



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

PRINCESS PRIVATE EQUITY HOLDING LIMITED

INTERIM REPORT 2015

Unaudited consolidated financial statements for the period from 1 January 2015 to 30 September 2015



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 mainly invests directly but also holds 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.

This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the product described herein. This report was prepared using financial information contained in the Company's books and records as of the reporting date. This information is believed to be accurate but has not been audited, reviewed or approved by any third party. This report describes past performance, which may not be indicative of future results. The Company does not accept any liability for actions taken on the basis of the information provided. Please consult the constituent documents for a more complete description of the terms.

Key figures

In EUR	31 December 2014	30 September 2015
Total fund size	593'522'580	651'957'834
NAV per share	8.58	9.43
Total dividend per share (year to date)	0.54	0.27
Share price	6.97	7.49
Discount	-18.79%	-20.56%
Cash and cash equivalents	45'348'161	43'867'645
Credit line used	0	0
Value of investments	509'880'194	595'914'147
Unfunded commitments	165'038'386	102'494'453
Investment level	85.91%	91.40%
Net current assets	83'642'385	56'043'688
Commitment ratio	13.72%	7.12%
Gross commitment ratio	5.29%	-0.54%

Past performance is not indicative of future results.

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1. Investment Manager's report

Continued positive NAV development in the first nine months of 2015

The NAV of Princess Private Equity Holding Limited (Princess) continued to develop positively over the first nine months of 2015 and increased to EUR 9.43 per share, giving a total return yield of +13.2%, adjusted for the first interim dividend of EUR 0.27 per share distributed in June. Valuation developments (+13.7%) were again the largest performance driver over the period while currency effects (+1.8%) also had a positive impact.

The continued successful implementation of operational and strategic initiatives led to EBITDA growth and healthy capital structures at portfolio company level, in spite of the volatile performance of global public markets. For example, the 50 largest portfolio companies representing approximately 60% of NAV, posted weighted average year-on-year revenue and earnings (EBITDA) growth of 8.5% and 12.8% respectively.

The largest performance contributors to Princess' NAV growth over the reporting period were the direct investments in VAT Vakuumentile AG, MultiPlan, Universal Services of America, Action and Hofmann Menue Manufaktur.

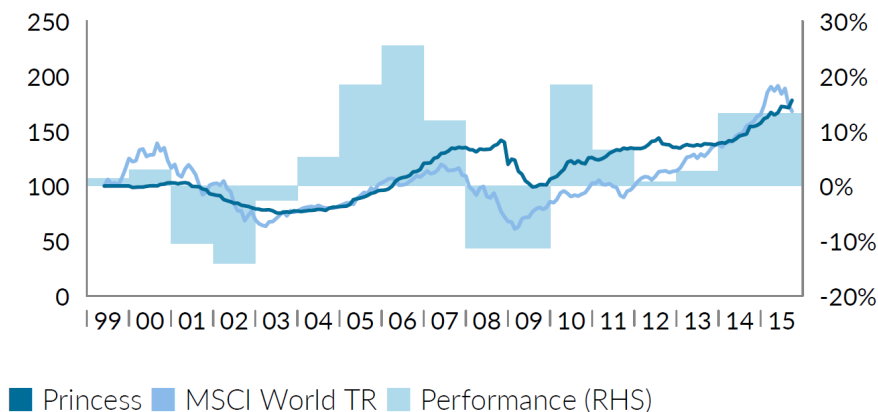
● VAT VAKUUMENTILE AG

VAT, the global market leader in the manufacture of vacuum valves used in various process industries, reported record monthly sales in July 2015. Sales to semiconductor OEMs contributed significantly to the excellent result. In June, a new management was put in place, bringing to the company a wealth of sales and marketing experience in VAT's key markets.

● ACTION

For the quarter ended 30 September 2015, Dutch non-food discount retailer Action reported positive financial performance, on the back of strong customer growth and continued store expansion. In September, Action opened its first shop in Luxembourg, bringing the total number of stores to over 580 as at the end of the month. The company also announced the appointment of a new CEO effective 1 January 2016 who has international experience working with public and private companies, expertise as a retailer, as well as outstanding insights into consumer trends that position him well to lead the company in its next stage of development.

