PRINCESS PRIVATE EQUITY HOLDING LIMITED

HALF-YEAR REPORT 2014

Unaudited consolidated financial statements for the period from 1 January 2014 to 30 June 2014

Christian Unger Industry Value Creation, **Claudia Petersen** Private Equity Investments, **Erik Kaas** Investment Solutions Management, **Andreas Baumann** Head Singapore

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 JUNE 2014	31 DECEMBER 2013
Net asset value (NAV)	566'827'450	560'111'437
NAV per share	8.20	8.09
Total dividend per share (year to date)	0.27	0.53
Closing price	6.60	6.30
Discount to NAV	-19.48%	-22.11%
Cash and cash equivalents	48'268'829	69'761'534
Use of credit facility	0	0
Value of investments	473'145'260	396'182'934
Undrawn commitments	170'401'804	196'793'472
Investment level	83.47%	70.73%
Net liquidity (incl. secondary receivables)	93'682'190	163'928'503
Overcommitment	13.53%	5.87%
Overcommitment incl. credit line	4.71%	-3.05%

Past performance is not indicative of future results.

2 INVESTMENT MANAGER'S REPORT

NAV growth remains positive

Princess Private Equity Holding Limited's ("Princess or the Company") net asset value ("NAV") increased by 4.7% during the first half of 2014, adjusted for the interim dividend of EUR 0.27 per share distributed during the period.

The Company's portfolio continues to gain traction with strong performance of the underlying portfolio companies feeding through to the NAV. Positive revaluations for a number of direct investments were the main driver of performance over the period. The overall revaluations amounted to +5.3%.

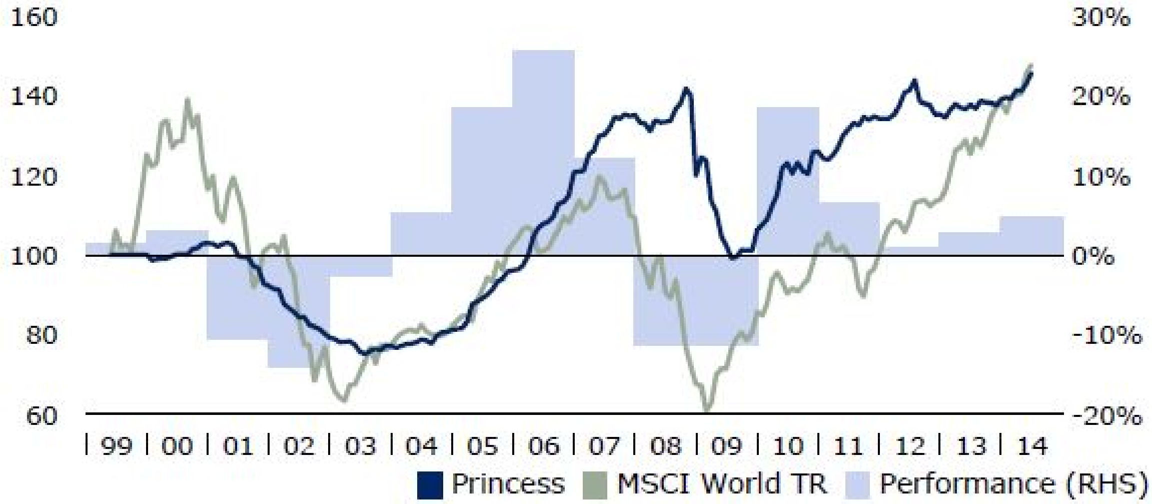
Princess' underlying portfolio companies continued to post solid earnings results, as constructive value creation initiatives by the Investment Manager and its partners continued to bear fruit. The 50 largest portfolio companies, representing 43.8% of NAV, posted weighted average year-on-year revenue and earnings (EBITDA) growth of 12.6% and 13.7%, respectively.

The two largest contributors to Princess' NAV growth over the first six months of the year were the two direct investments in Action and Trimco.

During the reporting period, Action, a leading Dutch non-food discount retailer, was actively engaged in its business expansion plans. Encouraged by positive customer response in countries in which it operates, Action opened 28 stores in the first five months of 2014, bringing the total number of stores to 434. The management team intends to accelerate store openings in the second half of 2014, focusing on countries outside of Netherlands.

Trimco International is a leading Hong Kong headquartered supplier of a full range of garment labels, tags and trimming products to blue chip global apparel companies. The strong performance was due to increased product sales to major clients and cost control

NAV PERFORMANCE (SINCE INCEPTION)*



* As per reporting date.

initiatives implemented during the past year. Furthermore, a new enterprise resource planning platform was successfully rolled out in the company's Hong Kong-based facilities, and will be implemented across other regions throughout the rest of the year which is expected to result in further efficiencies.

Allocation to direct investments reaches 50%

With 50% in direct investments as of 30 June 2014, Princess' portfolio reached a significant milestone in its repositioning towards being primarily a direct investment vehicle. In line with this strategy, Partners Group completed seven new direct transactions in the first three months of 2014 and one direct investment in the second quarter.

In May 2014, Princess' investment in Permotio International Learning, an investment vehicle formed to give Partners Group clients access to the creation of a leading international schools group, completed its first acquisition. Colegios Laude operates several internationally-oriented schools across Spain, providing bilingual education to both local and expat communities. The schools are well regarded and to date have been resilient despite the tough economic environment in Spain. Permotio's management team now plans to focus on completing further acquisitions while implementing value-creation initiatives targeted at improving the learning experience, the managerial capabilities within the schools and their key marketing activities.

In addition, there are two direct mezzanine transactions in closing as of quarter end.

First interim dividend of EUR 0.27 per share paid to shareholders

On 18 June 2014, Princess paid a first interim dividend for 2014 of EUR 0.27 per share. This translates into a dividend yield of 6.6% on the net asset value (NAV) per share as of 30 June 2014 and a yield of 8.2% on the share price, based on the first interim dividend of 2014 and the second interim dividend of 2013, as well as 30 June’s closing price on the London Stock Exchange.

Stable distribution activity

In the first two quarters of 2014, Princess received proceeds from exited investments of EUR 32.0 million, compared to EUR 28.3 million in the corresponding period last year.

Princess' legacy third party fund portfolio was the main contributor to the distributions during the first six months of 2014. Additionally, Princess received deferred receivables of EUR 51.4 million in cash in March 2014. The payment originates from the 2012 sale and purchase agreement with a single third party buyer to sell 17 partnership interests. Princess' remaining deferred receivables amount to EUR 51.0 million as of 30 June 2014. These are due to be received in 2015, 36 months after transfer of the respective partnership interests.

Further, an undrawn EUR 50 million multicurrency credit facility remains 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 semiannual dividend payments and opportunistic share buybacks.

Price-to-NAV discount narrowed

In the first six months of 2014, Princess' share price performance was positive (+9.1%), outperforming the positive NAV development (+4.7%). The discount to NAV for Princess on aggregate closed the quarter at -19.5%, compared with -22.1% at the end of 2013.

Further decrease of unfunded commitments

Unfunded commitments to third-party funds in the Princess portfolio decreased further by around 24% in the first six months of 2014 to EUR 34.4 million, down from EUR 45.1 million as of the end of 2013. Around 44% of the Company's unfunded commitments stem from funds with vintage year 2006 or older, many of which have already completed their investment period and are unlikely to call down any further capital. No new third party fund commitments are being made under the policy of focusing on direct transactions.

Outlook

The Investment Manager expects Princess to continue its favorable development for the remainder of 2014, with successful realizations and positive operating results from its direct portfolio companies providing positive performance.

Looking forward, Princess' deal flow for direct transactions remains strong. The Investment Manager, with a cautious stance towards pricing, will continue to focus on uncovering interesting mezzanine investment opportunities as well as attractive business models of mid-market companies which exhibit potential to be developed further. As at 30 June 2014, there were already two direct mezzanine transactions in closing.

Distributions are anticipated to continue to receive support from Princess' mature legacy fund portfolio which continues to generate strong cash flows. While facilitating new direct investments, these distributions are also expected to support the high dividend yield objective of 5-8% p.a. of NAV.

