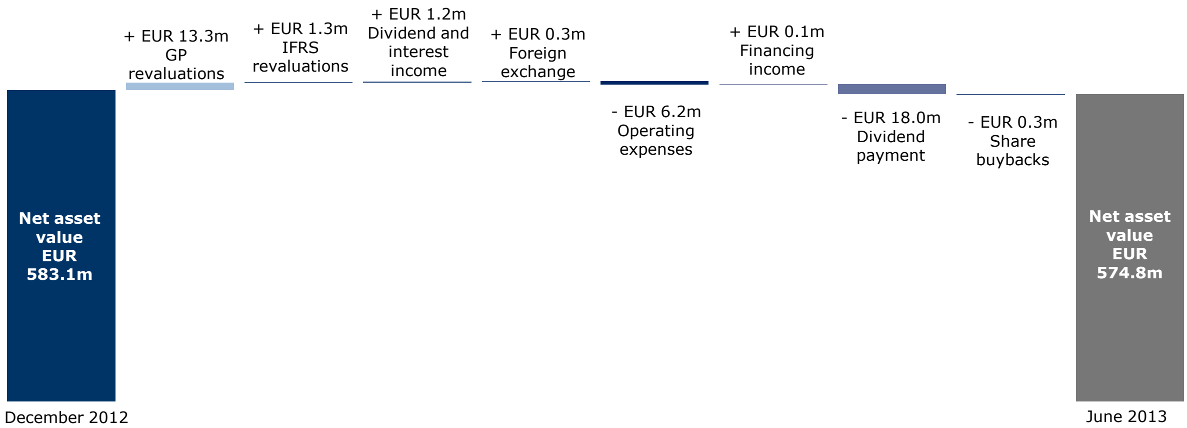


DEVELOPMENT OF NET CASH FLOWS



Q2 2013	H1 2013
0.0m from secondary sale	+15.5m from secondary sale
+15.5m in distributions	+28.3m in distributions
-19.7m in new investments	-25.0m in new investments

NAV DEVELOPMENT FOR H1 2013



VALUATION METRICS OF 50 LARGEST UNDERLYING PORTFOLIO COMPANIES*

	Top 10	Top 20	Top 50
LTM EBITDA growth	15.5%	15.9%	13.3%
LTM revenue growth	17.3%	13.1%	11.0%
Average revenue	EUR 0.5bn	EUR 1.1bn	EUR 1.0bn
% of NAV	14.3%	22.0%	32.0%

"Investments" refers to the value of investments.

*As of 30 June 2013 and based on available information. Valuation and performance metrics are weighted averages based on the value of the portfolio companies in the latest valuation report; the 50 largest portfolio companies exclude fully realized investments and distressed debt investments; Debt /EBITDA ratio based on net debt.

The above allocations are provided for additional investor information only and do not necessarily constitute nor are necessarily managed as separate reportable segments by the Investment Manager, the Investment Advisor and Company.

5 PORTFOLIO TRANSACTIONS

In the first six months of 2013, Princess received distribution proceeds from exited investments (EUR 28.3 million) and secondary sales (EUR 15.5 million). In terms of new investments over the review period, Princess deployed EUR 25.0 million in capital, whereas EUR 14.2 million has been used for direct investments and EUR 10.8 for calls from third party funds.

Selected investments

- Softonic International

In line with Partners Group's relative value assessment to focus on direct private equity investments in mid-sized companies with strong or leading market positions, Princess made a direct investment in Softonic in the course of February. This investment was executed through the Partners Group Direct Investments 2012 program. Softonic operates a global multiplatform software guide that allows users to explore, download and manage software applications on multiple devices. Softonic, a world market leader in its segment, is expected to see strong growth driven by increasing demand for software applications. Besides launching the site in new languages over the coming years, the company will focus on increasing its presence in existing markets and on creating new products and services to help users discover and enjoy software for any platform or device.

- CSS Corp

In the second quarter of 2013, Princess invested in CSS Corp, a global technology support services leader which provides a range of technology support services, including mobility solutions, cloud enablement, technical support and remote infrastructure management to blue-chip clients including some of the largest global technology companies. The company serves a client base in the US and Europe and has a large delivery presence in India, the Philippines and Poland. Partners Group is backing CSS Corp's management team to lead the company in its next phase of growth, in which the emphasis will be on the acceleration of sales growth and the further expansion of the firm's service footprint by adding delivery centers in new geographies.

Selected exits

Advantage Healthcare Group

In January, Rutland Partners distributed proceeds stemming from the sale of Advantage Healthcare to Interserve. The company is a leading UK-based healthcare services provider and was sold for GBP 26.5 million. Advantage Healthcare operates a national network of 27 branches, providing a broad range of home healthcare services. In March 2005, Rutland Partners acquired a group of businesses from healthcare specialists BUPA and consolidated them under the Advantage Healthcare brand. The company is forecast to achieve 2012 full-year revenues and EBITDA of GBP 41 million and GBP 3 million, respectively. The exit returned a multiple of 2.6x cost.

TDC A/S

In February, The Blackstone Group participated in a secondary share offering by Danish telecom operator TDC. Together with other private equity firms, Blackstone acquired TDC in 2005 for USD 15.3 billion, in what was then Europe's largest leveraged buyout. The consortium has been reducing its stake in TDC since 2010, but remains a major shareholder. Following strong demand, Blackstone and its co-investors increased the size of the February offering from 80 million shares to 120 million shares for a total value of approximately USD 850 million. Subsequent to the offering, the private equity firms continue to hold around 17.7% of TDC's share capital and voting rights.