NAV PERFORMANCE (SINCE INCEPTION)*



* As per reporting date.

Share price development

Despite volatile public markets Princess' share price performance was positive over the reporting period, closing at EUR 7.49 per share. This represents a total return of +11.2%, more or less in line with the positive NAV development (+13.2%) over the first nine months of 2015.

Investment activity

Within the first nine months of the year, Princess invested in two new direct equity investments (Dynacast and KinderCare Education) as well as add-on acquisitions by Permotio International Learning, by a pharmaceutical developer and by Project Icon. Furthermore, four new debt investments were completed.

Overall new investment activity including third party funds amounted to EUR 50.6 million with a further EUR 21.5 million called by Partners Group's direct programs but not yet deployed as of end of the reporting period, with the investment level increasing to 91.4% of NAV, up from 85.9% at the beginning of the year.

● DYNACAST

In January, Partners Group acquired Dynacast from a consortium of investors in a transaction valued at USD 1.1 billion. Princess participated with EUR 21 million in this deal. Founded nearly 80 years ago, Dynacast is a global manufacturer of small, highly complex metal components. The company uses proprietary precision die-casting and metal injection molding (MIM) technologies to produce customized, high-volume components with complex shapes and tight tolerances. Dynacast is headquartered in Charlotte, North Carolina, and has 23 manufacturing plants in 16 countries worldwide, which serve a diverse client base including blue-chip customers across the automotive, telecommunications, computing, consumer electronics, and healthcare industries. Partners Group is joined in the acquisition by Kenner & Company, an existing shareholder, and the company's management team, which will both roll over significant equity stakes into the new transaction. Following the close of the acquisition, Partners Group and Kenner & Company will work closely with Dynacast's management team to support the company in the next phase of its global growth plans.

● PERMOTIO INTERNATIONAL LEARNING

Princess provided EUR 1.3 million to Permotio International Learning in June to finance the purchase of a school located in the Middle East. The transaction offers inherent growth potential as the school is operating below capacity in a market with growing demand for quality education. Permotio ac-

quired its first group of schools in Spain in 2014 and subsequently acquired the Cambridge International School in February 2015. In addition to this transaction, Partners Group and Permotio's management team are currently in advanced stages of due diligence on potential acquisitions in Latin America and Europe.

● KINDERCARE EDUCATION

During August, Princess invested EUR 15.1 million in the acquisition of KUE LLC, the largest for-profit provider of early childhood education in the US and the parent company of KinderCare Learning Centers, as well as the brands Children's Creative Learning Centers and Champions. KUE LLC's largest subsidiary, KinderCare Learning Centers, has been educating and caring for children for over 45 years and has a strong reputation for delivering high-quality educational programs through approximately 1'400 centers in 38 states. KinderCare is on track to achieve 100% national accreditation of its centers in 2016. In May 2015, the company saw its 1'000th center achieve this prestigious accreditation milestone, which signifies a program is of the highest quality recognized nationally in the early-childhood education field.

KinderCare Learning Centers is expected to benefit from strong macroeconomic tailwinds positively impacting the value drivers of the business, such as increasing demand for high-quality center-based care, and higher workforce participation by women and dual income families. Partners Group intends to work closely with KUE LLC's management team on several initiatives to expand its programs and enhance the experience for families enrolled at its centers, drawing on a long track record of investment in the education sector globally, with the objective of increasing the global occupancy of the centers. This acquisition is a strong fit from a relative value perspective as it highlights the capacity to invest in a mid-market business leader in a growing sector with numerous add-on opportunities.