3 MARKET OVERVIEW

Continued decoupling: top-down vs. "assetflation"

On the macroeconomic front, the sluggish global growth environment persisted through the second quarter of 2014. In the US, the rate of unemployment fell to 6.1%, business indicators painted a relatively rosy picture and capex and M&A activity picked up. Analysts highlighted that, finally, total employment exceeded pre-crisis levels. However, the labor force participation rate still hovered around a 35-year low, while the number of people not in employment, i.e. the unemployed, still exceeded the June 2008 level by 1 million. Further, while weak first-quarter 2014 GDP growth (at -2.9% quarter-on-quarter annualized) may be partially attributable to bad weather, it did raise questions over the strength and breadth of the economic recovery.

In the Eurozone, the recovery remained subdued, with chronic challenges and structural barriers to growth, in the form of high unemployment, weak credit growth and dangerously low inflation. The latter was in turn exacerbated by the strong euro that weighed on revenues and international competitiveness, while public frustration towards the situation was expressed through rising support for anti-EU and anti-immigration parties (France, Netherlands and the UK). Surprisingly, against this weak backdrop and the ongoing lack of structural reform, government bond yields in the periphery fell to decade lows, suppressed by the European Central Bank's promise to do "whatever it takes" to save the euro.

Economic activity continued to disappoint in emerging markets. Exports remained relatively weak, consumer confidence in Brazil plunged to a five-year low, manufacturing activity fell into contractionary territory in the case of Turkey and Brazil and was only just hovering around the neutral level in China. The Chinese government announced various small fiscal stimulus measures aimed at meeting the 7.5% GDP growth target for the year. Meanwhile, weakening demand in China has dragged on commodity prices, adversely impacting a number of commodity-exporting countries, and Eastern Europe was adversely impacted by the Ukrainian crisis.

At the same time, the "assetflation" scenario continued unabated. Risk sentiment remained buoyant throughout the quarter, supported by accommodative monetary policy and the search for yield, as downward revisions to earnings and GDP growth expectations were shrugged off. The MSCI World index of advanced economies gained 4.4% while emerging markets outperformed (+5.1%). At the same time, corporate bond yields fell further and spreads over government bonds tightened.

M&A activity reaches post-crisis high

Global M&A activity in the second quarter of 2014 totaled USD 945 billion, gaining 70.3% compared to the prior-year level, according to mergermarket. With almost one trillion in transaction value, this was the most active period since the second quarter of 2007 and the third highest quarter on mergermarket record. Appetite for large-scale transactions continued to be notable, with ten "megadeals" exceeding USD 10 billion. In addition, 76 deals valued from USD 2-10 billion were announced, the most in any quarter since mid-2007.

The US in particular profited from this trend, with M&A activity soaring 135.6% to USD 405 billion, compared to the same period in 2013, making it the highest valued quarter since the spring of 2007. The surge in activity was bolstered by the largest deal globally in the second quarter, namely AT&T's USD 65.5 billion bid for direct broadcast satellite service provider DIRECTV.

Gaining significantly, but less so than the US, European M&A activity in the second quarter jumped 41.1% year on year to USD 282 billion; the highest valued quarter in Europe since the third quarter of 2008. The increase can be attributed to the continued appetite for large-scale transactions, with several deals in Europe topping the USD 10 billion mark, including the planned USD 40.0 billion merger of cement producers, Holcim and Lafarge.

Meanwhile, Asia-Pacific M&A activity in the second quarter, valued at USD 174 billion, was the highest on mergermarket record (since 2001) for the region, increasing by 60.4% compared to the prior year. One megadeal was announced, as Hong Kong-listed CITIC Pacific revealed a USD 36.5 billion plan to acquire its parent company as part of a wider restructuring of the state-controlled CITIC Group.

Private equity buyout markets remain active

The interest in large-scale transactions was also notable in the private equity buyout space, which continues to be supported by abundant liquidity and ready availability of leverage for transactions. While global buyout activity increased to USD 80 billion, a gain of 10.4% compared to the same quarter in 2013, the number of deals increased only slightly by 1.6% to 766, according to Preqin. The top buyout deal announced during the quarter was Blackstone's acquisition of industrial products manufacturer Gates Global from Onex and the Canada Pension Plan Investment Board for USD 5.4 billion.

From a regional perspective, the US remained the most active buyout market with approximately 50% of the global total. At USD 40 billion in transaction value, an increase of 18.1% compared to the same period last year, activity increased at an above average rate. After an exceptionally strong first quarter, buyout activity in the Asia-Pacific region slowed to USD 9 billion in the second quarter. While this is a sharp slowdown compared with the first quarter, buyout volume in the region remains at overall elevated levels and was in fact precisely double the prior-year figure. Recovery in the Eurozone is moving at a slower pace in comparison. After three quarters of declining values, buyout activity in the region rebounded more than 70% quarter on quarter to USD 27 billion, but still lagged the prior-year figure by 10.9%.

Private equity sponsors utilize attractive exit environment

In the second quarter of 2014, private equity exit volume amounted to USD 137 billion, a steep increase of 43.1% from the same quarter in 2013, according to Preqin. Continuing a recent trend, trade sales remained the most prevalent exit channel, capturing just less than 50% of exits, globally. After a slow beginning of the year, private equity-backed IPOs increased from 49 to 80 in the second quarter of 2014, just one less than during the same period last year. Meanwhile, the USD 13.4 billion trade sale of orthopedic solutions provider Biomet by a consortium of investors, including Blackstone, Goldman Sachs, KKR and TPG, was the largest private equity exit during the quarter.

Financial investors drive global IPO activity

Supported by accommodative equity markets, global IPO activity continued to be strong in the second quarter, according to Ernst &

Young. In the second quarter of 2014, 333 deals globally raised USD 71 billion in capital, exceeding prior-year levels by 62% and 53%, respectively.

Attractively valued stock markets, along with subdued volatility levels, continued to support the US IPO market. In the second quarter of 2014, 91 listings raised USD 23 billion in proceeds, up 47% and 56% compared to prior-year values, respectively. The second quarter was also the third consecutive quarter with more than 70 IPOs, a situation last observed more than a decade ago. The largest IPO in the US (and also globally) during the quarter was the listing of automotive financial services company Ally Financial, which raised USD 2.6 billion in proceeds.

With proceeds exceeding USD 33 billion across 130 deals in the second quarter of 2014, the EMEIA (Europe, Middle East, India and Africa) region enjoyed a six-fold increase in terms of value and twice the amount of deals compared to the prior-year period. The region exhibited strength particularly in key markets such as the UK (strongest quarter for IPOs since the financial crisis) and France, but also exchanges in the Nordics and Italy.

Asia-Pacific IPO activity in the second quarter of the year was mixed. After a surge of Chinese listings in the first three months of 2014, approvals were again on hold for most of the second quarter. However, strong activity in Hong Kong, Japan and Australia supported the overall quarterly results, while the absence of large listings in the region was notable and weighed on average deal size. Overall, the region saw 123 listings that raised USD 18 billion in total, up 54% in number of listings, but down 18% on proceeds raised year on year.

Meanwhile, private equity and venture capital-backed transactions accounted for 33% of IPO proceeds globally - and more than 80% in the US - during the first six months of the year, as sponsors continued to monetize investments. The largest such listing in the second quarter was the previously mentioned listing of Ally Financial, backed by Cerberus and other financial investors. A close second, with USD 2.3 billion in capital raised, was the listing of AA Ltd, a UK-based roadside assistance and insurance provider backed by Permira, Charterhouse, CVC and other financial investors.

Buyout funds lead global fundraising activity

In the second quarter of 2014, global fundraising activity totaled USD 132 billion across 197 funds that held a final close, according to Preqin. While these figures were 11.7% and 29.6% below the prior-year numbers respectively, it was still the third most successful fundraising quarter by volume since the fourth quarter of 2008.

In terms of strategy, buyout funds accounted for USD 60 billion, an increase of 22.2% compared to the same quarter last year and almost 50% of the global total. Looking at geographical focus, North America funds continued to lead global fundraising activity, with USD 69 billion raised; of which USD 36 billion stemmed from buyout programs. Capital raised by Europe-focused funds increased to USD 39 billion, up from USD 32 billion in the prior year, with buyout and secondary funds accounting for the majority. Overall, fundraising continues to be competitive, with a record 2'176 funds on the road, seeking an aggregate volume of USD 739 billion in capital.