AssuraMed

In March, Princess received a distribution from the sale of AssuraMed by Clayton, Dubilier & Rice Fund VIII. AssuraMed, a direct-to-home provider of specialty medical products, was sold to drug distributor Cardinal Health for USD 2.1 billion. With annual sales of approximately USD 1 billion in 2012, AssuraMed serves more than 1 million patients with over 30'000 products in the US. Following the acquisition of AssuraMed in 2010, the investment partner developed strategies to drive high-priority profitability initiatives. The sale of AssuraMed generated a strong return for the fund.

Magellan

In April Polish Enterprise Fund IV completed a secondary share sale on the Warsaw Stock Exchange of a portion of its remaining stake in Magellan, a financial institution focusing on the collection and restructuring of debts in the Polish healthcare sector. Polish IV invested in Magellan in 2003 and listed the company on the Warsaw Stock Exchange in 2007. Over its holding period, the investment partner put together a top management team and sponsored continuous product innovation and improvements in service quality. Magellan quickly achieved market leadership in Poland and subsequently built a strong market position in the Czech Republic. Polish IV sold 2.2 million shares at PLN 52.00 each, a sizable increase on Magellan's IPO price of PLN 42.00, and near the stock's 52-week high of PLN 54.00. Following this transaction, the investment partner continues to own more than 30% of the company. The exit returned a multiple of more than 9x.

6 LARGEST PORTFOLIO HOLDINGS

for the period ended 30 June 2013 (in EUR)

					Since inception	
Investment	**Type of investment**	**Financing stage**	**Regional focus**	**Vintage year**	**Committed**	**Invested**
Action	Direct	Buyout	Europe	2011	3'405'530	3'412'275
AHT Cooling Systems GmbH	Direct	Special situations	Europe	2007	5'134'277	n.a.
AWAS Aviation Holding	Direct	Buyout	Europe	2006	5'970'444	5'970'444
BarBri	Direct	Buyout	North America	2011	2'654'598	2'654'598
Bausch & Lomb, Inc	Direct	Buyout	North America	2007	1'086'188	n.a.
CSS Corp Technologies (Mauritius) Limited	Direct	Buyout	Asia-Pacific	2013	12'169'559	n.a.
Direct marketing and sales company	Direct	Buyout	Rest of World	2007	769'525	691'429
Education publisher 2	Direct	Buyout	North America	2013	3'642'722	3'642'722
Fermo (Trimco International)	Direct	Buyout	Asia-Pacific	2012	n.a.	n.a.
Food company 1	Direct	Buyout	North America	2007	2'369'456	2'369'456
Global Blue	Direct	Buyout	Europe	2012	18'758'619	18'770'311
Grupo SBF	Direct	Venture capital	Rest of World	2012	10'289'702	10'289'702
Information service company	Direct	Buyout	North America	2007	4'545'447	4'546'736
Newcastle Coal Infrastructure Group (2nd Stage)	Direct	Special situations	Asia-Pacific	2010	n.a.	n.a.
Plantasjen ASA	Direct	Special situations	Europe	2007	3'363'816	3'363'816
Project Sun	Direct	Buyout	Europe	2011	3'361'701	3'361'701
Securitas Direct - Debt 2011	Direct	Special situations	Europe	2011	5'981'661	6'141'661
Softonic	Direct	Venture capital	Europe	2013	13'291'961	13'291'961
Strategic Partners, Inc.	Direct	Buyout	North America	2012	4'638'407	4'638'407
Universal Hospital Services, Inc.	Direct	Buyout	North America	2007	3'642'548	3'642'548
3i Eurofund Vb	Primary	Buyout	Europe	2006	10'000'000	9'548'766
Advent International GPE VI, L.P.	Primary	Buyout	Europe	2008	2'180'674	2'079'734
Advent Latin American Private Equity Fund IV, L.P.	Primary	Buyout	Rest of World	2007	3'807'709	3'602'478
Aksia Capital III, L.P.	Secondary	Buyout	Europe	2005	5'500'000	5'326'279
Alinda Infrastructure Parallel Fund II, L.P.	Primary	Special situations	North America	2008	2'174'573	1'533'548
American Securities Partners III, L.P.	Primary	Buyout	North America	2001	4'324'224	4'157'386
Anonymized Emerging Markets Venture Fund 2	Primary	Venture capital	Rest of World	2008	4'491'212	3'257'260
Anonymized European Buyout Fund 3	Primary	Buyout	Europe	2008	1'635'505	1'399'898
Anonymized European Buyout Fund 7	Primary	Buyout	Europe	2007	10'000'000	7'364'481
Ares Corporate Opportunities Fund II, L.P.	Primary	Special situations	North America	2006	14'168'097	15'309'214
Ares Corporate Opportunities Fund III, L.P.	Primary	Special situations	North America	2008	7'776'649	8'173'467
August Equity Partners II A, L.P.	Primary	Buyout	Europe	2007	8'490'947	n.a.
Candover 2005 Fund, L.P.	Primary	Buyout	Europe	2005	10'000'000	10'216'818
Carmel Software Fund (Cayman), L.P.	Primary	Venture capital	Rest of World	2000	9'254'930	9'503'599
Clayton, Dubilier & Rice Fund VIII, L.P.	Primary	Buyout	North America	2008	1'564'150	2'614'741