● PHARMACEUTICAL DEVELOPER

In September, Princess invested EUR 2.2 million in a follow-on investment in a Swiss-based pharmaceutical developer. The cash will be used to fund the acquisition of a pharmaceutical company focused on generic drug manufacture. The add-on acquisition manufactured its first product in 2003 and is a well-established branded generics business, with a product portfolio consisting of approximately 30 prescription and over-the-counter drugs, mainly for cardiovascular and central nervous system treatments.

Liquidity further supported by strong level of distributions

Distribution activity continued to be healthy over the reporting period. Overall distribution proceeds to Princess from exited investments totaled EUR 89.0 million with a further EUR 8.8 million due to be received as of period-end, compared to EUR 55.4 million in the corresponding period last year.

The main contributors to distributions besides Princess' legacy third party fund portfolio (EUR 50.0 million), which continued to generate a high volume of exits from mature underlying portfolio companies, were Universal Services of America and Action.

● UNIVERSAL SERVICES OF AMERICA

In June, Partners Group signed an agreement to sell its controlling interest in US security services provider, Universal Services of America (USA), to an affiliate of private equity firm Warburg Pincus. Partners Group was an investor in USA through its Private Debt business prior to its 2013 equity investment in the company. Subsequent to its equity investment, Partners Group worked closely with the management to complete over 20 strategic acquisitions, increasing the number of USA employees by more than 60% to over 44'000 and securing USA's position as the fourth largest security services company in the US. Furthermore, Partners Group rolled out a major project aimed at preserving and enhancing USA's corporate culture which led to an industry-leading employee retention rate. Over the course of Partners Group's ownership, USA's revenue increased more than 80%. Princess received distributions of EUR 29.7 million in July and the sale resulted in a multiple of 2.9x and an IRR of over 65%.

● ACTION

In January, Princess received EUR 3.5 million in dividends from a successful EUR 840 million debt refinancing. The transaction marked the second recapitalization completed by Action in 15 months, supported by strong EBITDA growth and consistent deleveraging.

As of the end of the first nine months of 2015 Princess holds cash and cash equivalents of EUR 28.2 million (4.3% of NAV), with a further EUR 50.0 million available from its credit line (total credit line: EUR 50 million). Princess received deferred receivables of EUR 33.1 million during September. The deferred receivables relate to the sale of 17 partnership interests which took place in September 2012 under a deferred payment structure. The remaining EUR 27.8 million (4.3% of NAV) of receivables were received shortly after the reporting period in early October 2015.

As a result, the Company holds sufficient liquidity on its balance sheet to permit select new direct investments and the ongoing return of capital to shareholders through semi-annual dividend payments and opportunistic share buybacks.

Unfunded commitments continue to decrease

As of 30 September, Princess' total unfunded commitments amounted to EUR 102.5 million of which EUR 52.0 million related to Partners Group Direct Investments 2012, Partners Group Direct Mezzanine 2011 and new direct investments in closing. Unfunded commitments to Princess' legacy fund portfolio amounted to EUR 50.5 million of which many have already completed their investment period and are unlikely to call down any further capital. In line with the policy of focusing on direct transactions no new third party fund commitments will be made.

Outlook

The outlook for Princess continues to be positive for the remainder of the year. The Investment Manager expects further successful realizations as well as a continuation of the positive operating results that are reflected in valuations of Princess' direct portfolio companies.

The Investment Manager continues to screen a high volume of transactions, thereby remaining highly selective and maintaining a cautious stance towards pricing. In the current environment the focus lies on platform strategies, technology-related growth and niche leadership. Platform strategies aim to pursue company growth via organic growth, add-on acquisitions and cross-border expansion. Technology-related growth demands the identification of growth trends in technology-related products of stable companies offering a competitive advantage with high specialty products. Finally, niche leadership offers superior growth in sub-segments of certain markets.

Furthermore, Princess' mature legacy fund portfolio is expected to continue to generate a healthy level of distributions, supporting the Company's liquidity position. Reflecting the strength of its balance sheet, Princess is well positioned to make select new direct investments, and to maintain the high dividend yield objective of 5-8% p.a. of NAV.