The largest private markets fund to hold a final close during the quarter was Ardian Secondary Fund VI, with a total fund size of USD 9.0 billion, followed by the latest flagship buyout funds from Bain Capital (USD 7.3 billion) and Permira (EUR 5.3 billion).

Outlook

GDP growth forecasts are again being revised downward across the globe as the year progresses and sub-trend economic growth continues to be seen in many parts of the world. At the same time, asset prices are still marching higher, boosted by accommodative monetary policies. With ongoing efforts by central banks, in particular the European Central Bank but also the US Federal Reserve Bank, to spur economic activity via the asset price channel, there appears to be limited reason to believe that the decoupling between top-down and assetflation should draw to an end.

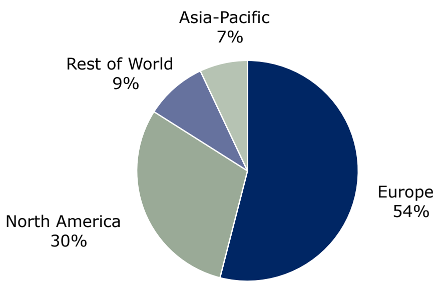
The combination of supportive central banks, buoyant equity markets and robust liquidity has already led to post-crisis record M&A activity levels and a surge in IPO activity, with financial sponsors capitalizing on this environment to exit portfolio companies. At the same time, strategic acquirers have provided an additional exit channel for private market investment managers over the course of 2014, as they seek to deploy cash that has accumulated on the balance sheet over recent years. As long as the assetflation scenario persists, this accommodative market environment can be expected to continue, albeit with greater scrutiny as to valuation.

The heated market and high degree of competition, along with a continuous search for yield, have driven investors to consider investment opportunities outside their usual scope. This approach warrants caution, as robust valuations in the US and Europe, some even above the 2006-2008 peaks, have led to significant increases in downside risk. Historically, mid-cap assets have shown more resilience to cyclical patterns and overheated markets and attractive assets are available for managers with differentiated sourcing capabilities and access to niche markets. Nevertheless, strong operating capabilities and strategic value creation are the keys to success, as significant gains are especially dependent on future growth and less so on further multiple expansion in the current environment.

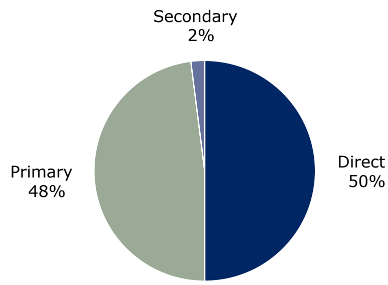
Sources: mergermarket (July 2014); Preqin (July 2014); Ernst & Young (July 2014); Partners Group Research

4 PORTFOLIO COMPOSITION

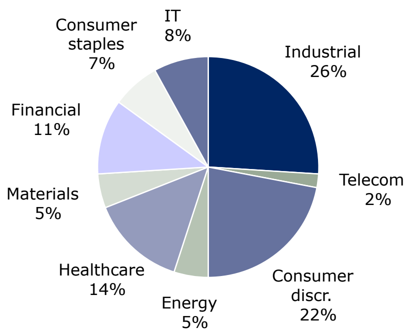
INVESTMENTS BY REGIONAL FOCUS



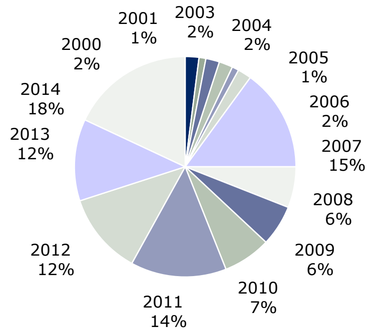
INVESTMENTS BY TRANSACTION TYPE



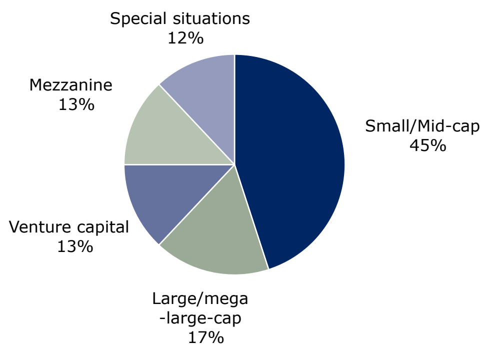
PORTFOLIO ASSETS BY INDUSTRY SECTOR



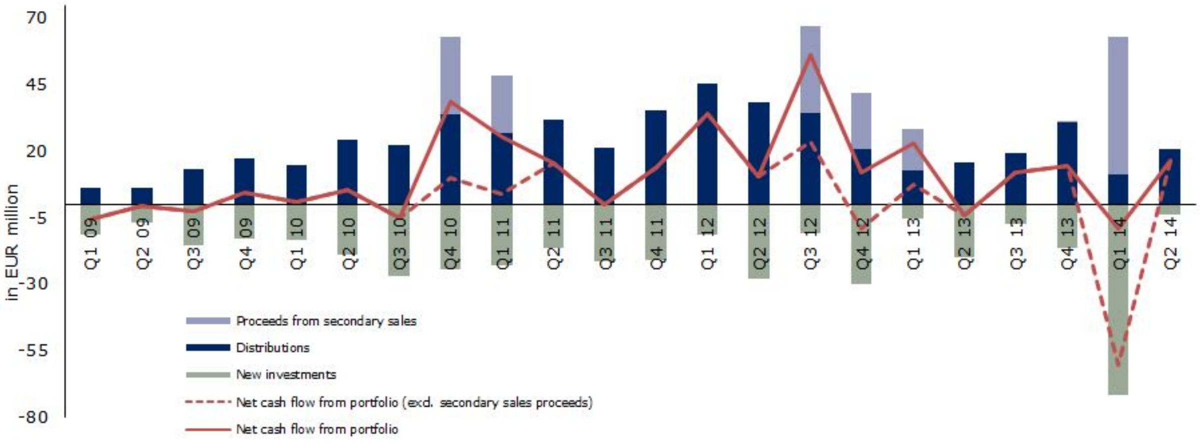
PORTFOLIO ASSETS BY INVESTMENT YEAR



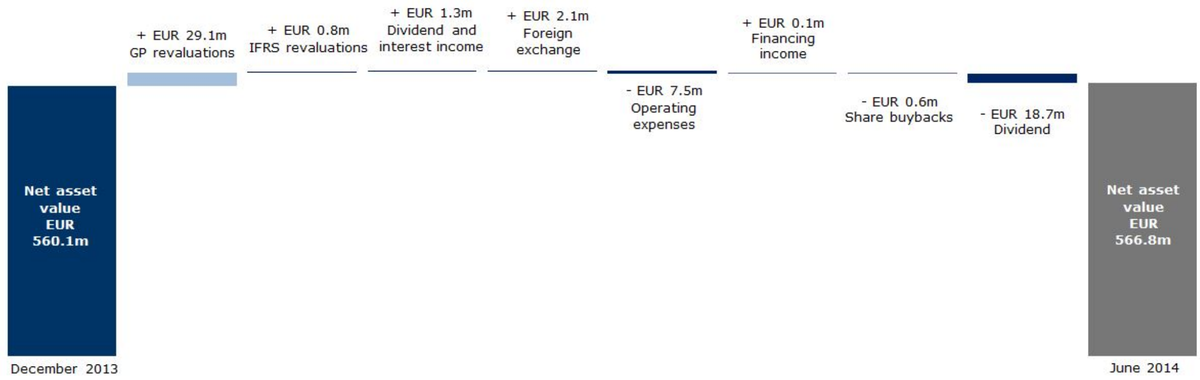
INVESTMENTS BY FINANCING CATEGORY



DEVELOPMENT OF NET CASH FLOWS



NAV DEVELOPMENT



VALUATION METRICS OF THE LARGEST UNDERLYING PORTFOLIO COMPANIES*

	Top 10	Top 20	Top 50
LTM EBITDA growth	17.8%	14.9%	13.7%
LTM revenue growth	17.5%	14.2%	12.6%
Average revenue	EUR 0.5bn	EUR 0.5bn	EUR 0.9bn
% of NAV	21.9%	31.3%	43.8%

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

*As per the 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 largest portfolio companies on a look through basis 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.

Within section four, "Investments" refers to the value of the investments. The total of the investment portfolio excludes cash and cash equivalents.

