PRINCESS PRIVATE EQUITY HOLDING LIMITED

INTERIM REPORT 2013

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

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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1 KEY FIGURES

IN EUR	30 SEPTEMBER 2013	31 DECEMBER 2012
Net asset value (NAV)	576'709'443	583'142'838
NAV per share	8.32	8.40
Total dividend per share	0.26	0.49
Closing price (London)	6.60	6.83
Discount to NAV (London)	-20.64%	-18.69%
Cash and cash equivalents	75'586'847	65'724'027
Use of credit facility	0	0
Value of private equity investments	404'766'048	417'783'627
Undrawn commitments	194'309'081	228'204'095
Investment level	70.19%	71.64%
Net liquidity (incl. secondary receivables)	171'943'395	165'359'212
Overcommitment	3.88%	10.78%
Overcommitment incl. credit line	-9.99%	-2.94%

Past performance is not indicative of future results.

2 INVESTMENT MANAGER'S REPORT

Positive year-to-date NAV growth

Princess' net asset value (NAV) increased by 2.2% to EUR 8.32 per share over the first nine months of 2013, adjusted for the interim dividend of EUR 0.26 per share distributed to qualifying shareholders in June.

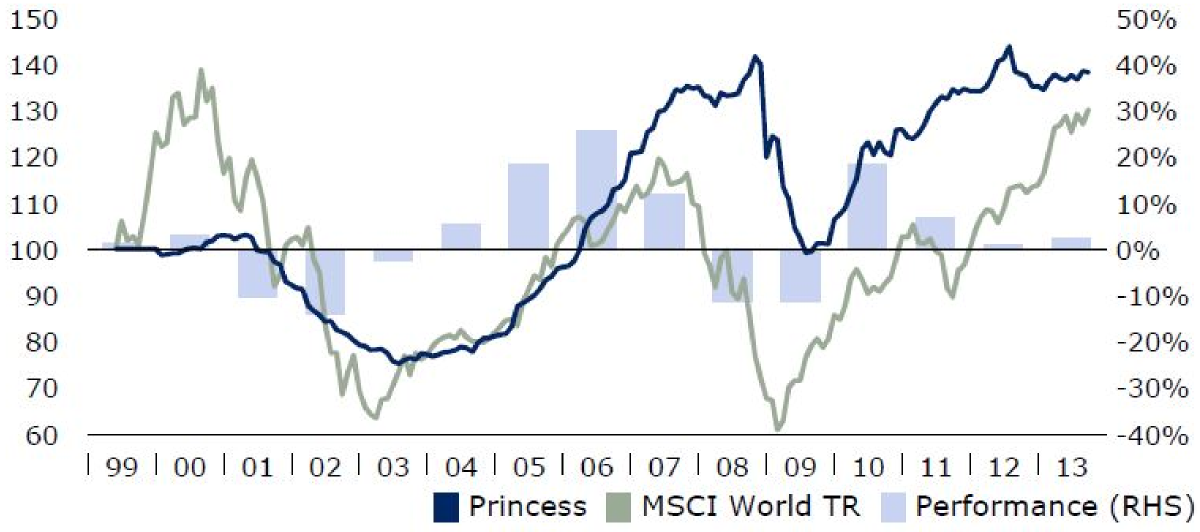
Positive valuation developments (+4.2%) were responsible for the bulk of NAV growth over the first nine months. However, this positive performance was limited by foreign exchange movements (-0.9%) which curtailed Princess' positive NAV development over the review period, as the US dollar depreciated relative to the euro. The full impact of this negative currency effect was however mitigated by Princess' currency hedging strategy.

Constructive value creation efforts by the Investment Manager and its partners were a key driver of performance and continued to foster strong revenue and earnings (EBITDA) growth as well as healthy capital structures at portfolio company level. For instance, the last twelve months saw the 50 largest portfolio companies, representing 33.7% of NAV, achieve weighted average revenue and EBITDA growth of 14.8% and 15.2%, respectively.

Over the review period, several investments were marked up after being wholly or partially exited above their previous carrying value within the portfolio and therefore contributed to NAV growth over the first three quarters of 2013.

One such contributor was the upward revaluation of Princess' largest portfolio holding AHT Cooling, a global market leader for commercial plug-in cooling and freezing equipment. AHT Cooling was subject to a write up as Partners Group agreed to sell to Bridgepoint. The transaction, which is subject to competition clearances, is expected to be completed in the coming months. Other 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

NAV PERFORMANCE (SINCE INCEPTION)*



* As per reporting date.

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.

Transition to direct investments ongoing

In line with Princess' strategy to transition its portfolio to a pure direct investment vehicle, Partners Group completed four new direct private equity transactions in the first nine months of 2013.

One such deal that closed in the third quarter was the investment in Universal Services of America (USA), a provider of diversified security services to some of the largest real estate management companies in the US.

In addition the Company invested 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 41% 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.

Net liquidity position benefits from stable distributions

Princess' pro-forma net liquidity position, excluding deferred receivables from secondary sales totaled EUR 69.2 million or 12.0% of NAV as of 30 September 2013.

Between January and September 2013, distributions from successful realizations amounted to EUR 47.8 million. Capital deployed to direct investments, Partners Group Direct Investments 2012 and Partners Group Direct Mezzanine 2011 totaled EUR 18.9 million and exceeded capital calls from existing third-party fund commitments (EUR 13.7 million). Additionally, Princess received EUR 15.5 million in cash in January 2013 following the transfer of the last remaining funds stemming from the 2012 secondary sales. These proceeds reduced Princess' current deferred receivables to EUR 102.7 million. The payment will be settled in three installments, with 1/3 of proceeds having been received, upon transfer of the respective partnership interests, in September 2012. The remaining 2/3 of proceeds are due to be received 18 and 36 months thereafter.