In conclusion, the Investment Manager remains satisfied with the continued progress made in repositioning the Company's portfolio to direct investments, and believes that Princess provides investors with an attractive vehicle to gain exposure to the long-term growth potential offered by a global portfolio of high quality mid-cap private companies.

2. Market overview

Macroeconomic activity

The third quarter of 2015 was characterized by increased concerns about the global growth outlook. China's economy weakened further, spilling over into other emerging markets via lower commodity prices and exports. Advanced economies also showed signs of deceleration toward the quarter's end, quelling expectations of potential rate hikes in select countries. The US economy proved to be resilient, albeit not without turbulence. While employers added jobs in September, it was a disappointing month, as evident in that month's labor report. The Federal Reserve held back on raising rates during its September meeting, driven by lower-than-targeted inflation. Meanwhile, Eurozone growth continued to improve as the European Central Bank remained committed to its quantitative easing program, which helped to maintain loan flows to individuals and corporate customers. Overall economic data, however, was mixed: despite a brief recovery from the trough in the first quarter, inflation is still hovering close to 0%. Emerging markets, such as Russia and Brazil, continued to be impacted by the global commodity slump, with their currencies having fallen by more than 20% against the US dollar, amid soaring inflation. Russia's economy remained hampered by international sanctions, while Brazil struggled with corruption scandals, which cost the country its investment-grade credit rating. Additionally, China unexpectedly devalued its currency by about 4% over the quarter, in a bid to steer toward a free-floating exchange rate regime.

Meanwhile, reflecting the economic terrain, many financial markets declined, with Chinese, Brazilian and Russian equity markets shedding more than 10%. Markets in developed economies proved to be more resilient, with select European equities recording losses of single-digit percentages, while the S&P 500 was down by 6.5%. Against the euro, the US dollar finished close to its starting level in the 1.1175 region, while spreads on US and European corporate bonds widened.

Private equity buyout activity

After a strong first half of the year, global buyout activity eased 6.4% year-on-year to USD 84.9 billion in the third quarter, while the number of transactions declined at a similar pace to 874 deals. Despite a 20.3% year-on-year decline in deal value, activity in North America accounted for USD 44.3 billion, more than 50% of the global total, while the

Asia-Pacific region saw a strong gain of 52.2% year-on-year, to USD 20.8 billion. Deal activity in Europe, amounting to USD 17.5 billion, remained virtually unchanged on a year-on-year comparison, but saw a sharp 55.1% decline over the strong second quarter.

Private equity exit activity

In the first three quarters of 2015, global private equity exit activity decreased by 4.9% year-on-year to USD 302.4 billion in terms of deal value, on the back of a 17.3% decline in the number of exits. High volatility in public markets made pricing of IPOs difficult, and the third quarter saw only 15 PE-backed IPOs, a decline of 63% compared to the prior year. Strategic acquirers continued to be active, and have accounted for 57% of private equity exits in 2015 so far.

In the first three quarters of 2015, private equity exit activity in the Americas increased by 1.3% year-on-year to USD 167.4 billion in terms of deal value, despite a decline of 25.4% in the number of exits. Volatile public markets made pricing of IPOs difficult, and the year to date has seen only 42 private equity-backed IPOs, as compared to 116 during the same period in 2014, while strategic acquirers continued to be active and accounted for more than 50% of all transactions in the region.

In the first three quarters of 2015, private equity exit activity in the Europe, Middle East and Africa (EMEA) region decreased by 6.5% year-on-year to USD 109.0 billion in terms of deal value and by 4.1%, to 351, in the number of exits. While value and volume declined for exits to strategic acquirers as well as through IPOs, there was an increase of 208.4% to USD 29.3 billion in exits through secondary sales.

In the first three quarters of 2015, private equity exit activity in the Asia-Pacific region decreased by 40.3% year-on-year, to USD 21.8 billion in terms of deal value and by 26.3%, to 87, in the number of exits. The majority of exits were attributable to trade sales, as the China IPO moratorium and a lack of M&A activity dampened overall activity.