5 PORTFOLIO TRANSACTIONS

In the first six months of 2014, Princess received distribution proceeds from exited investments (EUR 32.0 million) and secondary sales (EUR 51.4 million). In terms of new investments over the review period, Princess deployed EUR 75.6 million in capital, of which EUR 70.5 million has been used for direct investments and EUR 5.1 million for calls from third party funds.

Selected direct investments

■ Hofmann Menue

In January, Princess invested in Hofmann Menue Manufaktur, a producer and supplier of customized frozen food products to small business canteens and social organizations such as retirement homes, hospitals and schools in Germany. The company has over 10'000 customers and is well-positioned to benefit from secular trends such as an ageing population and the increasing shift towards outsourced catering. Based on its strong brand and recognition for premium quality products and services, Hofmann Menue has a promising positioning to further increase its share in the expanding market for social organizations.

■ Caffè Nero

Partners Group also acted as the mandated lead arranger in January and invested in the mezzanine debt of family-owned and London headquartered coffee house chain Caffè Nero. Since founded in 1997, Caffè Nero has shown a strong performance, recording year-on-year growth in each year since inception. Caffè Nero has benefitted as the out-of-home coffee drinking culture has expanded and coffee houses are increasingly seen as a place to relax, socialize and network. The investment is expected to deliver an attractive risk return profile, given the company's strong brand, robust cash flow generation and track record of achieving sustained growth.

■ VAT Vakuumventile AG

In February, Princess completed the direct investment VAT Vakuumventile AG. The company is the global market leader in high-end vacuum valves and has a strong market position in these mission-critical parts for the vacuum industry. The company offers its clients the largest product portfolio available globally and generates an annual turnover of more than CHF 300 million. Despite the underlying end markets such as semiconductors having faced challenging market environments at times, VAT has constantly increased its market share whilst delivering stable and attractive margins, due in part to its flexible cost structure and best-in-class engineering and production capabilities.

■ Fermaca

Also in February, Princess invested in Fermaca, a leading provider of gas transportation infrastructure in Mexico. The company currently owns and operates pipelines capable of shipping about 20% of Mexico's natural gas needs. Fermaca is also finishing the construction of an additional pipeline which will transport cheap shale gas from the United States to serve the rapidly rising demand in Mexico, primarily driven by power generation needs. Its customers include Mexico's largest natural energy companies while the bulk of Fermaca's capacity is contracted under long-term agreements, providing the business with stable and predictable cash flows.

MultiPlan

In March, Princess completed the direct equity investment in MultiPlan Inc., a provider of comprehensive healthcare cost management solutions. With a network of almost 900'000 healthcare providers and extensive proprietary analytics, MultiPlan generates over USD 11 billion in medical cost savings on 40 million claims annually. The company generates an attractive cash flow through robust margins and low capital expenditure. Partners Group, which has established a close relationship with MultiPlan over the past three years, expects to strategically support the company's plan to grow revenue through the expansion of MultiPlan's business, while leveraging its highly-scalable operating platform.

Kerneos

Also in March, Princess invested in the EUR 600 million acquisition of Kerneos, the global leader in the production and sale of specialty cements used in the refractory materials and building-chemistry industries. Headquartered in Paris, the company sells its products in more than 100 countries, and has in recent years expanded its foothold into emerging markets, which now account for close to one-third of its total revenues. Kerneos' sales have been steadily growing over the last ten years to reach EUR 370 million in 2013, and the company has maintained its margins despite challenging market conditions. Going forward, Kerneos intends to expand its geographical footprint and invest in innovation to improve and widen its product range.

Permotio International Learning

In May, Princess' investment in Permotio International Learning, an investment vehicle formed to give Partners Group clients access to the creation of a leading international schools group, completed its first acquisition. Colegios Laude operates several internationally-oriented schools across Spain, providing bilingual education to both local and expat communities. The schools are well regarded and to date have been resilient despite the tough economic environment in Spain. Permotio's management team now plans to focus on completing further acquisitions while implementing value-creation initiatives targeted at improving the learning experience, the managerial capabilities within the schools and their key marketing activities.

6 PORTFOLIO OVERVIEW

Fifty largest direct investments

Investment	Industry sector	Regional focus	Financing category	Investment year	Residual cost	Net asset value	% of NAV
VAT Vakuumventile AG	Industrials	WEU	Small/Mid-cap	2014	18'777'591	18'775'154	3.3%
MultiPlan	Healthcare	NAM	Large/mega-large-cap	2010	15'467'558	15'467'162	2.7%
Action	Consumer discretionary	WEU	Small/Mid-cap	2011	1'436'487	14'676'073	2.6%
Hofmann Menue Manufaktur	Consumer staples	WEU	Small/Mid-cap	2014	14'644'689	14'644'689	2.6%
Universal Services of America	Industrials	NAM	Small/Mid-cap	2012	8'409'909	12'373'075	2.2%
Fermo (Trimco International)	Industrials	APC	Small/Mid-cap	2012	n.a.	12'011'865	2.1%
Fermaca	Energy	ROW	Special situations	2014	10'266'399	10'266'399	1.8%
Caffe Nero	Consumer staples	WEU	Mezzanine	2013	7'688'501	n.a.	n.a.
Global Blue	Financials	WEU	Small/Mid-cap	2012	5'678'971	7'809'971	1.4%
Pharmaceutical developer	Healthcare	WEU	Small/Mid-cap	2013	6'816'348	6'760'190	1.2%
AWAS Aviation Holding	Financials	WEU	Large/mega-large-cap	2006	5'970'444	6'747'033	1.2%
Information service company	Industrials	NAM	Large/mega-large-cap	2007	4'727'439	6'702'834	1.2%
Plantasjen ASA	Consumer discretionary	WEU	Mezzanine	2007	2'630'821	6'489'101	1.1%
Securitas Direct 2011	Industrials	WEU	Mezzanine	2011	4'413'148	6'417'014	1.1%
Kerneos	Materials	WEU	Small/Mid-cap	2014	5'443'563	5'443'563	1.0%
Education publisher 2	Consumer discretionary	NAM	Large/mega-large-cap	2013	1'953'919	4'226'174	0.7%
BarBri	Consumer discretionary	NAM	Small/Mid-cap	2011	2'775'548	4'183'206	0.7%
Essmann	Materials	WEU	Mezzanine	2007	n.a.	4'122'763	0.7%
Permotio International Learning S.à r.l.	Consumer discretionary	WEU	Venture capital	2013	4'040'674	4'040'674	0.7%
Food company 1	Industrials	NAM	Large/mega-large-cap	2007	2'331'998	3'892'578	0.7%
Softonic	Consumer discretionary	WEU	Venture capital	2013	3'877'888	3'845'134	0.7%
CSS Corp Technologies (Mauritius) Limited	Telecommunication services	APC	Small/Mid-cap	2013	n.a.	n.a.	n.a.
Universal Hospital Services, Inc.	Healthcare	NAM	Small/Mid-cap	2007	3'177'504	3'649'184	0.6%
CPA Global	Industrials	WEU	Mezzanine	2013	3'344'446	3'536'579	0.6%
Grupo SBF	Consumer discretionary	ROW	Venture capital	2013	2'790'097	2'790'097	0.5%
Healthcare operator 2	Healthcare	WEU	Small/Mid-cap	2007	2'871'792	2'765'574	0.5%
Photonis	IT	WEU	Special situations	2011	2'164'506	2'546'877	0.4%
US entertainment company	Consumer discretionary	NAM	Large/mega-large-cap	2008	5'392'274	2'537'492	0.4%
Lancelot	Financials	NAM	Large/mega-large-cap	2013	2'374'702	2'373'824	0.4%
Direct marketing and sales company	Consumer discretionary	ROW	Small/Mid-cap	2007	464'322	1'703'543	0.3%
Strategic Partners, Inc.	Consumer discretionary	NAM	Small/Mid-cap	2012	998'841	1'617'231	0.3%
ConvaTec Inc	Healthcare	WEU	Large/mega-large-cap	2008	524'243	1'452'718	0.3%
Quick Service Restaurant Holdings	Consumer discretionary	APC	Mezzanine	2011	n.a.	n.a.	n.a.
Project Artemis	Healthcare	WEU	Mezzanine	2013	1'208'428	1'343'844	0.2%