HALF-YEAR REPORT 2013

					Since inception	
Investment	Type of investment	Financing stage	Regional focus	Vintage year	Committed	Invested
Columbia Capital Equity Partners III (Cayman), LP	Primary	Venture capital	North America	2000	9'493'419	10'152'775
Draper Fisher Jurvetson Fund VII, L.P.	Primary	Venture capital	North America	2000	4'422'273	4'422'273
EQT Infrastructure (No.1) Limited Partnership	Primary	Special situations	Europe	2008	1'428'571	1'344'847
Exxel Capital Partners VI, L.P.	Primary	Buyout	Rest of World	2000	4'584'641	5'152'964
Fenway Partners Capital Fund II, L.P.	Primary	Buyout	North America	1998	28'976'054	31'631'626
GMT Communications Partners II, L.P.	Primary	Venture capital	Europe	2000	14'000'000	15'313'252
GMT Communications Partners III, L.P.	Primary	Buyout	Europe	2006	10'000'000	9'428'851
ICG European Fund 2006, L.P.	Primary	Special situations	Europe	2006	15'000'000	15'185'061
Index Ventures Growth I (Jersey), L.P.	Primary	Venture capital	Europe	2008	1'991'952	1'979'611
INVESCO U.S. Buyout Partnership Fund II, L.P.	Primary	Buyout	North America	2000	28'512'916	26'608'454
INVESCO Venture Partnership Fund II, L.P.	Primary	Venture capital	North America	1999	58'809'471	54'930'788
INVESCO Venture Partnership Fund II-A, L.P.	Primary	Venture capital	North America	2000	33'522'601	32'115'665
Levine Leichtman Capital Partners II, L.P.	Primary	Special situations	North America	1998	30'526'140	35'633'016
Lightspeed Venture Partners VI, L.P.	Primary	Venture capital	North America	2000	7'228'649	6'720'384
MatlinPatterson Global Opportunities Partners III	Primary	Special situations	North America	2007	7'175'768	7'874'957
Menlo Ventures IX, L.P.	Primary	Venture capital	North America	2000	8'655'044	8'655'044
Navis Asia Fund V, L.P.	Primary	Buyout	Asia-Pacific	2007	1'158'591	1'454'104
OCM Mezzanine Fund II, L.P.	Primary	Special situations	North America	2005	11'343'851	12'706'849
Palamon European Equity 'C', L.P.	Primary	Buyout	Europe	1999	10'000'000	12'256'155
Partners Group Global Real Estate 2008 LP	Primary	Real estate	Europe	2008	20'000'000	15'854'370
Partners Group SPP1 Limited	Secondary	Special situations	North America	1996	42'056'408	40'112'114
Patria - Brazilian Private Equity Fund III, L.P	Primary	Buyout	Rest of World	2007	n.a.	n.a.
Penta CLO I S.A..	Primary	Special situations	Europe	2007	2'850'000	2'850'000
Perusa Partners 1, L.P.	Primary	Special situations	Europe	2008	1'758'008	1'621'703
Pitango Venture Capital Fund III	Primary	Venture capital	Rest of World	2000	11'559'197	11'559'197
Quadriga Capital Private Equity Fund III, L.P.	Primary	Buyout	Europe	2006	10'000'000	9'858'895
Russia Partners III, L.P.	Primary	Buyout	Rest of World	2007	1'535'702	1'624'258
Southern Cross Latin America PE Fund III	Primary	Buyout	Rest of World	2007	1'511'546	1'473'193
Sterling Investment Partners II, L.P.	Primary	Buyout	North America	2005	7'494'930	7'349'810
Summit Ventures VI, L.P.	Primary	Venture capital	North America	2000	4'215'279	4'265'404
SV Life Sciences Fund II, L.P.	Primary	Venture capital	Europe	1998	20'970'952	22'282'898
SV Life Sciences Fund IV, L.P.	Primary	Venture capital	North America	2006	3'664'133	3'543'753
Terra Firma Capital Partners III, L.P.	Primary	Buyout	Europe	2006	20'000'000	18'939'920
The Peninsula Fund IV, L.P.	Primary	Special situations	North America	2005	7'522'349	7'146'307

					Since inception	
Investment	Type of investment	Financing stage	Regional focus	Vintage year	Committed	Invested
Ventizz Capital Fund IV, L.P.	Primary	Venture capital	Europe	2007	1'991'952	2'103'849

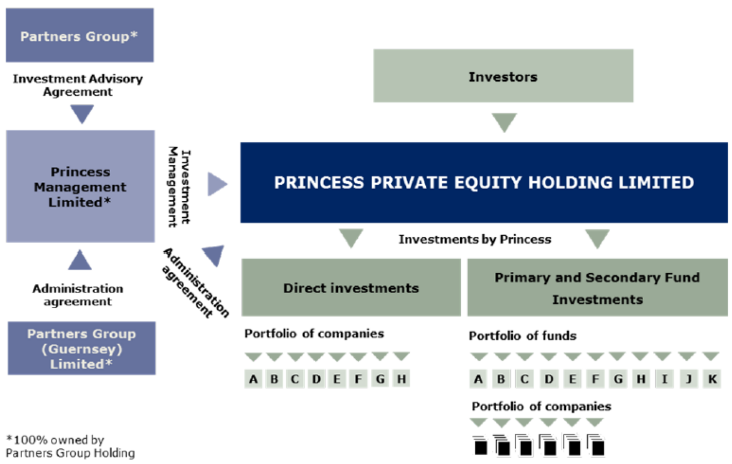
The overview shows the 20 largest direct investments and the 50 largest partnerships based on NAV. Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. Please note that contributions may exceed total commitments due to foreign currency movements.

7 STRUCTURAL OVERVIEW

Princess Private Equity Holding Limited is a Guernsey-registered private equity holding company founded in May 1999 that invests in private market investments. In 1999 Princess raised USD 700 million through the issue of a convertible bond and invested the capital by way of commitments to private equity partnerships. The convertible bond was converted into shares in December 2006. Concurrently, the investment guidelines were amended and the reporting currency changed from the US dollar to euro. The Princess shares were introduced for trading on the Frankfurt Stock Exchange (trading symbol: PEY1) on 13 December 2006 and on the London Stock Exchange (trading symbol: PEY) on 1 November 2007. Princess consolidated all trading activity to the London Stock Exchange on 6 December 2012 and ceased trading on the Frankfurt Stock Exchange.