IPO activity

Global IPO activity remained steady over the first nine months of 2015, with deal volume rising by 2% over the prior year period, to 890 listings. In contrast, capital raised fell by 32%, to USD 127.9 billion. Overall, private equity and venture capital-backed listings accounted for 17% of volume and 32% of proceeds globally - a smaller proportion than the prior year, as sponsors adopted a wait-and-see approach. In

the US, as a result of market volatility, exchanges recorded a 37% and 67% decline in number of deals closed and capital raised, to 139 and USD 25.4 billion, respectively, over the year-to-date period. Similarly, stock exchanges in the EMEA region saw an overall 9% decline in deal volume, to 266, while capital raised totaled USD 41.8 billion, representing a 29% year-on-year decrease. The Asia-Pacific region continued to lead the IPO stakes, with 466 IPOs raising USD 57.8 billion over the nine-month period. Notwithstanding that, the region recorded a sharp decline in the third quarter as a result of IPO suspensions in mainland China, which typically accounts for more than half of the Asia-Pacific region total.

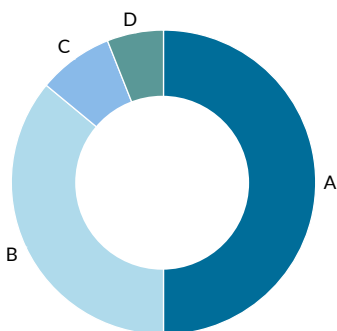
Outlook

In the US, domestic macroeconomic indicators painted a positive picture: an unemployment rate of 5.1%, a currency that seemed to have stabilized near current levels and GDP growth that has been predicted by the International Monetary Fund (IMF) to reach 2.6% in 2015 and 2.8% in 2016. In contrast, forecasts for economic growth and unemployment

rates for the Eurozone revealed a wide divergence across the continent. The IMF has predicted overall GDP growth of 1.5% and 1.6% for the Eurozone in 2015 and 2016, respectively. Notwithstanding that, persistent weakness in the euro and global oil prices should boost economic growth in the Eurozone, with further uplift potential provided by much-needed structural reforms. Elsewhere, in the emerging markets, the possibility of lower domestic growth looms as China grapples with a new consumption-based growth model, although this should bring about more sustainable growth. Against this backdrop of low growth and increased market volatility, Partners Group maintains that a cautious and disciplined investment approach of selecting only those highest-quality assets that exhibit compelling value-creation opportunities, at reasonable prices, is the key to success.

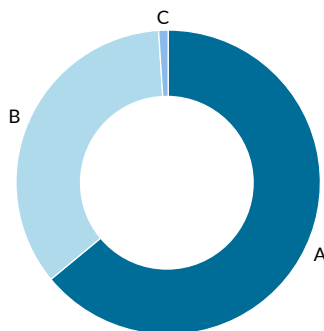
Sources: Preqin "Q3 2015 Private Equity-Backed Buyout Deals and Exits" (October 2015); Preqin "Q3 2015 Private Equity Fundraising" (October 2015); Ernst & Young "3Q15 Global IPO update" (September 2015); Ernst & Young "EY Global IPO Trends" (September 2015); Dealogic "Global M&A Review First Nine Months 2015" (October 2015); Partners Group Research