Fifty largest direct investments

Investment	Industry sector	Regional focus	Financing category	Investment year	Residual cost	Net asset value	% of NAV
BSN medical 2012	Healthcare	WEU	Mezzanine	2012	1'022'282	1'288'610	0.2%
Schenck Process GmbH	Industrials	WEU	Small/Mid-cap	2007	951'350	1'270'874	0.2%
Project Marvel	Energy	WEU	Mezzanine	2013	1'102'358	1'194'645	0.2%
Media and communications company	Consumer discretionary	NAM	Large/mega-large-cap	2008	2'261'115	1'134'559	0.2%
Super A-Mart	Consumer discretionary	APC	Small/Mid-cap	2006	1'595'675	1'110'611	0.2%
Project Sun	Industrials	WEU	Small/Mid-cap	2011	3'227'091	1'052'093	0.2%
Project Heron	Consumer staples	NAM	Mezzanine	2013	885'546	1'028'074	0.2%
Fashion company	Consumer discretionary	NAM	Large/mega-large-cap	2007	1'074'023	966'621	0.2%
CapitalSpring Finance Company	Financials	NAM	Mezzanine	2013	801'009	964'800	0.2%
Univision Communications, Inc.	Consumer discretionary	NAM	Large/mega-large-cap	2007	712'231	905'247	0.2%
Project Icon	Consumer discretionary	WEU	Small/Mid-cap	2011	4'317'560	862'600	0.2%
Savers, Inc.	Consumer discretionary	NAM	Mezzanine	2012	693'892	857'796	0.2%
Delsey Group	Consumer discretionary	WEU	Small/Mid-cap	2007	1'439'229	845'703	0.1%
CCM Pharma	Healthcare	WEU	Mezzanine	2013	648'544	812'186	0.1%
Telecommunication company	IT	NAM	Large/mega-large-cap	2007	1'525'798	792'474	0.1%
Sabre Industries	Industrials	NAM	Mezzanine	2012	574'429	767'940	0.1%
Total fifty largest direct investments					**175'495'180**	**211'066'449**	

The portfolio's holdings are ranked by percentage of net asset value. 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. The portfolio overview of Princess has been prepared on a look through basis, although the unaudited consolidated statement of financial position includes the valuation of certain Partners Group investment vehicles. The overview shows the 50 largest direct investments based on NAV. Residual cost is the initial investment cost after receipt of distributions from such an investment until the end of the reporting period.

Fifty largest fund investments

Investment	Regional focus	Financing category	Vintage year	Unfunded commitments	Remaining net asset value	% of NAV
Partners Group Global Real Estate 2008 LP	WEU	Special situations	2008	2'195'870	15'872'071	2.8%
Terra Firma Capital Partners III, L.P.	WEU	Large/mega-large-cap	2006	183'427	12'926'639	2.3%
August Equity Partners II A, L.P.	WEU	Small/Mid-cap	2007	n.a.	8'475'275	1.5%
ICG European Fund 2006, L.P.	WEU	Mezzanine	2006	1'641'327	8'137'921	1.4%
Anonymized European Buyout Fund 7	WEU	Small/Mid-cap	2007	1'196'016	8'005'965	1.4%
Ares Corporate Opportunities Fund III, L.P.	NAM	Special situations	2008	1'195'367	6'793'779	1.2%
3i Eurofund Vb	WEU	Small/Mid-cap	2006	410'216	6'544'713	1.2%
GMT Communications Partners III, L.P.	WEU	Small/Mid-cap	2006	1'118'194	6'528'935	1.2%
Sterling Investment Partners II, L.P.	NAM	Small/Mid-cap	2005	19'893	6'147'175	1.1%
Quadriga Capital Private Equity Fund III, L.P.	WEU	Small/Mid-cap	2006	935'903	6'082'618	1.1%
MatlinPatterson Global Opportunities Partners III	NAM	Special situations	2007	932'896	5'399'618	1.0%
Anonymized Emerging Markets Venture Fund 2	ROW	Venture capital	2008	635'454	5'208'806	0.9%
Pitango Venture Capital Fund III	ROW	Venture capital	2000	0	5'208'622	0.9%
INVESCO Venture Partnership Fund II-A, L.P.	NAM	Venture capital	2000	1'336'646	4'801'840	0.8%
INVESCO U.S. Buyout Partnership Fund II, L.P.	NAM	Small/Mid-cap	2000	1'844'115	4'794'759	0.8%
Palamon European Equity 'C', L.P.	WEU	Small/Mid-cap	1999	0	4'246'835	0.7%
Candover 2005 Fund, L.P.	WEU	Large/mega-large-cap	2005	19'791	4'168'822	0.7%
Ares Corporate Opportunities Fund II, L.P.	NAM	Special situations	2006	1'707'954	4'111'840	0.7%
INVESCO Venture Partnership Fund II, L.P.	NAM	Venture capital	1999	2'471'530	4'063'512	0.7%
Aksia Capital III, L.P.	WEU	Small/Mid-cap	2005	118'537	3'776'988	0.7%
GMT Communications Partners II, L.P.	WEU	Venture capital	n.a.	27'077	3'494'660	0.6%
Fenway Partners Capital Fund II, L.P.	NAM	Small/Mid-cap	1998	345'055	2'781'058	0.5%
Draper Fisher Jurvetson Fund VII, L.P.	NAM	Venture capital	2000	0	2'762'576	0.5%
OCM Mezzanine Fund II, L.P.	NAM	Mezzanine	2005	1'265'431	2'675'582	0.5%
Levine Leichtman Capital Partners II, L.P.	NAM	Mezzanine	1998	0	2'620'290	0.5%
The Peninsula Fund IV, L.P.	NAM	Mezzanine	2005	357'255	2'567'061	0.5%
Carmel Software Fund (Cayman), L.P.	ROW	Venture capital	2000	0	2'503'845	0.4%
Advent International GPE VI, L.P.	WEU	Small/Mid-cap	2008	113'395	2'324'850	0.4%
Advent Latin American Private Equity Fund IV, L.P.	ROW	Large/mega-large-cap	2007	194'592	2'318'039	0.4%
SV Life Sciences Fund IV, L.P.	NAM	Venture capital	2006	603'049	2'312'915	0.4%
Alinda Infrastructure Parallel Fund II, L.P.	NAM	Special situations	2008	291'155	1'884'835	0.3%
Penta CLO I S.A..	WEU	Special situations	2007	0	1'871'411	0.3%
Patria - Brazilian Private Equity Fund III, L.P	ROW	Small/Mid-cap	2007	n.a.	n.a.	n.a.
Menlo Ventures IX, L.P.	NAM	Venture capital	2000	0	1'802'355	0.3%
Columbia Capital Equity Partners III (Cayman), LP	NAM	Venture capital	2000	106'612	1'744'620	0.3%
Anonymized European Buyout Fund 3	WEU	Small/Mid-cap	2008	308'211	1'684'549	0.3%
Clayton, Dubilier & Rice Fund VIII, L.P.	NAM	Large/mega-large-cap	2009	284'324	1'531'982	0.3%
Navis Asia Fund V, L.P.	APC	Small/Mid-cap	2007	19'403	1'511'391	0.3%
Innisfree PFI Secondary Fund	WEU	Special situations	2007	276'342	1'506'138	0.3%
Index Ventures Growth I (Jersey), L.P.	WEU	Venture capital	2008	34'757	1'504'481	0.3%
Ventizz Capital Fund IV, L.P.	WEU	Venture capital	2007	0	1'384'353	0.2%
Southern Cross Latin America PE Fund III	ROW	Small/Mid-cap	2007	41'132	1'368'288	0.2%
EQT Infrastructure (No.1) Limited Partnership	WEU	Special situations	2008	191'611	1'367'496	0.2%
Lightspeed Venture Partners VI, L.P.	NAM	Venture capital	2000	481'936	1'358'078	0.2%
American Securities Partners III, L.P.	NAM	Small/Mid-cap	n.a.	495'145	1'316'189	0.2%