Furthermore the Company has an undrawn EUR 80 million multi-currency credit facility, which is available to address short term funding needs if and when required.

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.

Discount development

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 nine months of 2013 (+0.2%), adjusted for the first interim dividend, lagging the positive NAV development (+2.2%) 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. In addition, the further transition towards becoming a pure direct investment vehicle as well as the attractive dividend is expected to result in a re-rating of the shares.

Decrease in unfunded commitments to third-party funds continues

The portfolio's total unfunded commitments amount to EUR 194.3 million. Unfunded commitments to third-party funds in the Princess portfolio further decreased by 24.2% in the first nine months of 2013 to EUR 55.7 million, from EUR 73.5 million as of the end of 2012.

Around EUR 20.5 million of unfunded commitments to third party funds originate from funds with vintage years 2001 or older, and as such are unlikely to be called. Looking forward, these unfunded commitments 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 138.6 million to two direct pooling vehicles, Partners Group Direct Investments 2012 and Partners Group Direct Mezzanine 2011, ensuring access to future deal flow.

Outlook

For the remainder of 2013 the Investment Manager will remain focused on the transition to a direct investment portfolio. This development is supported by strong deal flow in the small- and mid-cap market segment with two further direct transactions expected to be announced in the fourth quarter of 2013.

In addition to investments through Partners Group Direct Investments 2012 and Partners Group Direct Mezzanine 2011, the Investment Manager continues to monitor other opportunities to deploy capital and increase the Company's investment level. Such opportunities may include joint investments in larger deals on a selective basis, with a strict focus on pricing.

Given its strong liquidity position, the Company may also enter into transactions in various private debt instruments and senior loans where yields remain attractive and provide a material yield pick-up compared with the negligible return available on cash in the continuing low interest rate environment.

As trade sales continue to provide a viable exit route for Princess' mature portfolio, the Investment Manager expects Princess to receive stable distribution proceeds for the full year 2013. The distributions should help to further strengthen Princess' already strong balance sheet and support the second interim dividend of EUR 0.27 per share.

Overall, the Investment Manager expects Princess to deliver positive NAV growth in Q4 2013, with healthy operating results from underlying portfolio companies and successful realizations from the mature fund investments having a positive impact on performance.

3 PRIVATE EQUITY MARKET ENVIRONMENT

Macroeconomic conditions

Growth in the advanced world is gradually picking up as the US private sector continues to improve, the Eurozone emerges from the longest recession in post-war times and the slowdown in China seems to have drawn to a halt. Early economic indicators, such as manufacturing purchaser manager indices and rebounding consumer confidence, point towards further momentum. Partners Group expects growth in the Eurozone to remain subdued, particularly in the periphery, as domestic demand is suppressed due to high unemployment rates and the ongoing fiscal drag.

In mid-September, the US Federal Reserve (Fed) surprised markets and analysts by delaying the widely expected "tapering" of its monthly purchases of Treasuries and mortgage-backed securities on the back of tighter financial conditions (higher Treasury yields and mortgage rates), weaker labor market data and the prospect of fiscal headwinds, which then materialized over quarter-end. Partners Group does not expect the shift to a new Fed chairwoman to materially change the path of the central bank's policy making.

Failure to reach agreement on fiscal spending in the new fiscal year and "Obamacare" led to a partial shutdown of non-essential US government functions during October. While the shutdown was not unprecedented in nature (there have been 17 shutdowns in US history, lasting up to 21 days), this latest was exacerbated by the need to raise the debt ceiling by 17 October 2013 when the Treasury exhausted its authority to raise new debt and laid bare the threat of a potential US government default. The US Congress passed a bill to reopen the government and suspend the federal debt limit, with hours to spare before the nation risked default. The deal, however, offers only a temporary solution by extending the Treasury's borrowing authority until 7 February 2014 and funds the government to 15 January 2014. Budgetary issues that fiercely divide Republicans and Democrats have not yet been resolved and are likely to resurface.

Growth in emerging markets continues to largely disappoint as structural flaws have become evident in a number of those economies. As such, growth in the BRICs will likely remain subdued in the near term as policy makers address internal challenges: for example China rebalancing towards consumption and India and Brazil reducing current account and fiscal deficits as well as fighting inflation. Accordingly, the near-term risk to the global growth outlook currently stems from emerging markets, rather than a US slowdown or a re-escalation of the Eurozone debt crisis.

Despite expectations of Fed tapering and the evident political impasse in the US, equities posted another strong quarter, extending year-to-date returns. The MSCI World gained 6.4% in the third quarter of 2013, with European equities broadly outperforming the US. The MSCI Emerging Markets advanced 5.6%, driven by a sharp rebound in Brazil and China.

M&A activity

Global M&A activity in the third quarter totaled USD 644 billion, gaining 28.1% compared to the prior-year level, according to mergermarket. For the first time in 2013, year-to-date volume (USD 1.6 trillion) was up compared to the same period in 2012. Overall volume has increased gradually for the last three years, and 2013 is on target to continue the trend and potentially see the highest annual total since 2008. Deal flow was exceptionally strong in the technology, media and telecommunications (TMT) sector, which has accounted for 27.7% of total deal volume in 2013 so far. While the USD 124.1 billion Verizon Wireless deal announced in the third quarter was by far the largest, it accounted for less than 30% of the overall TMT sector total, highlighting the depth of deal flow in this sector.