3. Portfolio composition



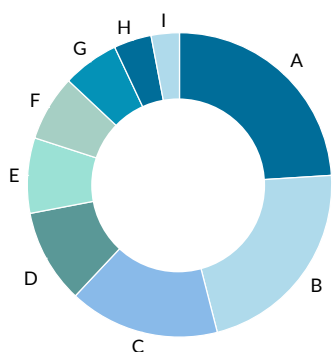
Investments by regional focus

A Europe	50%	C Rest of World	8%
B North America	36%	D Asia-Pacific	6%



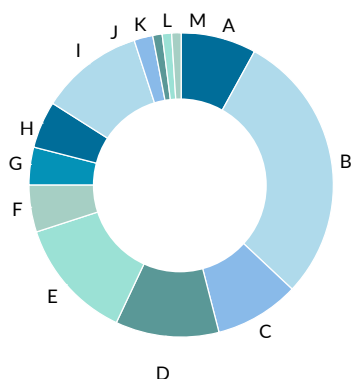
Investments by transaction type

A Direct	64%	C Secondary	1%
B Primary	35%		



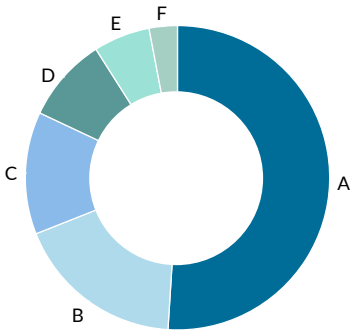
Portfolio assets by industry sector

A Consumer discr.	24%	F IT	7%
B Industrial	22%	G Consumer staples	6%
C Healthcare	16%	H Energy	4%
D Financial	10%	I Telecom	3%
E Materials	8%		



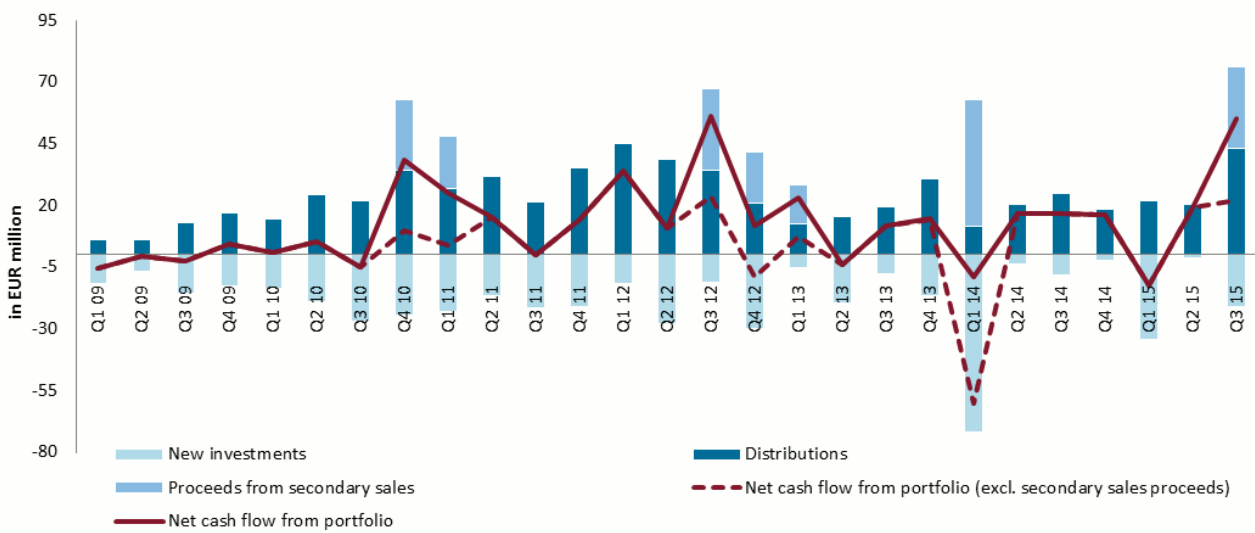
Portfolio assets by investment year

A 2015	8%	H 2008	5%
B 2014	29%	I 2007	11%
C 2013	9%	J 2006	2%
D 2012	11%	K 2004	1%
E 2011	13%	L 2003	1%
F 2010	5%	M 2000	1%
G 2009	4%		