Fifty largest fund investments

Investment	Regional focus	Financing category	Vintage year	Unfunded commitments	Remaining net asset value	% of NAV
Exxel Capital Partners VI, L.P.	ROW	Small/Mid-cap	2000	0	1'257'416	0.2%
Russia Partners III, L.P.	ROW	Small/Mid-cap	2007	239'309	1'243'139	0.2%
Vortex Corporate Development Fund, L.P.	NAM	Venture capital	2000	105'179	1'175'100	0.2%
Graphite Capital Partners V, L.P.	WEU	Small/Mid-cap	1999	325'657	1'148'258	0.2%
Baring Asia Private Equity Fund IV, L.P.	APC	Small/Mid-cap	2007	202'254	1'097'134	0.2%
Total fifty largest fund investments				**24'272'014**	**185'414'821**	

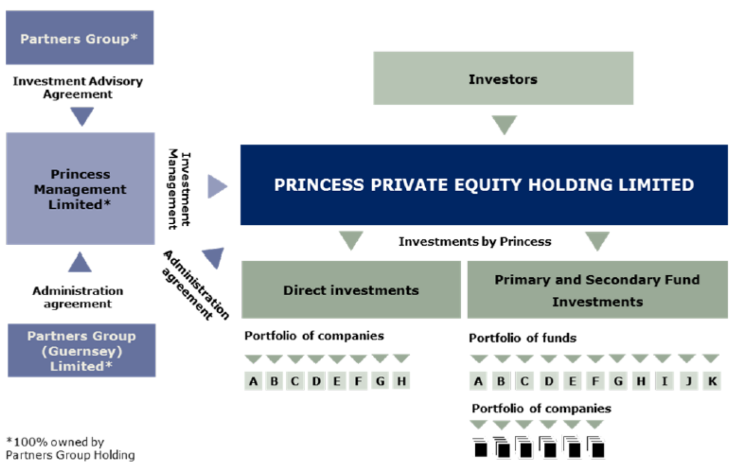
The portfolio's holdings are ranked by percentage of net asset value. Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. The portfolio overview of Princess has been prepared on a look through basis, although the unaudited consolidated statement of financial position includes the valuation of certain Partners Group investment vehicles. The overview shows the 50 largest partnerships based on NAV. Remaining net asset value is the net asset value of primary and secondary investments after receipt of distributions from such investments until the end of the reporting period.

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.
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 2014 to 30 June 2014

In thousands of EUR	***Notes***	**01.01.2014 30.06.2014**	**01.01.2013 30.06.2013**
Net income from financial assets at fair value through profit or loss		**33'381**	**16'800**
Private equity		*28'276*	*15'480*
Revaluation	7	26'720	13'698
Net foreign exchange gains / (losses)	7	1'556	1'782
Private debt		*4'222*	*253*
Interest income (including PIK)		1'301	1'173
Revaluation	7	2'297	(105)
Net foreign exchange gains / (losses)	7	624	(815)
Private real estate		*737*	*963*
Revaluation	7	736	961
Net foreign exchange gains / (losses)	7	1	2
Private infrastructure		*146*	*104*
Revaluation	7	174	104
Net foreign exchange gains / (losses)	7	(28)	-
Net income from short-term investments		**1**	**2**
Interest income		1	-
Revaluation		-	2
Net income from cash & cash equivalents and other income		**(14)**	**(74)**
Interest income		-	2
Net foreign exchange gains / (losses)		(14)	(76)
Total net income		**33'368**	**16'728**
Operating expenses		**(7'296)**	**(4'964)**
Management fees		(4'519)	(4'421)
Incentive fees	10	(2'312)	(1'079)
Administration fees		(142)	(151)
Service fees		(125)	(125)
Other operating expenses		(363)	(392)
Revaluation of other long-term receivables		(6)	-
Other net foreign exchange gains / (losses)		171	1'204
Other financial activities		**(90)**	**(1'745)**

Setup expenses - credit facilities	(227)	(445)
Other finance cost	377	486
Net gains / (losses) from hedging activities	(240)	(1'786)
Surplus / (loss) for the financial period	**25'982**	**10'019**
Other comprehensive income for the period; net of tax	-	-
Total comprehensive income for the period	**25'982**	**10'019**
Weighted average number of shares outstanding	69'186'344.42	69'438'510.77
Basic surplus / (loss) per share for the financial period	0.38	0.14
Diluted surplus / (loss) per share for the financial period	0.38	0.14

The Euro 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 2014

In thousands of EUR	***Notes***		**30.06.2014**		**31.12.2013**
ASSETS					
Financial assets at fair value through profit or loss					
Private equity	7	377'879		317'049	
Private debt	7	69'236		57'882	
Private real estate	7	16'054		15'985	
Private infrastructure	7	9'976		5'267	
Deferred receivables on investments		50'899		50'346	
Other long-term receivables		2'336		-	
Non-current assets			**526'380**		**446'529**
Short-term investments		30'000		-	
Other short-term receivables		614		1'497	
Deferred receivables on investments		-		51'292	
Hedging assets		1'233		345	
Cash and cash equivalents	8	18'269		69'761	
Current assets			**50'116**		**122'895**
TOTAL ASSETS			**576'496**		**569'424**
EQUITY AND LIABILTIES					
Share capital	9	69		69	
Treasury shares	9	-		(432)	
Retained earnings		24'625		(1'357)	
Reserves	9	542'133		561'832	
Total equity			**566'827**		**560'112**
Other long term payables		209		205	
Liabilities falling due after one year			**209**		**205**
Accruals and other short-term payables		9'460		9'107	
Liabilities falling due within one year			**9'460**		**9'107**
TOTAL EQUITY AND LIABILITIES			**576'496**		**569'424**

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2014 to 30 June 2014

In thousands of EUR	**Share capital**	**Treasury shares**	**Retained earnings**	**Reserves**	**Total**
Equity at beginning of reporting period	69	(432)	(1'357)	561'832	560'112
Dividend paid during the period	-	-	-	(18'672)	(18'672)
Other comprehensive income for the period; net of tax	-	-	-	-	-
Share buyback and cancellation	-	-	-	(1'027)	(1'027)
Share buyback	-	432	-	-	432
Surplus / (loss) for the financial period	-	-	25'982	-	25'982
Equity at end of reporting period	**69**	**-**	**24'625**	**542'133**	**566'827**

for the period from 1 January 2013 to 30 June 2013

In thousands of EUR	**Share capital**	**Treasury shares**	**Retained earnings**	**Reserves**	**Total**
Equity at beginning of reporting period	70	-	(16'386)	599'459	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)
Share buyback	-	-	-	-	-
Surplus / (loss) for the financial period	-	-	10'019	-	10'019
Equity at end of reporting period	**70**	**-**	**(6'367)**	**581'137**	**574'840**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January 2014 to 30 June 2014

In thousands of EUR	***Notes***	**01.01.2014 30.06.2014**	**01.01.2013 30.06.2013**
Operating activities			
Surplus / (loss) for the financial period before interest expense		25'982	10'019
Adjustments:			
Net foreign exchange (gains) / losses		(2'310)	(2'097)
Investment revaluation		(29'927)	(14'660)
Revaluation of other long-term receivables		6	-
Net (gain) / loss on interest		(1'302)	(1'175)
Revaluation on forward hedges		240	1'786
(Increase) / decrease in receivables		49'493	(3'058)
Increase / (decrease) in payables		313	(74)
Realized gains / (losses) from forward hedges		(1'127)	3'349
Purchase of private equity investments	7	(53'151)	(20'577)
Purchase of private debt investments	7	(17'456)	(1'480)
Purchase of private real estate investments	7	(424)	(284)
Purchase of private infrastructure investments	7	(4'563)	-
Distributions from and proceeds from sales of private equity investments	7	20'597	38'415
Distributions from and proceeds from sales of private debt investments	7	9'519	2'382
Distributions from and proceeds from sales of private real estate investments	7	1'092	2'332
Purchase of short-term investments		(45'000)	(44'998)
Sale of short-term investments		15'000	30'000
Interest & dividends received		807	710
Net cash from / (used in) operating activities		**(32'211)**	**590**
Financing activities			
Dividends paid	9	(18'672)	(18'044)
Share buyback and cancellation	9	(1'027)	(278)
Treasury shares buyback	9	432	-
Net cash from / (used in) financing activities		**(19'267)**	**(18'322)**
Net increase / (decrease) in cash and cash equivalents		**(51'478)**	**(17'732)**
Cash and cash equivalents at beginning of reporting period	**8**	**69'761**	**65'724**
Effects of foreign currency exchange rate changes on cash and cash equivalents		(14)	(76)
Cash and cash equivalents at end of reporting period	**8**	**18'269**	**47'916**

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NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 January 2014 to 30 June 2014

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"). The Subsidiary also 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"). Both of these subsidiaries are consolidated as they are deemed to provide investment related services to the Company.