Year-to-date announced M&A activity in the US jumped 22.2% to USD 655 billion as of 30 September 2013, compared to the first three quarters of 2012. The first half of 2013 was marked by the return of mega deals, a trend which peaked in the third quarter with Verizon Communications' bid for the remaining 45% of Verizon Wireless for USD 124.1 billion, the largest US-based deal on mergermarket record (dating back to 2001). The US market continued to demonstrate appetite for large-scale deals overall, with two other transactions in the third quarter topping the USD 10 billion mark (USD 31.6 billion in total).

European M&A activity, valued at USD 479 billion in the first nine months of 2013, was up 2.4% year on year. After a slow start to the year, announced deal flow has picked up and is on track to match the overall 2012 total. America Movil's ultimately unsuccessful USD 22.7 billion privatization bid for Dutch telecom company KPN was the largest announced deal in Europe in the third quarter, followed by Telefonica Deutschland's USD 11.3 billion acquisition of E-Plus Mobilfunk, KPN's Germany operations.

In the Asia-Pacific region, M&A activity developed at a stable pace, totaling USD 260 billion for the year to date, down 1.7% versus the same period in 2012. With that, overall activity is on track to match the 2012 full-year total of USD 349 billion, which would put an end to a trend of consecutive years of declining M&A levels in the region which began in 2010. The bigger deals in the region during the third quarter were each valued well below USD 10 billion, the largest of which being JG Summit's USD 6.3 billion bid for San Miguel's 27.1% stake in power company Manila Electric.

Private equity buyout activity

After a strong first half of the year, global private equity buyout activity in the third quarter dropped 10.4% over the previous quarter to USD 60 billion, across 666 deals, according to Preqin. Year to date, the aggregate value of private equity backed transactions represents a 19% increase compared to the same period in 2012. The top buyout deals announced during the quarter were the Ares Management-led buyout of US luxury retailer Neiman Marcus (USD 6.0 billion) and Hellman & Friedman's buyout of insurance broker Hub International (USD 4.4 billion), both secondary buyouts.

In spite of the global slowdown, buyout volume in North America increased by 24% over the quarter to USD 36 billion. With 55% of global transactions and 54% of total transaction value in the third quarter, the US further increased its lead as the most active buyout market. The Asia-Pacific region made a strong recovery, with buyout activity totaling USD 7 billion. This marked an increase of 184% over a weak second quarter. On the other hand, buyout activity in Europe dropped significantly from USD 29 billion in the second quarter to just USD 15 billion in the third. This likely reflects continued concerns over unresolved structural problems in the region.

Private equity exits ease after very strong second quarter

Overall, private equity exit volume amounted to just over USD 60 billion in the third quarter, a decrease of about 30% compared to the prior period, which was the second-most successful quarter since the spring of 2011. After a strong second quarter with 78 exits through the public market, the number of private equity-backed exits via IPO and follow-on share offerings dropped considerably in the third quarter to 32. The largest private equity exits were the aforementioned Neiman Marcus and Hub International transactions, which were sold by consortia led by TPG/Warburg Pincus and Apax Partners, respectively.

IPO activity

Global IPO activity amounted to USD 94.8 billion of capital raised for the first three quarters of the year, 4% more than in the same period in 2012, according to Ernst & Young data based on completed and scheduled IPOs through to the end of September. However, the number of IPOs globally dropped from 637 to 566 over the same period.

For the first three quarters of 2013, the US IPO market surpassed its 2012 performance. US exchanges saw USD 11.8 billion of capital raised in the third quarter, accounting for 48% of the global volume. The IPO of Envision Healthcare was the largest transaction during the third quarter, with USD 1.1 billion of proceeds. Yet, the average deal size continues to trend lower, reflecting the rising number of smaller offerings from healthcare and technology companies.

Activity in Europe continues to improve, with private equity-backed IPOs being a key driver. The first three quarters of the year saw 101 IPOs with proceeds of USD 12.9 billion, driving overall activity up more than 200% on the same period in 2012. European exchanges hosted a number of private equity-backed offerings during the quarter, including the London listings of real estate agent Foxtons (backed by BC Partners) and off-license convenience store operator Bargain Booze (ECI Partners).

Meanwhile, the Asia-Pacific region continued to lead in terms of the number of IPOs, accounting for 50% of the global total in the third quarter. Deal volume, however, saw a decline of approximately 70% compared to both the previous quarter and the same period in 2012, reflecting the continued suspension of new listings in mainland China and a return to normalcy following a slew of listings in Japan in the prior quarter.

Fundraising activity

Coming off a strong showing in the second quarter, fundraising activity in the three months to September dropped 38% quarter on quarter to USD 87 billion across 179 funds that held a final close. For the first nine months of the year, fundraising activities totaled USD 311 billion, 20% more than in the same period last year and the highest since 2008.

Globally, in the third quarter, buyout funds accounted for USD 27.9 billion of the fundraising, a decrease of 43% compared to the previous quarter. Looking at geographical focus, North America funds were the most prolific in terms of fundraising, with USD 57.9 billion raised mainly from buyout and distressed funds. This was 21% less than in the prior period. Europe-focused funds collected USD 21.5 billion during the quarter, a decrease of 33%, the vast majority of which came from buyout funds. The largest funds to hold a final close during the quarter were buyout fund CVC European Equity Partners VI at EUR 10.5 billion and distressed debt fund GSO Capital Solutions Fund II at USD 5.0 billion.

Again, fundraising was difficult for first-time funds. 35 newcomers raised a total of USD 4.3 billion during the quarter, fully 38% less than the second quarter and signaling continued preference for well-established funds.