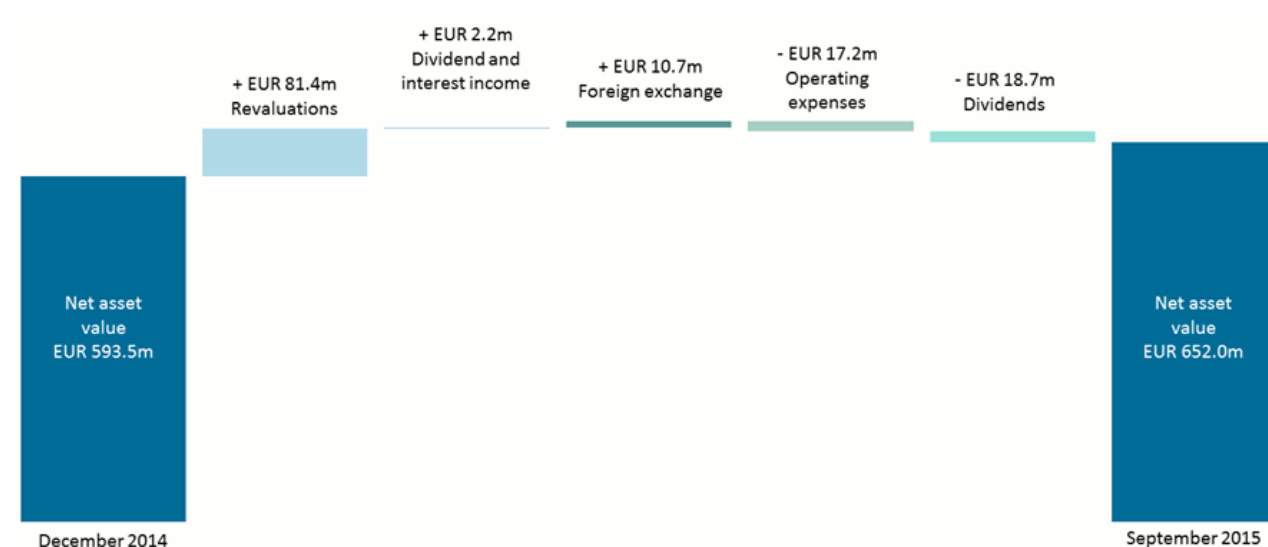


Investments by financing category

A	Small/Mid-cap	51%	D	Mezzanine	9%
B	Large/mega-large-cap	18%	E	Venture capital	6%
C	Special situations	13%	F	Growth	3%



DEVELOPMENT OF NET CASH FLOWS



NAV DEVELOPMENT

	Top 10	Top 20	Top 50
EV/EBITDA	10.6x	10.6x	10.5x
Net debt/EBITDA	4.1x	4.0x	4.2x
Leverage	38.9%	39.0%	41.8%
Average EV	EUR 2.9bn	EUR 2.5bn	EUR 2.3bn
% of NAV	34.0%	45.1%	59.6%

VALUATION METRICS OF THE LARGEST UNDERLYING PORTFOLIO COMPANIES*

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.