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 remain listed on the main market of the London Stock Exchange, where they have been listed since 1 November 2007.

On 19 September 2012 the Company announced the sale of a limited 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 2013, which have been prepared in accordance with International Financial Reporting Standards, with early adoption of IFRS 10, IFRS 12 and IAS 27 (Amendment effective 1 January 2014).

The accounting policies adopted in the preparation of the of the condensed interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2013, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2014.

IAS 32 (Amendment effective 1 January 2014) - Financial instruments: Presentation - offsetting financial assets and financial liabilities

Annual improvements 2012 (effective 1 July 2014)
Annual improvements 2013 (effective 1 July 2014)

The Directors of the Company have assessed the impact of this standard and these amendments and concluded that although this accounting standard and these new interpretations did not affect the Group's results of operations or financial position, they have required additional disclosures with respect to the presentation of certain financial assets and financial liabilities.

The following standard which is mandatory for future accounting periods, but where early adoption is permitted now, have not been duly adopted.

IFRS 9 (effective 1 January 2018) - Financial instruments

The Directors of the Company are in the process of assessing the impact of this standard and believes that this new accounting standard will not significantly affect the Group's results of operations or financial position. The Directors of the Company do, however, believe that this standard may require amendments to financial reporting procedures applied in the preparation of the financial statements and is likely to have a notable impact on the level of disclosures in the financial statements.

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 2014:

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%

*The Extraordinary Shareholder Meeting of the holders of ordinary shares in Princess Private Equity Holding Limited on 12 October 2007 agreed on a 1 to 10 share split according to which each ordinary share was subdivided into 10 ordinary shares. The share split became effective after close of trading on 12 October 2007.

4 DIVIDENDS

The Board of Directors of Princess Private Equity Holding Limited declared a dividend of EUR 0.27 paid on 18 June 2014 on each Ordinary Share. The dividend paid on 18 June amounted to EUR 18.6 million (full year 2013: EUR 36.8 million).

5 SHORT-TERM CREDIT FACILITIES

On 12 November 2013, the Company renewed a multi-currency revolving credit facility with Lloyds TSB Bank plc for EUR 50m, which ends on the 26 July 2017.

In relation to the interest charged, on drawn amounts, this is calculated at a margin of 2.95% to 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 0.90% per annum calculated on the daily undrawn amounts plus a fee of EUR 450’000 paid over three years and a monitoring fee in the amount of EUR 25’000 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 and a total asset ratio (total debt plus current liabilities as a percentage of restricted net asset value) not greater than 25%.

6 SEGMENT CALCULATION

In thousands of EUR	**01.01.2014 30.06.2014**	**01.01.2013 31.12.2013**
Private equity		
Interest & dividend income	-	355
Revaluation	26'720	28'307
Net foreign exchange gains / (losses)	1'556	(6'640)
Total net income private equity	**28'276**	**22'022**
Segment result private equity	**28'276**	**22'022**
Private debt		
Interest income (including PIK)	1'301	2'246
Revaluation	2'297	3'859
Net foreign exchange gains / (losses)	624	(2'973)
Total net income private debt	**4'222**	**3'132**
Segment result private debt	**4'222**	**3'132**
Private real estate		
Revaluation	736	1'246
Net foreign exchange gains / (losses)	1	(8)
Total net income private real estate	**737**	**1'238**
Segment result private real estate	**737**	**1'238**
Private infrastructure		
Revaluation	174	86
Net foreign exchange gains / (losses)	(28)	-
Total net income private infrastructure	**146**	**86**
Segment result private infrastructure	**146**	**86**
Non attributable		
Interest & dividend income	1	20
Revaluation	-	2
Net foreign exchange gains / (losses)	(14)	(167)
Total net income non attributable	**(13)**	**(145)**
Segment result non attributable	**(7'309)**	**(16'153)**
Other financial activities not allocated	(90)	4'704
Surplus / (loss) for the financial period	**25'982**	**15'029**

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

7.1 PRIVATE EQUITY

In thousands of EUR	**30.06.2014**	**31.12.2013**
Balance at beginning of period	317'049	330'260
Purchase of Direct and Indirect Investments	53'151	37'813
Distributions from and proceeds from sales of Direct and Indirect Investments	(20'597)	(72'681)
Reclassification of investments	-	(10)
Revaluation	26'720	28'307
Foreign exchange gains / (losses)	1'556	(6'640)
Balance at end of period	**377'879**	**317'049**

In the previous year 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 part of the Group the transfer has no effect on the Group's income or financial position. These Direct Investments are reflected in the audited consolidated financial statements of the Group at fair value through profit or loss.

7.2 PRIVATE DEBT

In thousands of EUR	**30.06.2014**	**31.12.2013**
Balance at beginning of period	57'882	63'462
Purchase of Direct and Indirect Investments	17'456	8'251
Distributions from and proceeds from sales of Direct and Indirect Investments	(9'519)	(13'798)
Reclassification of investments	-	10
Accrued cash and PIK interest	655	1'083
Interest received	(159)	(2'012)
Revaluation	2'297	3'859
Foreign exchange gains / (losses)	624	(2'973)
Balance at end of period	**69'236**	**57'882**

In the previous year 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 part of the Group the transfer has no effect on the Group's income or financial position. These Direct Investments are reflected in the audited consolidated financial statements of the Group at fair value through profit or loss.

7.3 PRIVATE REAL ESTATE

In thousands of EUR	**30.06.2014**	**31.12.2013**
Balance at beginning of period	15'985	19'166
Purchase of Direct and Indirect Investments	424	170
Distributions from and proceeds from sales of Direct and Indirect Investments	(1'092)	(4'589)
Revaluation	736	1'246
Foreign exchange gains / (losses)	1	(8)
Balance at end of period	**16'054**	**15'985**

7.4 PRIVATE INFRASTRUCTURE

In thousands of EUR	**30.06.2014**	**31.12.2013**
Balance at beginning of period	5'267	4'895
Purchase of Direct and Indirect Investments	4'563	286
Revaluation	174	86
Foreign exchange gains / (losses)	(28)	-
Balance at end of period	**9'976**	**5'267**

8 CASH AND CASH EQUIVALENTS

In thousands of EUR	**30.06.2014**	**31.12.2013**
Cash at banks	18'269	28'756
Cash equivalents	-	41'005
Total cash and cash equivalents	**18'269**	**69'761**

9 SHARE CAPITAL, TREASURY SHARES AND RESERVES

9.1 CAPITAL

In thousands of EUR	**30.06.2014**	**31.12.2013**
Issued and fully paid		
69'318'835 Ordinary shares of EUR 0.001 each out of the bond coversion	-	69
69'154'556 Ordinary shares of EUR 0.001 each out of the bond coversion	69	-
Total issued and fully paid shares	**69**	**69**

The total authorized shares consits 200'100'000 Ordinary shares of EUR 0.001 each (total value EUR 200'100).

During the reporting period, the Company purchased 95'279 of its own shares at an average price of EUR 6.24. 164'279 shares have been cancelled during this period. Following these purchases and cancellation, the Company's issued share capital consists of 69'154'556 shares (2013: 69'318'835 shares).

9.2 TREASURY SHARES

In thousands of EUR	**30.06.2014**	**31.12.2013**
Share buyback for cancellation	**-**	**(432)**

9.3 RESERVES

In thousands of EUR	**30.06.2014**	**31.12.2013**
Distributable reserves		
Distributable reserves at beginning of reporting period	561'832	599'459
Dividend payment	(18'672)	(36'763)
Share buyback and cancellation	(1'027)	(864)
Total distributable reserves at end of reporting period	**542'133**	**561'832**

10 INCENTIVE FEE

In thousands of EUR	**30.06.2014**	**31.12.2013**
Balance at beginning of period	4'412	4'334
Change in incentive fees attributable to General Partner	2'312	2'104
Incentive fees paid/payable	(400)	(2'026)
Balance at end of period	**6'324**	**4'412**

11 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 was settled in four installments between 30 September 2012 and the end of January 2013. By the end of June 2014 USD 103'747'029 and EUR 24'252'872 had been received from the Buyer, which reflected 2/3 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.