Outlook

The global macroeconomic outlook remains mixed. Some US economic indicators (GDP, the ISM manufacturing index and domestic demand) exhibit positive momentum, while others (consumer confidence) are cooling down. The Fed's decision to continue its expansionary monetary policy for the foreseeable future had a positive impact on global financial markets in September. Yet tapering of asset purchases will need to be addressed at some point.

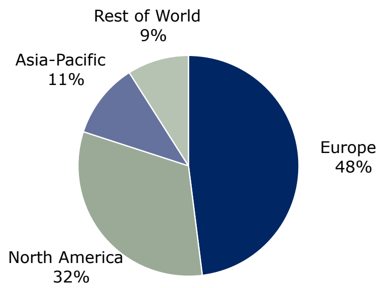
The Eurozone is slowly returning to positive growth after a record-long recession, with Germany and France contributing the most economic power. However, unresolved structural problems and increasing public debt remain an issue. Meanwhile, emerging markets promise subdued economic growth with large regional differences. In its latest World Economic Outlook, issued in October, the IMF downgraded prospects in many emerging economies, stating "China in particular should slow over the medium term as its economy transitions away from investment as a driver to consumption."

M&A and buyout activity continue to benefit from strong liquidity in the financing markets. Given that the Fed remains accommodating in the near term, deal flow is likely to remain positive. Unexpected developments in a number of delicate situations, for example re-emerging US budget and debt ceiling discussions, the Eurozone recovery, unexpected spikes in bond yields or the Fed's stance on asset purchases, could lead to significant market reactions and higher volatility in the coming months.

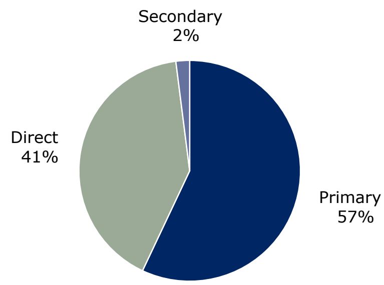
Sources: mergermarket (October 2013), Preqin (October 2013), Ernst & Young (October 2013), IMF (October 2013), Partners Group Research

4 PORTFOLIO COMPOSITION

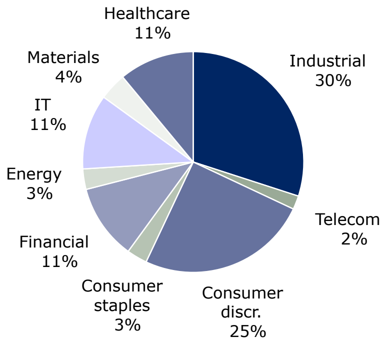
INVESTMENTS BY REGIONAL FOCUS



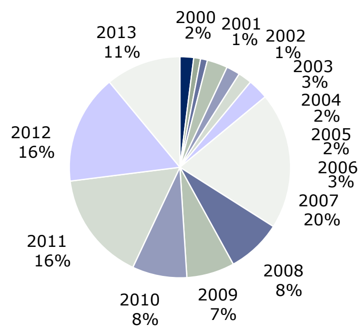
INVESTMENTS BY TRANSACTION TYPE



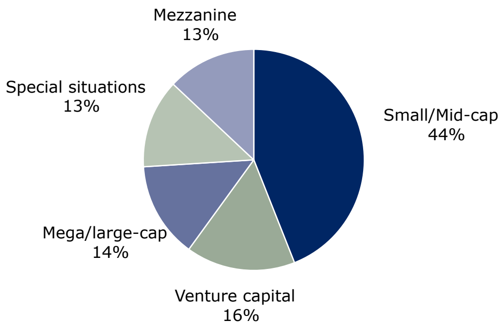
PORTFOLIO ASSETS BY INDUSTRY SECTOR



PORTFOLIO ASSETS BY INVESTMENT YEAR

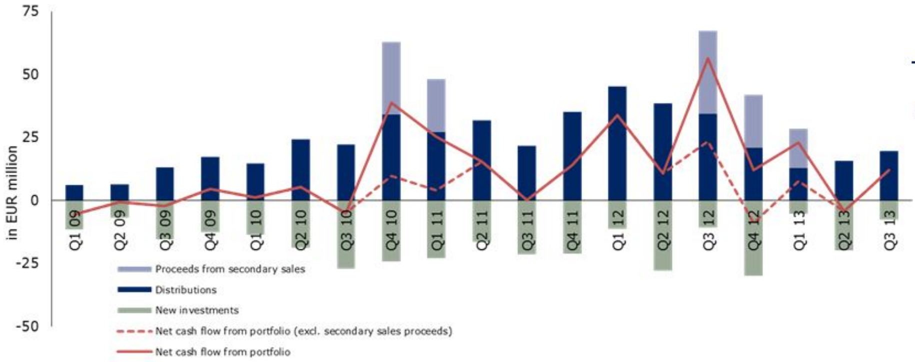


INVESTMENTS BY FINANCING CATEGORY



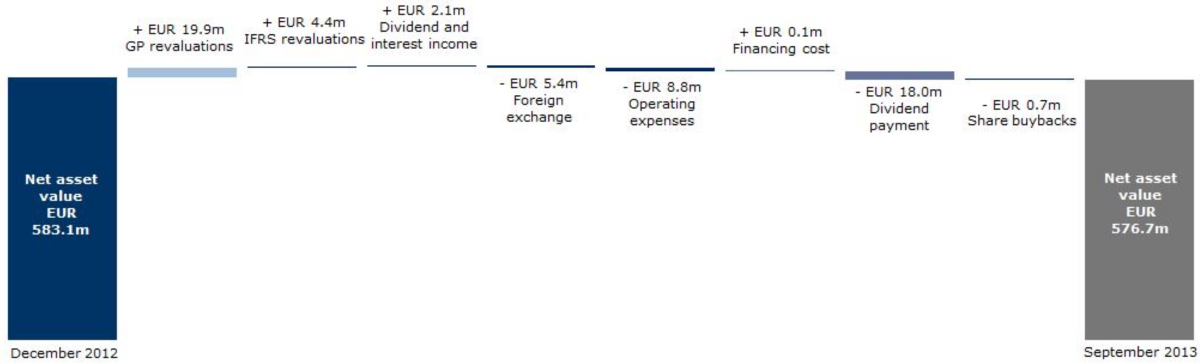
"Investments" refers to the value of investments.