Princess aims to provide shareholders with long-term capital growth and an attractive dividend yield. The Company's investments are managed on a discretionary basis by Princess Management Limited, a wholly-owned subsidiary of Partners Group Holding AG, registered in Guernsey. The Investment Manager is responsible for, inter alia, selecting, acquiring and disposing of investments and carrying out financing and cash management services.

The Investment Manager is permitted to delegate some or all of its obligations and has entered into an advisory agreement with Partners Group AG (the "Investment Advisor"), which is a global private markets investment management firm with over EUR 30 billion in investment programs under management in private equity, private debt, private real estate and private infrastructure. Through the advisory agreement, Princess benefits from the global presence, the size and experience of the investment team and relationships with many of the world's leading private equity firms.



8 FACTS AND FIGURES

Company	Princess Private Equity Holding Limited
Currency denomination	Euro
Joint coporate brokers	JPMorgan Cazenove Numis Securities Ltd.
Dividends	Princess intends to pay a dividend of 5-8% p.a. on NAV
Incentive fee	No incentive fee on primary investments; 10% incentive fee per secondary investment; 15% incentive fee per direct investment; subject in each case to a 8% p.a. preferred return (with catch-up)
Incorporation	1999
Listing	London Stock Exchange
Management fee	1.5% p.a. plus additional 0.25% p.a. in respect of secondary investments and 0.5% p.a. in respect of direct investments up until 31 December 2012. Changed to 1.5% p.a. across the entire portfolio from 1 January 2013.
Securities	Fully paid-up ordinary registered shares
Structure	Guernsey Company, Authorized closed-ended fund in Guernsey
Trading information	WPK: A0M5MA ISIN: GG00B28C2R28 Trading symbol: PEY Bloomberg: PEY LN Reuters: PEY.L
Voting rights	Each ordinary registered share represents one voting right

9 UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January 2013 to 30 June 2013

In thousands of EUR	***Notes***	**01.01.2013 30.06.2013**	**01.01.2012 30.06.2012**
Net income from financial assets at fair value through profit or loss		**16'800**	**43'446**
Private equity		*15'480*	*39'623*
Interest & dividend income		-	54
Revaluation	5	13'698	31'045
Net foreign exchange gains / (losses)	5	1'782	8'524
Private debt		*253*	*2'726*
Interest income (including PIK)		1'173	1'279
Revaluation	5	(105)	525
Net foreign exchange gains / (losses)	5	(815)	922
Private real estate		*963*	*875*
Revaluation	5	961	871
Net foreign exchange gains / (losses)	5	2	4
Private infrastructure		*104*	*222*
Revaluation	5	104	222
Net income from cash & cash equivalents and other income		**(72)**	**6**
Interest income		4	10
Net foreign exchange gains / (losses)		(76)	(4)
Total net income		**16'728**	**43'452**
Operating expenses		**(4'953)**	**(8'052)**
Management fees		(4'421)	(5'790)
Incentive fees	10	(1'079)	(1'542)
Administration fees		(151)	(153)
Other operating expenses		(506)	(615)
Other net foreign exchange gains / (losses)		1'204	48
Other financial activities		**(1'745)**	**(3'726)**
Setup expenses - credit facilities		(20)	(12)
Interest expense - credit facilities		(425)	(419)
Other finance cost		486	(19)
Net gains / (losses) from hedging activities		(1'786)	(3'276)
Surplus / (loss) before tax for the financial period		**10'030**	**31'674**
Income tax		(11)	(11)

Surplus / (loss) for the financial period	**10'019**	**31'663**
Other comprehensive income for the period; net of tax	-	-
Total comprehensive income for the period	**10'019**	**31'663**
Weighted average number of shares outstanding	69'438'510.77	69'548'817.00
Basic surplus / (loss) per share for the financial period	0.14	0.46
Diluted surplus / (loss) per share for the financial period	0.14	0.46

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

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

In thousands of EUR	***Notes***		**30.06.2013**		**31.12.2012**
ASSETS					
Financial assets at fair value through profit or loss					
Private equity	5	327'902		330'260	
Private debt	5	62'105		63'462	
Private real estate	5	18'081		19'166	
Private infrastructure	5	4'999		4'895	
Deferred receivables on investments		59'077		95'797	
Non-current assets			**472'164**		**513'580**
Other short-term receivables		1'246		7'027	
Deferred receivables on investments		46'817		-	
Hedging assets		31		5'166	
Cash and cash equivalents	6	62'916		65'724	
Current assets			**111'010**		**77'917**
TOTAL ASSETS			**583'174**		**591'497**
Share capital	7	70		70	
Retained earnings		(6'367)		(16'386)	
Reserves	7	581'137		599'459	
Total Equity			**574'840**		**583'143**
Accruals and other short-term payables		8'334		8'354	
Liabilities falling due within one year			**8'334**		**8'354**
TOTAL LIABILITIES			**583'174**		**591'497**