The remaining 1/3 proceeds of USD 55’881’063 and EUR 10’848’825 are due to be received after 36 months from the dates of transfer. These will be settled as per the predefined timelines.

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 had been transferred to the Buyer, being at the date that the general partner of the Investments formally recognized the Buyer as the owner of the respective Investments.

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

12 COMMITMENTS

In thousands of EUR	**30.06.2014**	**31.12.2013**
Unfunded commitments translated at the rate prevailing at the end of the reporting period	170'402	196'793

13 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 2014 and 2013.

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	**30.06.2014**	**31.12.2013**
Net assets of the Group	566'827	560'112
Outstanding shares at the end of the reporting period	69'154'556.00	69'249'835.00
Net assets per share at period-end	**8.20**	**8.09**

14 FAIR VALUE MEASUREMENT

In thousands of EUR	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Short-term investments	-	30'000	-	30'000
Derivatives used for hedging	-	1'233	-	1'233
Financial assets at fair value through profit or loss - equity securities	-	-	403'909	403'909
Financial assets at fair value through profit or loss - debt investments	-	-	69'236	69'236
Total assets	**-**	**31'233**	**473'145**	**504'378**
Liabilities				
Total liabilities	**-**	**-**	**-**	**-**

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' governing bodies. 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. The valuation may also be adjusted for further information gathered by the Investment Advisor during its ongoing investment monitoring process. This monitoring process includes, but 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/forward looking EBITDA or historical EBITDA of the issuer and EBITDA multiples of comparable listed companies for the equivalent period), discount rates, capitalization rates, price to book as well as price to earnings ratios and enterprise value to sales multiples. The Group also considers the original transaction prices, 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 fair 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, but not limited to, size, location, development stage and property type. Furthermore the most appropriate measure for determining the valuation of the relevant Direct real estate Investment is selected (amongst others price per room, price per square foot, price per square meter). The comparable price per unit might be subject to adjustment for general qualitative differences which include, but are not limited to, quality of property and access to public transportation. 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 or other square measures) 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, but not limited to, size, development stage and property type. The capitalization rates from recent sales of comparable properties might be subject to adjustment for general qualitative differences which include, but are not limited to, quality of property, tenant mix and access to public transportation. 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 in 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.

If presented, the category "Direct Investments" in the table below may include certain Indirect Investments where the Investment Advisor has full visibility of the underlying portfolio and hence performs a full valuation on such investments as if they were Direct Investments. If presented, the category "Direct Investments" in the table below may include certain investments using the valuation technique "Reported fair value". Such Direct Investments invest solely into underlying Indirect Investments, hence their fair value is based on reported fair value rather than a Direct Investment valuation.

The sensitivity analysis below represents the potential change in fair value for each category of investments presented in absolute values. Should the significant unobservable input for each category of investments increase or decrease by 5%, the value of each category of investments would follow by the absolute positive or negative amount respectively.

With regards to Direct debt Investments, the Investment Advisor is of the opinion that a sensitivity analysis as performed below for Direct equity Investments would not result in a meaningful disclosure with added value for the reader of these audited consolidated financial statements. The reasons for this include, but are not limited to, the fact that the income generated from Direct debt Investments is linked to a reference rate such as LIBOR or EURIBOR (hence eliminating potential valuation changes resulting from fluctuation in interest rates) and the fact that Direct debt Investments are valued using a waterfall approach as described above: The credit risk resulting from investing into a

Direct debt Investment is assessed by performing an enterprise valuation of the issuer's company. Provided that the results of such a valuation provides sufficient evidence that the equity of such a company still has a positive value, there is no indication that the Group as a lender would not be able to recover the full amount initially invested, plus any accrued cash and/or PIK interest, hence carrying such Direct debt Investment at this value. Should a significant unobservable valuation input into such an enterprise valuation be changed in either direction, the value of a respective Direct debt Investment would not fluctuate proportionately. Any fluctuation in the enterprise value of a lender's company would only have an impact on the value of a Direct debt Investment in case the results of such a valuation would provide sufficient evidence that the enterprise value of the company is not sufficient to fully cover the outstanding debt instrument, where the Group is invested in.

With regards to Direct real estate debt Investments, the Investment Advisor is of the opinion that a sensitivity analysis as performed below for Direct equity Investments would not result in a meaningful disclosure with added value for the reader of these audited consolidated financial statements. The reasons for this conclusion include, but are not limited to the fact that the income generated from Direct real estate Investments is linked to a reference rate such as LIBOR or EURIBOR (hence eliminating potential valuation changes resulting from fluctuation in interest rates) and the fact that Direct real estate Investments are valued using a waterfall approach as described above: The risk resulting from investing into a Direct real estate debt Investment is assessed by evaluating the gross asset value of the property. Provided that the results of such valuation provide sufficient evidence that the gross asset value exceeds the debt balance (i.e. the equity has a positive value), there is no indication that the Group as a lender would not be able to recover the full amount initially invested, plus any accrued cash and/or PIK interest, hence carrying such Direct real estate debt Investments at this value. Should a significant unobservable valuation input into the determination of gross asset value be changed in either direction, the value of a respective Direct real estate debt Investment would not fluctuate proportionately. Any fluctuation in gross asset value of the property would only have an impact on the value of a Direct real estate debt Investment in case the results of such a valuation would provide sufficient evidence that the gross asset value of the property is not sufficient to fully cover the outstanding debt instrument, where the Group is invested in. With regards to Direct real estate equity Investments, the Investment Advisor is of the opinion that a sensitivity analysis as performed below for Direct equity Investments would not result in a meaningful disclosure with added value for the reader of these audited consolidated financial statements. The reasons for this conclusion include, but are not limited to the fact that variations in property location, quality and business plan result in comparisons across properties that are not meaningful. Unobservable inputs for a specific region will vary greatly based on the property's micro location, building finishes and amenities and leasing strategy. One-to-one comparisons are not possible even for buildings that are physically close to each other due to the differences in property features and occupancy.

A sensitivity analysis has not been presented for Direct Investments that have been acquired within the last three months of the financial period and where the acquisition cost was deemed to be fair value in accordance with IFRS 13 as it is the view of the Investment Advisor that insufficient time has passed to determine a reliable sensitivity range based on appropriate valuation inputs that would be considered appropriate by market participants.

16 SIGNIFICANT UNOBSERVABLE VALUATION INPUT TABLE

Type of security	Fair value at 30.06.2014	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
Fair value in thousands of EUR						
Direct Investments						
Direct equity Investments	100'906	Market comparable companies	Enterprise value to EBITDA multiple	4.20x - 12.69x (9.66x)	7'861	-7'861
	22	Reported fair value	Reported fair value	n/a	1	-1
Direct debt Investments	25'916	Market comparable companies	Enterprise value to EBITDA multiple	6.78x - 15.10x (10.42x)	n/a	n/a
	2'217	Reported fair value	Reported fair value	n/a	111	-111
Indirect Investments						
	339'764	Adjusted reported net asset value	Reported net asset value	n/a	16'988	-16'988
	-1'251	Adjusted reported net asset value	Fair value adjustments	n/a	-63	63

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Registered Office
Princess Private Equity Holding Limited
Tudor House
Le Bordage
St. Peter Port
Guernsey, GY1 1BT
Channel Islands
Phone +44 1481 711 690
Facsimile +44 1481 730 947

Email: princess@princess-privateequity.net
Info: www.princess-privateequity.net

Registered number: 35241

Investment Advisor
Partners Group AG (Zug)
Zugerstrasse 57
6341 Baar-Zug
Switzerland

Investor Relations
George Crowe
Phone +44 (0)207 575 2771
Email: george.crowe@partnersgroup.com

Investment Manager
Princess Management Limited
Guernsey, Channel Islands

Administrator
Partners Group (Guernsey) Limited
Guernsey, Channel Islands

Trading Information

Listing	London Stock Exchange
ISIN	GG00B28C2R28
WPK	A0M5MA
Valor	3493187
Trading symbol	PEY
Bloomberg	PEY LN
Reuters	PEY.L
Joint corporate brokers	JPMorgan Cazenove / Numis Securities Limited

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