DEVELOPMENT OF NET CASH FLOWS



Q3 2013	YTD 2013
0.0m from secondary sale	+15.5m from secondary sale
+19.5m in distributions	+47.8m in distributions
-7.6m in new investments	-32.6m in new investments

NAV DEVELOPMENT FOR YTD 2013



VALUATION METRICS OF 50 LARGEST UNDERLYING PORTFOLIO COMPANIES*

	Top 10	Top 20	Top 50
LTM EBITDA growth	15.9%	15.5%	15.2%
LTM revenue growth	18.3%	14.0%	14.8%
Average revenue	EUR 0.5bn	EUR 0.9bn	EUR 0.9bn
% of NAV	15.5%	23.4%	33.7%

Asset allocation as per reporting date; the portfolio composition may change over time.

*As per reporting date 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 nine months of 2013, Princess received distribution proceeds from exited investments (EUR 47.8 million) and secondary sales (EUR 15.5 million). In terms of new investments over the review period, Princess deployed EUR 32.6 million in capital, of which EUR 18.9 million has been used for direct investments and EUR 13.7 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 geographical areas.

■ Universal Services of America

In the third quarter Partners Group completed a new direct investment in Universal Services of America (USA), a provider of diversified security services to some of the largest real estate management companies in the US. USA offers its clients manned guard services, janitorial services and security systems, with the majority of its revenues derived from the provision of guard services. Partners Group will partner with USA's management team to further expand the company's business, building on its strong reputation via key strategic acquisitions and business development with new and existing customers.

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.

Realogy Corporation

In July, Realogy Corporation, a global provider of real estate franchising, brokerage, relocation and title and settlement services, announced a secondary offering of 25.1 million shares. The shares were priced at USD 47.57, representing an approximate 75% premium to the IPO price. This share sale was the second since the IPO in October 2012 and marked the full realization of Partners Group's investment in Realogy since its investment in 2007.

■ AHT Cooling

In August, Partners Group agreed to sell Austria-based AHT Cooling to Bridgepoint. Princess invested in AHT Cooling, the global market leader for commercial plug-in cooling and freezing equipment for the food retailing industry, in 2007. AHT Cooling is Princess' largest portfolio exposure (direct and indirect), representing 2.6% of net assets as of 30 September 2013. During the holding period, the business expanded successfully and increased annual revenues by more than 50% to over EUR 300 million. During the same time frame, AHT Cooling also grew its employee base and doubled the energy efficiency of its products. The transaction, which is subject to competition clearances, is expected to be completed in the coming months.

6 LARGEST PORTFOLIO HOLDINGS

for the period ended 30 September 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
CSS Corp Technologies (Mauritius) Limited	Direct	Buyout	Asia-Pacific	2013	11'372'285	n.a.
Education publisher 2	Direct	Buyout	North America	2013	3'642'722	3'642'722
Essmann	Direct	Special situations	Europe	2007	2'705'065	n.a.
Fermo (Trimco International)	Direct	Buyout	Asia-Pacific	2012	n.a.	n.a.
Food company 1	Direct	Buyout	North America	2007	2'369'456	2'374'280
Global Blue	Direct	Buyout	Europe	2012	11'190'534	11'197'509
Grupo SBF	Direct	Venture capital	Rest of World	2012	6'161'361	6'161'361
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	3'368'816
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	7'850'303	7'850'303
Strategic Partners, Inc.	Direct	Buyout	North America	2012	2'836'700	2'836'700
Universal Hospital Services, Inc.	Direct	Buyout	North America	2007	3'642'548	3'642'548
Universal Services of America	Direct	Buyout	North America	2012	14'239'679	14'239'679
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	3'799'758	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	2'153'447	1'686'829
American Securities Partners III, L.P.	Primary	Buyout	North America	2001	4'304'026	4'159'076
Anonymized Emerging Markets Venture Fund 2	Primary	Venture capital	Rest of World	2008	4'450'295	3'519'188
Anonymized European Buyout Fund 3	Primary	Buyout	Europe	2008	1'635'505	1'406'081
Anonymized European Buyout Fund 7	Primary	Buyout	Europe	2007	10'000'000	8'094'574
Ares Corporate Opportunities Fund II, L.P.	Primary	Special situations	North America	2006	14'175'873	15'322'748