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2013 to 30 June 2013

In thousands of EUR	**Share capital**	**Reserves**	**Retained earnings**	**Total**
Equity at beginning of reporting period	70	599'459	(16'386)	583'143
Dividend paid during the period	-	(18'044)	-	(18'044)
Other comprehensive income for the period; net of tax	-	-	-	-
Share buyback and cancellation	-	(278)	-	(278)
Surplus / (loss) for the financial period	-	-	10'019	10'019
Equity at end of reporting period	**70**	**581'137**	**(6'367)**	**574'840**

for the period from 1 January 2012 to 30 June 2012

In thousands of EUR	**Share capital**	**Reserves**	**Retained earnings**	**Total**
Equity at beginning of reporting period	70	634'293	(21'536)	612'827
Dividend paid during the period	-	(16'691)	-	(16'691)
Other comprehensive income for the period; net of tax	-	-	-	-
Share buyback and cancellation	-	(531)	-	(531)
Surplus / (loss) for the financial period	-	-	31'663	31'663
Equity at end of reporting period	**70**	**617'072**	**10'127**	**627'268**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January 2013 to 30 June 2013

In thousands of EUR	***Notes***	**01.01.2013 30.06.2013**	**01.01.2012 30.06.2012**
Operating activities			
Surplus / (loss) for the financial period		10'019	31'663
Adjustments:			
Income taxes		11	11
Net foreign exchange (gains) / losses		(2'097)	(9'494)
Investment revaluation		(14'658)	(32'663)
Net (gain) / loss on interests		(752)	(891)
Net (gain) / loss on dividends		-	(33)
Revaluation on forward hedges		1'786	1'087
Revaluation on option hedges		-	2'189
(Increase) / decrease in receivables		(3'058)	(10'829)
Increase / (decrease) in payables		(74)	(2'269)
Income taxes paid		(11)	(11)
Realized revaluation on forward hedges		3'349	(4'823)
Purchase of private equity investments	5	(20'577)	(40'219)
Purchase of private debt investments	5	(1'480)	2'849
Purchase of private real estate investments	5	(284)	(1'263)
Purchase of private infrastructure investments	5	-	(758)
Distributions from and proceeds from sales of private equity investments	5	38'415	77'735
Distributions from and proceeds from sales of private debt investments	5	2'382	5'048
Distributions from and proceeds from sales of private real estate investments	5	2'332	-
Interest & dividends received		712	949
Net cash from / (used in) operating activities		**16'015**	**18'278**
Financing activities			
Interest expense - credit facilities		(425)	(419)
Dividends paid	7	(18'044)	(16'691)
Share buyback and cancellation	7	(278)	(531)
Net cash from / (used in) financing activities		**(18'747)**	**(17'641)**
Net increase / (decrease) in cash and cash equivalents		**(2'732)**	**637**
Cash and cash equivalents at beginning of reporting period	**6**	**65'724**	**19'339**
Effects of foreign currency exchange rate changes on cash and cash equivalents		(76)	(4)
Cash and cash equivalents at end of reporting period	**6**	**62'916**	**19'972**

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 January 2013 to 30 June 2013

1 ORGANIZATION 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 invests in a broadly diversified portfolio of private market investments through its wholly-owned subsidiary, Princess Private Equity Subholding Limited (the "Subsidiary"). As of 1 July 2013 the Subsidiary holds certain investments through its wholly-owned subsidiary Princess Direct Investments, L.P. Inc. (the "Sub-Subsidiary"). The Sub-Subsidiary, the Subsidiary and the Company form a group (the "Group").

The shares of the Company were listed on the Prime Standard of the Frankfurt Stock Exchange from 13 December 2006 until 5 December 2012 (date of delisting). The shares of the Company have been listed on the main market of the London Stock Exchange since 1 November 2007.

On 19 September 2012 the Company announced the sale of a portfolio of mainly large cap buyout fund positions in the secondary market. The aim of the transaction is to accelerate the phased transition of the portfolio towards global direct investments.

2 BASIS OF PREPARATION

The condensed interim consolidated financial information has been prepared in accordance with IAS 34 - Interim Financial Reporting. The condensed interim consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the period ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2012, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2013.

IFRS 7 (Amendment effective 1 January 2013) - Financial instruments: disclosures - Offsetting of financial assets and liabilities
IFRS 10 (effective 1 January 2013) - Consolidated financial statements, including the amendment on transition guidance
IFRS 11 (effective 1 January 2013) - Joint arrangements, including the amendment on transition guidance
IFRS 12 (effective 1 January 2013) - Disclosure of interests in other entities, including the amendment on transition guidance
IFRS 13 (effective 1 January 2013) - Fair value measurement

IAS 1 (Amendment effective 1 July 2012) - Presentation of financial statements
IAS 19 (Amendment effective 1 January 2013) - Employee benefits
IAS 27 (revised 2011) (effective 1 January 2013) - Separate financial statements
IAS 28 (revised 2011) (effective 1 January 2013) - Investments in associates and joint ventures

Annual improvements 2011 (effective 1 January 2013)

The Board of Directors has assessed the impact of these standards and amendments and concluded that these standards and new interpretations have not affected the Group's results of operations or financial position but have required additional disclosures with respect to the valuation of financial assets and liabilities.

The following standards, interpretations and amendments to published standards that are mandatory for future accounting periods, but where early adoption is permitted now have been duly adopted.

IFRS 10 (Amendment effective 1 January 2014) - Consolidated financial statements - amendments for investment entities
IFRS 12 (Amendment effective 1 January 2014) - Disclosure of interests in other entities - amendments for investment entities

IAS 27 (Amendment effective 1 January 2014) - Separate financial statements - amendments for investment entities

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

The following standards, interpretations and amendments to published standards that are mandatory for future accounting periods, but where early adoption is permitted now have not been duly adopted.

IFRS 9 (effective 1 January 2015) - Financial instruments

IAS 32 (effective 1 January 2014) - Financial instruments: Presentation

The Board of Directors is in the process of assessing the impact of these standards but amendments and believes that these new accounting standards and interpretations will not significantly affect the Group's results of operations or financial position.