					Since inception	
Investment	Type of investment	Financing stage	Regional focus	Vintage year	Committed	Invested
Ares Corporate Opportunities Fund III, L.P.	Primary	Special situations	North America	2008	7'793'771	8'313'690
August Equity Partners II A, L.P.	Primary	Buyout	Europe	2007	8'489'124	n.a.
Candover 2005 Fund, L.P.	Primary	Buyout	Europe	2005	10'000'000	10'406'136
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	1'561'455	2'614'741
Columbia Capital Equity Partners III (Cayman), LP	Primary	Venture capital	North America	2000	9'502'017	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	1'353'733
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	29'060'107	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	10'074'716
ICG European Fund 2006, L.P.	Primary	Special situations	Europe	2006	15'000'000	15'231'927
Index Ventures Growth I (Jersey), L.P.	Primary	Venture capital	Europe	2008	1'991'952	2'001'414
Innisfree PFI Secondary Fund	Primary	Special situations	Europe	2007	1'698'649	1'145'450
INVESCO U.S. Buyout Partnership Fund II, L.P.	Primary	Buyout	North America	2000	28'437'565	26'608'454
INVESCO Venture Partnership Fund II, L.P.	Primary	Venture capital	North America	1999	58'708'485	54'930'788
INVESCO Venture Partnership Fund II-A, L.P.	Primary	Venture capital	North America	2000	33'467'986	32'115'665
Levine Leichtman Capital Partners II, L.P.	Primary	Special situations	North America	1998	30'582'506	35'633'016
Lightspeed Venture Partners VI, L.P.	Primary	Venture capital	North America	2000	7'208'957	6'720'384
MatlinPatterson Global Opportunities Partners III	Primary	Special situations	North America	2007	7'157'760	7'958'421
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	1'165'332	1'462'936
OCM Mezzanine Fund II, L.P.	Primary	Special situations	North America	2005	11'399'362	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	15'796'868
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	1'758'018	1'629'686
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	1'539'200	1'624'258
Southern Cross Latin America PE Fund III	Primary	Buyout	Rest of World	2007	1'508'585	1'493'569
Sterling Investment Partners II, L.P.	Primary	Buyout	North America	2005	7'489'296	7'349'810
SV Life Sciences Fund II, L.P.	Primary	Venture capital	Europe	1998	21'091'669	22'282'898
SV Life Sciences Fund IV, L.P.	Primary	Venture capital	North America	2006	3'659'459	3'543'753
Terra Firma Capital Partners III, L.P.	Primary	Buyout	Europe	2006	20'000'000	19'094'405
The Peninsula Fund IV, L.P.	Primary	Special situations	North America	2005	7'507'751	7'146'307
Ventizz Capital Fund IV, L.P.	Primary	Venture capital	Europe	2007	1'991'952	2'132'009

					Since inception	
Investment	Type of investment	Financing stage	Regional focus	Vintage year	Committed	Invested
Vortex Corporate Development Fund, L.P.	Primary	Venture capital	North America	2000	2'945'264	2'838'852

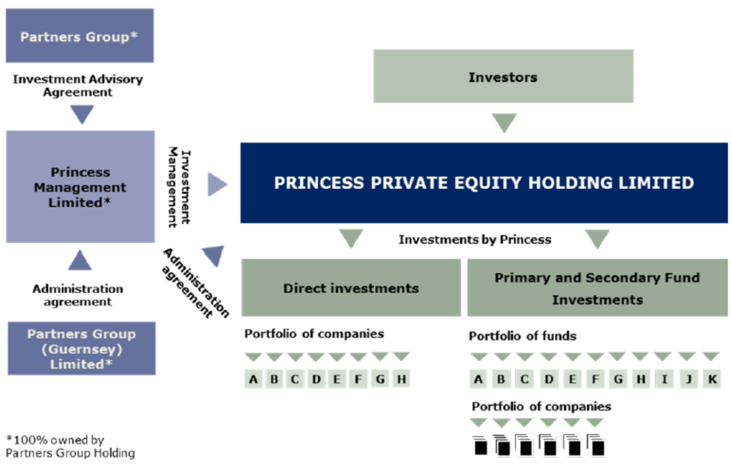
Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. Please note that contributions may exceed total commitments due to foreign currency movements. The overview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

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 being listed 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 September 2013

In thousands of EUR	***Notes***	**01.07.2013 30.09.2013**	**01.01.2013 30.09.2013**	**01.07.2012 30.09.2012**	**01.01.2012 30.09.2012**
Net income from financial assets at fair value through profit or loss		**3'572**	**20'374**	**(10'574)**	**32'873**
Private equity		*697*	*16'177*	*(11'193)*	*28'429*
Interest & dividend income		355	355	-	54
Revaluation	5	6'137	19'835	(6'719)	24'325
Net foreign exchange gains / (losses)	5	(5'795)	(4'013)	(4'474)	4'050
Private debt		*2'697*	*2'952*	*412*	*3'139*
Interest income (including PIK)		566	1'740	710	1'989
Revaluation	5	3'362	3'258	(361)	164
Net foreign exchange gains / (losses)	5	(1'231)	(2'046)	63	986
Private real estate		*86*	*1'048*	*128*	*1'003*
Revaluation	5	93	1'052	131	1'002
Net foreign exchange gains / (losses)	5	(7)	(4)	(3)	1
Private infrastructure		*92*	*197*	*79*	*302*
Revaluation	5	92	197	79	302
Net income from cash & cash equivalents and other income		**(55)**	**(126)**	**53**	**59**
Interest income		1	5	4	14
Net foreign exchange gains / (losses)		(56)	(131)	49	45
Total net income		**3'517**	**20'248**	**(10'521)**	**32'932**
Operating expenses		**(5'885)**	**(10'843)**	**(4'455)**	**(12'509)**
Management fees		(2'136)	(6'559)	(2'660)	(8'451)
Incentive fees	10	(104)	(1'183)	(541)	(2'083)
Administration fees		(72)	(223)	(78)	(231)
Service fees		(63)	(188)	(63)	(188)
Other operating expenses		(239)	(623)	(1'343)	(1'834)
Other net foreign exchange gains / (losses)		(3'271)	(2'067)	230	278
Other financial activities		**4'657**	**2'913**	**(77)**	**(3'802)**
Setup expenses - credit facilities		(6)	(26)	(6)	(18)
Interest expense - credit facilities		(215)	(639)	(212)	(631)
Other finance cost		239	725	(2'513)	(2'531)

Net gains / (losses) from hedging activities	4'639	2'853	2'654	(623)
Other income	-	-	-	1
Surplus / (loss) before tax for the financial period	**2'289**	**12'318**	**(15'053)**	**16'621**
Income tax	-	(10)	-	(12)
Surplus / (loss) for the financial period	**2'289**	**12'308**	**(15'053)**	**16'609**
Other comprehensive income for the period; net of tax	-	-	-	-
Total comprehensive income for the period	**2'289**	**12'308**	**(15'053)**	**16'609**
Weighted average number of shares outstanding	69'382'792.18	69'419'733.81	69'488'652.01	69'533'360.15
Basic surplus / (loss) per share for the financial period	0.03	0.18	(0.22)	0.24
Diluted surplus / (loss) per share for the financial period	0.03	0.18	(0.22)	0.24

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 September 2013

In thousands of EUR	***Notes***		**30.09.2013**		**31.12.2012**
ASSETS					
Financial assets at fair value through profit or loss					
Private equity	5	320'154		330'260	
Private debt	5	62'505		63'462	
Private real estate	5	16'945		19'166	
Private infrastructure	5	5'163		4'895	
Deferred receivables on investments		50'925		95'797	
Non-current assets			**455'692**		**513'580**
Other short-term receivables		6		7'027	
Deferred receivables on investments		51'934		-	
Hedging assets		1'583		5'166	
Cash and cash equivalents	6	75'587		65'724	
Current assets			**129'110**		**77'917**
TOTAL ASSETS			**584'802**		**591'497**
Share capital	7	70		70	
Retained earnings		(4'078)		(16'386)	
Reserves	7	580'719		599'459	
Total Equity			**576'711**		**583'143**
Accruals and other short-term payables		8'091		8'354	
Liabilities falling due within one year			**8'091**		**8'354**
TOTAL LIABILITIES			**584'802**		**591'497**

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2013 to 30 September 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	-	(696)	-	(696)
Surplus / (loss) for the financial period	-	-	12'308	12'308
Equity at end of reporting period	**70**	**580'719**	**(4'078)**	**576'711**

for the period from 1 January 2012 to 30 September 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	-	(564)	-	(564)
Surplus / (loss) for the financial period	-	-	16'609	16'609
Equity at end of reporting period	**70**	**617'038**	**(4'927)**	**612'181**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January 2013 to 30 September 2013

In thousands of EUR	***Notes***	**01.01.2013 30.09.2013**	**01.01.2012 30.09.2012**
Operating activities			
Surplus / (loss) for the financial period		12'308	16'609
Adjustments:			
Income taxes		10	12
Net foreign exchange (gains) / losses		8'261	(5'360)
Investment revaluation		(24'342)	(25'793)
Net (gain) / loss on interests		(1'461)	(1'393)
Net (gain) / loss on dividends		-	(33)
Revaluation on forward hedges		(2'853)	(1'175)
Revaluation on option hedges		-	1'798
(Increase) / decrease in receivables		(2'086)	(77'452)
Increase / (decrease) in payables		(285)	(2'107)
Income taxes paid		(10)	(12)
Realized revaluation on forward hedges		6'436	(8'854)
Purchase of private equity investments	5	(26'075)	(46'840)
Purchase of private debt investments	5	(3'549)	(207)
Purchase of private real estate investments	5	(227)	(2'384)
Purchase of private infrastructure investments	5	(71)	(843)
Distributions from and proceeds from sales of private equity investments	5	52'003	205'041
Distributions from and proceeds from sales of private debt investments	5	6'361	10'983
Distributions from and proceeds from sales of private real estate investments	5	3'496	-
Distributions from and proceeds from sales of private infrastructure investments	5	-	218
Interest & dividends received		1'457	1'403
Net cash from / (used in) operating activities		**29'373**	**63'611**
Financing activities			
Interest expense - credit facilities		(639)	(630)
Dividends paid	7	(18'044)	(16'691)
Share buyback and cancellation	7	(696)	(564)
Net cash from / (used in) financing activities		**(19'379)**	**(17'885)**
Net increase / (decrease) in cash and cash equivalents		**9'994**	**45'726**
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		(131)	45

Cash and cash equivalents at end of reporting period	**6**	**75'587**	**65'110**

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 January 2013 to 30 September 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 and amendments but 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 September 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 Investmentgesellschaft 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%
Bayer-Pensionskasse VVaG	5.00%	25 April 2007	530‘000	7‘010‘582	7.56%
CVP/CAP Coop Personalversicherung	5.00%	31 December 2008	3'551'206	70'100'000	5.07%
Societe Generale Option Europe	5.00%	20 October 2010	3'724'557	70'100'000	5.31%
CCLA Investment Management Ltd	5.00%	10 July 2013	3‘504‘750	69‘400‘990	5.05%