3 SHAREHOLDERS ABOVE 5% OF ORDINARY SHARES ISSUED

In accordance with DTR 5.1.2R of the Financial Conduct Authority Handbook the following shareholders advised holdings above the 5% threshold until 30 June 2013:

Shareholder name	Threshold exceeded	Date of exceeding the threshold	Number of shares held at date of exceeding threshold	Number of shares in issue at date of exceeding threshold	% of ordinary shares in issue at date of exceeding threshold
Deutsche Asset Management Investment-gesellschaft mbH	5.00%	19 April 2007	609'590	7'010'000	8.70%
Vega Invest Fund plc	5.00%	11 October 2007	600'000	7'010'000	8.56%
CVP/CAP Coop Personalversicherung	5.00%	31 December 2008	3'551'206	7'100'000	5.07%
Societe Generale Option Europe	5.00%	20 October 2010	3'724'557	7'100'000	5.31%

4 SEGMENT CALCULATION

In thousands of EUR	**01.01.2013 30.06.2013**	**01.01.2012 30.06.2012**
Private equity		
Interest & dividend income	-	54
Revaluation	13'698	31'045
Net foreign exchange gains / (losses)	1'782	8'524
Total net income private equity	**15'480**	**39'623**
Segment result private equity	**15'480**	**39'623**
Private debt		
Interest income (including PIK)	1'173	1'279
Revaluation	(105)	525
Net foreign exchange gains / (losses)	(815)	922
Total net income private debt	**253**	**2'726**
Segment result private debt	**253**	**2'726**
Private real estate		
Revaluation	961	871
Net foreign exchange gains / (losses)	2	4
Total net income private real estate	**963**	**875**
Segment result private real estate	**963**	**875**
Private infrastructure		
Revaluation	104	222
Total net income private infrastructure	**104**	**222**
Segment result private infrastructure	**104**	**222**
Private resources		
Non attributable		
Interest & dividend income	4	10
Net foreign exchange gains / (losses)	(76)	(4)
Total net income non attributable	**(72)**	**6**
Segment result non attributable	**(5'025)**	**(8'046)**
Income tax	(11)	(11)
Other financial activities not allocated	(1'745)	(3'726)
Surplus / (loss) for the financial period	**10'019**	**31'663**

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

5.1 PRIVATE EQUITY

In thousands of EUR	**30.06.2013**	**31.12.2012**
Balance at beginning of period	330'260	523'201
Purchase of Direct and Indirect Investments	20'577	66'223
Distributions from and proceeds from sales of Direct and Indirect Investments	(38'415)	(277'134)
Reclassification of investments	-	2'903
Revaluation	13'698	16'586
Foreign exchange gains / (losses)	1'782	(1'519)
Balance at end of period	**327'902**	**330'260**

No investment was reclassified from private debt to private equity during the period (2012: EUR 2'903'231).

5.2 PRIVATE DEBT

In thousands of EUR	**30.06.2013**	**31.12.2012**
Balance at beginning of period	63'462	65'728
Purchase of Direct and Indirect Investments	1'480	10'641
Distributions from and proceeds from sales of Direct and Indirect Investments	(2'382)	(13'062)
Reclassification of investments	-	(2'903)
Accrued cash and PIK interest	624	1'282
Interest received	(159)	(240)
Revaluation	(105)	1'707
Foreign exchange gains / (losses)	(815)	309
Balance at end of period	**62'105**	**63'462**

No investment was reclassified from private debt to private equity during the period (2012: EUR 2'903'231).

5.3 PRIVATE REAL ESTATE

In thousands of EUR	**30.06.2013**	**31.12.2012**
Balance at beginning of period	19'166	15'714
Purchase of Direct and Indirect Investments	284	2'326
Distributions from and proceeds from sales of Direct and Indirect Investments	(2'332)	-
Revaluation	961	1'129
Foreign exchange gains / (losses)	2	(3)
Balance at end of period	**18'081**	**19'166**

5.4 PRIVATE INFRASTRUCTURE

In thousands of EUR	**30.06.2013**	**31.12.2012**
Balance at beginning of period	4'895	3'782
Purchase of Direct and Indirect Investments	-	959
Distributions from and proceeds from sales of Direct and Indirect Investments	-	(218)
Revaluation	104	372
Balance at end of period	**4'999**	**4'895**

6 CASH AND CASH EQUIVALENTS

In thousands of EUR	**30.06.2013**	**31.12.2012**
Cash at banks	2'916	38'724
Cash equivalents	60'000	27'000
Total cash and cash equivalents	**62'916**	**65'724**

7 SHARE CAPITAL AND RESERVES

7.1 CAPITAL

In thousands of EUR	**30.06.2013**	**31.12.2012**
Authorized		
200'100'000 Ordinary shares of EUR 0.001 each	200	200
Total authorized shares	**200**	**200**
Issued and fully paid		
69'450'385 Ordinary shares of EUR 0.001 each out of the bond coversion	-	70
69'409'440 Ordinary shares of EUR 0.001 each out of the bond coversion	70	-
Total issued and fully paid shares	**70**	**70**

During the reporting period, the Company purchased and cancelled 40'945 of its own shares at an average price of EUR 6.79. Following these purchases and cancellation, the Company's issued share capital consists of 69'409'440 shares.

7.2 RESERVES

In thousands of EUR	**30.06.2013**	**31.12.2012**
Distributable reserves		
Distributable reserves at beginning of reporting period	599'459	634'293
Dividend payment	(18'044)	(34'057)
Share buyback and cancellation	(278)	(777)
Total distributable reserves at end of reporting period	**581'137**	**599'459**

8 PROJECT ALEXANDER

In September 2012, the Company entered into a sale and purchase agreement, relating to Project Alexander, with a single third party buyer (the "Buyer") to sell 17 limited partnership interests ("Investments") held by the Company.

The transaction is being settled in four installments. Between 30 September 2012 and the end of January 2013, USD 47'865'965 and EUR 13'404'047 were received from the Buyer, which reflected 1/3 of the purchase price, adjusted for subsequent calls paid and distributions received by the Company since the transaction cut-off date of 31 December 2011, in relation to 17 Investments.

The remaining 2/3 proceeds of USD 111’762’127 and EUR 21’697’649, in relation to these 17 Investments have been evenly split between two deferred payments which are due to be received after 18 and 36 months later. This will accordingly be settled as per the predefined timelines. For the first investments being transferred March 2014 and September 2015 are applicable. For the following three events of investment being transferred, the same payment frequency applies.

These amounts have been discounted to their net present value and their carrying amount as at 30 June 2013 is EUR 105'895'282.

These amounts were initially recognized in the audited consolidated statement of financial position as financial assets at fair value and were then measured at amortized cost using the effective interest method and have been recognized as receivables in the audited consolidated statement of financial position.

The Investments were derecognized from the Company's portfolio when substantially all risks and rewards associated with them have been transferred to the Buyers, being at the date that the general partner of the Investments formally recognizes the Buyer as the owner of the respective Investments.

By 31 January 2013 the Company derecognized all of the 17 investments included in the transaction.

9 CREDIT FACILITIES

On 27 July 2011, the Company entered into a 3-year multi-currency revolving credit facility with Lloyds TSB Bank plc for EUR 80m.

In relation to the interest charged, on drawn amounts, this is calculated at a margin of 3.25% per annum above the applicable LIBOR rate or, in relation to any loan in EUR, EURIBOR. In addition there is a commitment fee of 1.05% per annum calculated on the daily undrawn amounts plus a once off arrangement fee of EUR 800’000 and a monitoring fee in the amount of EUR 25’000 per annum.

In the event that the facility will be provided by more than one lender then there will be an agency fee of EUR 40’000 per annum.

The facility, in relation to the Company, is secured, inter alia, by way of a pledge over the shares in Princess Private Equity Subholding Limited, a wholly owned subsidiary of the Company and a pledge over the bank accounts and the inter-company loans within the Group.

The Company must maintain a total net asset value of at least, EUR 350m, a cash reserve of at least EUR 3m and a total asset ratio (total debt plus current liabilities as a percentage of restricted net asset value) not greater than 25%.

	30.06.2013	**31.12.2012**
Balance at end of period	-	-

10 INCENTIVE FEE

In thousands of EUR	**30.06.2013**	**31.12.2012**
Balance at beginning of period	4'334	7'011
Change in incentive fees attributable to General Partner	1'079	2'271
Incentive fees paid/payable	(292)	(4'948)
Balance at end of period	**5'121**	**4'334**

11 COMMITMENTS

In thousands of EUR	**30.06.2013**	**31.12.2012**
Unfunded commitments translated at the rate prevailing at the end of the reporting period	202'711	228'204

12 EARNINGS PER SHARE AND NET ASSETS PER SHARE

Basic earnings per share are calculated by dividing the surplus or loss for the financial period attributable to the shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares, if any. There were no dilutive effects on the Group's shares during 2013 and 2012.

The net assets per share is calculated by dividing the net assets in the consolidated statement of financial position by the number of actual shares outstanding at the end of the reporting period.

In thousands of EUR	**30.06.2013**	**31.12.2012**
Net assets of the Group	574'840	583'143
Outstanding shares at the end of the reporting period	69'409'440.00	69'450'385.00
Net assets per share at period-end	**8.28**	**8.40**

13 FAIR VALUE MEASUREMENT

In thousands of EUR	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives used for hedging	-	31	-	31
Financial assets at fair value through profit or loss - equity securities	818	-	350'164	350'982
Financial assets at fair value through profit or loss - debt investments	-	-	62'105	62'105
Total assets	**818**	**31**	**412'269**	**413'118**
Liabilities				
Total liabilities	**-**	**-**	**-**	**-**

14 DIVIDENDS

The Board of Directors of Princess Private Equity Holding Limited declared a dividend of EUR 0.26 paid on 26 June 2013 on each Ordinary Share. The dividend paid on 26 June 2013 amounted to EUR 18.1 million (June 2012: EUR 16.7 million).

15 SIGNIFICANT UNOBSERVABLE VALUATION INPUTS

Level 3 investments may consist of direct and indirect equity and debt investments. Level 3 indirect investments are generally valued at the indirect investments' net asset values last reported by the indirect investments' general partners. When the reporting date of such net asset values does not coincide with the Group's reporting date, the net asset values are adjusted as a result of cash flows to/from an indirect investment between the most recently available net asset value reported, and the end of the reporting period of the Group, and further information gathered by the Investment Advisor during its ongoing investment monitoring process. This monitoring process includes and is not limited to binding bid offers, non-public information on developments of portfolio companies held by indirect investments, syndicated transactions which involve such companies and the application of reporting standards by indirect investments which do not apply the principle of fair valuation.

The main inputs into the Group's valuation models for direct equity and debt investments include: EBITDA multiples (based on budgeted EBITDA or historical EBITDA of the issuer and EBITDA multiples of comparable listed companies), discount rates, capitalization rates, price to book as well as price to earnings ratios and enterprise value to sales multiples. The Group also considers original transaction price, recent transactions in the same or similar instruments and completed third-party transactions in comparable instruments and adjusts the model as deemed necessary. Further inputs consist of external valuation appraisals and broker quotes.