4 SEGMENT CALCULATION

In thousands of EUR	**01.01.2013 30.09.2013**	**01.01.2012 30.09.2012**
Private equity		
Interest & dividend income	355	54
Revaluation	19'835	24'325
Net foreign exchange gains / (losses)	(4'013)	4'050
Total net income private equity	**16'177**	**28'429**
Segment result private equity	**16'177**	**28'429**
Private debt		
Interest income (including PIK)	1'740	1'989
Revaluation	3'258	164
Net foreign exchange gains / (losses)	(2'046)	986
Total net income private debt	**2'952**	**3'139**
Segment result private debt	**2'952**	**3'139**
Private real estate		
Revaluation	1'052	1'002
Net foreign exchange gains / (losses)	(4)	1
Total net income private real estate	**1'048**	**1'003**
Segment result private real estate	**1'048**	**1'003**
Private infrastructure		
Revaluation	197	302
Total net income private infrastructure	**197**	**302**
Segment result private infrastructure	**197**	**302**
Private resources		
Non attributable		
Interest & dividend income	5	14
Net foreign exchange gains / (losses)	(131)	45
Total net income non attributable	**(126)**	**59**
Segment result non attributable	**(10'969)**	**(12'450)**
Income tax	(10)	(12)
Other financial activities not allocated	2'913	(3'802)
Surplus / (loss) for the financial period	**12'308**	**16'609**

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

5.1 PRIVATE EQUITY

In thousands of EUR	**30.09.2013**	**31.12.2012**
Balance at beginning of period	330'260	523'201
Purchase of Direct and Indirect Investments	26'075	66'223
Distributions from and proceeds from sales of Direct and Indirect Investments	(52'003)	(277'134)
Reclassification of investments	-	2'903
Revaluation	19'835	16'586
Foreign exchange gains / (losses)	(4'013)	(1'519)
Balance at end of period	**320'154**	**330'260**

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

During the reporting period the Subsidiary has transferred its interest in 13 direct investments (the "Transferred Investments") via a contribution-in-kind to the Sub-Subsidiary. The transfer was executed at an amount of EUR 42'065'123 representing fair value 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.

5.2 PRIVATE DEBT

In thousands of EUR	**30.09.2013**	**31.12.2012**
Balance at beginning of period	63'462	65'728
Purchase of Direct and Indirect Investments	3'549	10'641
Distributions from and proceeds from sales of Direct and Indirect Investments	(6'361)	(13'062)
Reclassification of investments	-	(2'903)
Accrued cash and PIK interest	854	1'282
Interest received	(211)	(240)
Revaluation	3'258	1'707
Foreign exchange gains / (losses)	(2'046)	309
Balance at end of period	**62'505**	**63'462**

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

During the reporting period the Subsidiary has transferred its interest in four direct investments (the "Transferred Investments") via a contribution-in-kind to the Sub-Subsidiary. The transfer was executed at an amount of EUR 18'499'349 representing fair value 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.

5.3 PRIVATE REAL ESTATE

In thousands of EUR	**30.09.2013**	**31.12.2012**
Balance at beginning of period	19'166	15'714
Purchase of Direct and Indirect Investments	227	2'326
Distributions from and proceeds from sales of Direct and Indirect Investments	(3'496)	-
Revaluation	1'052	1'129
Foreign exchange gains / (losses)	(4)	(3)
Balance at end of period	**16'945**	**19'166**

5.4 PRIVATE INFRASTRUCTURE

In thousands of EUR	**30.09.2013**	**31.12.2012**
Balance at beginning of period	4'895	3'782
Purchase of Direct and Indirect Investments	71	959
Distributions from and proceeds from sales of Direct and Indirect Investments	-	(218)
Revaluation	197	372
Balance at end of period	**5'163**	**4'895**

6 CASH AND CASH EQUIVALENTS

In thousands of EUR	**30.09.2013**	**31.12.2012**
Cash at banks	30'591	38'724
Cash equivalents	44'996	27'000
Total cash and cash equivalents	**75'587**	**65'724**

7 SHARE CAPITAL AND RESERVES

7.1 CAPITAL

In thousands of EUR	**30.09.2013**	**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
69'344'756 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 105'629 of its own shares at an average price of EUR 6.60. Following these purchases and cancellation, the Company's issued share capital consists of 69'344'756 shares.

7.2 RESERVES

In thousands of EUR	**30.09.2013**	**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	(696)	(777)
Total distributable reserves at end of reporting period	**580'719**	**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 September 2013 is EUR 102'858'091.

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%.

	30.09.2013	**31.12.2012**
Balance at end of period	-	-

10 INCENTIVE FEE

In thousands of EUR	**30.09.2013**	**31.12.2012**
Balance at beginning of period	4'334	7'011
Change in incentive fees attributable to General Partner	1'183	2'271
Incentive fees paid/payable	(826)	(4'948)
Balance at end of period	**4'691**	**4'334**

11 COMMITMENTS

In thousands of EUR	**30.09.2013**	**31.12.2012**
Unfunded commitments translated at the rate prevailing at the end of the reporting period	194'309	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	**30.09.2013**	**31.12.2012**
Net assets of the Group	576'711	583'143
Outstanding shares at the end of the reporting period	69'344'756.00	69'450'385.00
Net assets per share at period-end	**8.32**	**8.40**

13 FAIR VALUE MEASUREMENT

In thousands of EUR	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives used for hedging	-	1'583	-	1'583
Financial assets at fair value through profit or loss - equity securities	1'332	-	340'930	342'262
Financial assets at fair value through profit or loss - debt investments	-	-	62'505	62'505
Total assets	**1'332**	**1'583**	**403'435**	**406'350**
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 30.09.2013**	**Valuation technique**	**Unobservable input**	**Range (weighted average)**
Fair value in thousands of EUR				
Direct Investments				
Direct equity investments	37'693	Market comparable companies	Enterprise value to EBITDA multiple	6.18x - 11.60x (8.73x)
Direct debt investments	25'162	Market comparable companies	Enterprise value to EBITDA multiple	6.78x - 11.18x (8.83x)
	5'590	Replacement cost	Recent transaction price	n/a
Indirect investments	334'989	Adjusted reported net asset value	Refer to paragraph above this table	n/a

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Trading Information

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ISIN	GG00B28C2R28
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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