In order to assess level 3 valuations in accordance with the Investment Management Agreement the Investment Advisor reviews the performance of the direct and indirect investments held on a regular basis. The valuations are reviewed on an ongoing basis by the Investment Advisor's investment committee who report to the Investment Manager. The investment committee considers the appropriateness of the valuation model inputs as well as the valuation result using various valuation methods and techniques generally recognized within the industry.

The Group utilizes comparable trading multiples in arriving at the valuation for the direct investments. Comparable companies multiple techniques assume that the valuation of unquoted direct investments can be assessed by comparing performance measure multiples of similar quoted assets for which observable market prices are readily available. The Investment Advisor determines comparable public companies based on industry, size, development stage, strategy, etc. Subsequently the most appropriate performance measure for determining the valuation of the relevant direct investment is selected (these include but are not limited to EBITDA, price/earnings ratio for earnings or price/book ratio for book values). Trading multiples for each comparable company identified are calculated by dividing the market capitalization of the comparable company by the defined performance measure. The relevant trading multiples might be subject to adjustment for general qualitative differences such as liquidity, growth rate or quality of customer base between the valued direct investment and the comparable company set. The indicated fair value of the direct investment is determined by applying the relevant adjusted trading multiple to the identified performance measure of the valued company.

When applying the discounted cash flow method, the Investment Advisor discounts the expected cash flow amounts to a present value at a rate of expected return that represents the time value of money and reflects the relative risks of the direct investment. Direct investments can be valued by using the 'cash flow to investor' method (a debt instrument valuation), or indirectly, by deriving the enterprise value using the 'free cash flow to company' method and subsequently subtracting the direct investment's net debt in order to determine the equity value of the relevant direct investment. The Investment Advisor determines the expected future cash flows based on agreed investment terms or expected growth rates. In addition and based on the current market environment an expected return of the respective direct investment is projected. The future cash flows are discounted to the present date in order to determine the current enterprise value.

The Group utilizes the sales comparison method in arriving at the valuation for direct real estate investments. The sales comparison method compares a direct real estate investment's characteristics with those of comparable properties which have recently been traded in the market. The Investment Advisor determines comparable assets based on size, location, development stage, property type, etc. Furthermore the most appropriate measure for determining the valuation of the relevant direct real estate investment is selected (e.g. price per room, price per square foot, price per square meter, etc.). The comparable price per unit might be subject to adjustment for general qualitative differences such as quality of property, access to public transportation, etc. The indicated fair value of the direct real estate investment is determined by applying the relevant price per unit to the respective direct real estate investment. The sales comparison method is most appropriate for direct real estate investments where the investment's size (e.g. number of rooms, square feet, square meters, etc.) is known and similar properties have recently traded in the market.

When applying the income method the Investment Advisor compares a direct real estate investment's net operating income to capitalization rates recently observed in the market to determine the present value. The Investment Advisor determines comparable assets based on size, development stage, property type, etc. The capitalization rates from recent sales of comparable properties might be subject to adjustment for general qualitative differences such as quality of property, tenant mix, access to public transportation, etc. The indicated fair value of the direct real estate investment is determined by applying the relevant capitalization rate to the direct real estate investment's net operating income. The income method is most appropriate for income generating direct real estate investments where the net operating income is known and similar properties have recently traded in the market.

The values of Level 3 direct equity investments valued by using an unobservable input factor are directly affected by a change in that factor. The change in valuation of level 3 direct equity investments may vary between different direct investments of the same category as a result of individual levels of debt financing within such an investment. Level 3 direct debt investments are generally valued using a waterfall approach including different seniority levels of debt. Thus the effect of a change in the unobservable input factor on the valuation of such investments is limited to the debt portion not covered by the enterprise value resulting from the valuation. No interrelationship between unobservable inputs used in the Group's valuation of its level 3 investments has been identified.

The table below presents the investments whose fair values are recognized in whole or part using valuation techniques based on assumptions that are not supported by prices or other inputs from observable current market transactions in the same instrument and the effect of changing one or more of those assumptions behind the valuation techniques adopted based on reasonable possible alternative assumptions.

16 SIGNIFICANT UNOBSERVABLE VALUATION INPUT TABLE

Type of security	**Fair value at 30.06.2013**	**Valuation technique**	**Unobservable input**	**Range (weighted average)**
Fair value in thousands of EUR				
Direct Investments				
Direct equity investments	42'394	Market comparable companies	Enterprise value to EBITDA multiple	5.80x - 11.59x (8.28x)
Direct debt investments	18'389	Market comparable companies	Enterprise value to EBITDA multiple	6.64x - 10.02x (8.97x)
	5'694	Replacement cost	Recent transaction price	n/a
Indirect investments	345'795	Adjusted reported net asset value	Refer to paragraph above this table	n/a

17 EVENTS AFTER THE REPORTING DATE

On 1 July 2013 the Subsidiary has transferred its interest in ten direct investments (the “Transferred Investments”) via a contribution-in-kind to the Sub-Subsidiary. The transfer was executed at an amount of EUR 40’579’565 representing historical cost of the Transferred Investments in the respective investment currencies. As both the Subsidiary and the Sub-Subsidiary form the Group the transfer has no effect on the Group’s income or financial position.

On 31 July 2013 the Subsidiary has transferred its interest in three direct investments (the “Transferred Investments”) via a contribution-in-kind to the Sub-Subsidiary. The transfer was executed at an amount of EUR 12’611’070 representing historical cost of the Transferred Investments in the respective investment currencies. As both the Subsidiary and the Sub-Subsidiary form the Group the transfer has no effect on the Group’s income or financial position.

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Listing	London Stock Exchange
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WPK	AOM5MA
Valor	3493187
Trading symbol	PEY
Bloomberg	PEY LN
Reuters	PEY.L
Joint corporate brokers	JPMorgan Cazenove / Numis Securities Limited

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