4. Portfolio overview

Fifty largest direct investments

Investment	Industry sector	Regional focus	Financing category	Investment year	Residual cost*	Net asset value	% of NAV
VAT Vakuumentile AG	Industrials	WEU	Small/Mid-cap	2014	20'525'999	41'090'054	6.3%
MultiPlan	Healthcare	NAM	Large/mega-large-cap	2014	18'967'768	40'827'549	6.3%
Action	Consumer discretionary	WEU	Small/Mid-cap	2011	-2'612'523	24'367'830	3.7%
Dynacast	Materials	NAM	Small/Mid-cap	2015	21'189'748	22'897'044	3.5%
Hofmann Menue Manufaktur	Consumer staples	WEU	Small/Mid-cap	2014	14'593'373	19'972'490	3.1%
Fermaca	Energy	ROW	Special situations	2014	13'067'433	15'390'738	2.4%
Fermo (Trimco International)	Industrials	APC	Small/Mid-cap	2012	n.a.	15'245'919	2.3%
KinderCare Education	Consumer discretionary	NAM	Small/Mid-cap	2015	15'009'003	15'008'742	2.3%
Pharmaceutical developer	Healthcare	WEU	Small/Mid-cap	2013	10'609'739	10'609'737	1.6%
Global Blue	Financials	WEU	Small/Mid-cap	2012	5'506'347	10'377'212	1.6%
Caffe Nero	Consumer staples	WEU	Mezzanine	2013	7'690'303	n.a.	n.a.
AWAS Aviation Holding	Financials	WEU	Large/mega-large-cap	2006	4'927'317	8'399'826	1.3%
Voyage Care	Healthcare	WEU	Small/Mid-cap	2014	7'487'711	7'487'711	1.1%
Kerneos	Materials	WEU	Small/Mid-cap	2014	5'443'563	7'066'602	1.1%
Permotio International Learning S.à r.l.	Consumer discretionary	WEU	Growth	2013	6'520'511	6'890'838	1.1%
Plantasjen ASA	Consumer discretionary	WEU	Mezzanine	2007	2'321'608	6'506'726	1.0%
Securitas Direct 2011	Industrials	WEU	Mezzanine	2011	3'560'168	6'413'930	1.0%
Lancelot	Financials	NAM	Large/mega-large-cap	2013	2'837'093	6'209'851	1.0%
Varsity Brands	Consumer discretionary	NAM	Small/Mid-cap	2014	4'791'252	5'890'400	0.9%
CSS Corp Technologies (Mauritius) Limited	Telecommunication services	APC	Small/Mid-cap	2013	n.a.	n.a.	n.a.
Information service company	Industrials	NAM	Large/mega-large-cap	2007	4'311'425	4'927'463	0.8%
Project Icon	Consumer discretionary	WEU	Small/Mid-cap	2011	5'375'353	4'861'656	0.7%
Education publisher 2	Consumer discretionary	NAM	Large/mega-large-cap	2013	129'632	4'758'326	0.7%
Food company 1	Industrials	NAM	Large/mega-large-cap	2007	2'859'590	4'703'026	0.7%
Essmann	Materials	WEU	Mezzanine	2007	n.a.	4'671'582	0.7%
CPA Global	Industrials	WEU	Special situations	2013	3'610'911	4'194'033	0.6%
Universal Hospital Services, Inc.	Healthcare	NAM	Small/Mid-cap	2007	3'896'383	3'698'258	0.6%
BarBri	Consumer discretionary	NAM	Small/Mid-cap	2011	3'403'489	3'392'327	0.5%
South Dakota Systems	Telecommunication services	NAM	Special situations	2014	2'878'284	3'241'075	0.5%

Investment	Industry sector	Regional focus	Financing category	Investment year	Residual cost*	Net asset value	% of NAV
Strategic Partners, Inc.	Consumer discretionary	NAM	Small/Mid-cap	2012	129'632	3'223'950	0.5%
CapitalSpring Finance Company	Financials	NAM	Mezzanine	2013	2'385'951	3'023'482	0.5%
Photonis	IT	WEU	Special situations	2011	2'291'648	2'943'611	0.5%
ATX Networks	Consumer discretionary	NAM	Special situations	2015	2'026'123	2'137'400	0.3%
Direct marketing and sales company	Consumer discretionary	ROW	Small/Mid-cap	2007	476'035	1'907'649	0.3%
Schenck Process GmbH	Industrials	WEU	Small/Mid-cap	2007	951'350	1'806'877	0.3%
ConvaTec Inc	Healthcare	WEU	Large/mega-large-cap	2008	642'848	1'742'961	0.3%
Project Firefox	Telecommunication services	NAM	Special situations	2015	1'678'024	1'737'399	0.3%
Delsey Group	Consumer discretionary	WEU	Small/Mid-cap	2007	1'440'019	1'537'615	0.2%
Sabre Industries	Industrials	NAM	Mezzanine	2012	1'093'095	1'536'882	0.2%
Freescall Semiconductor, Inc.	IT	NAM	Large/mega-large-cap	2006	1'519'321	1'536'233	0.2%
Megadyne	Industrials	WEU	Mezzanine	2014	n.a.	n.a.	n.a.
Project Artemis	Healthcare	WEU	Mezzanine	2013	1'103'382	1'440'742	0.2%
Labeyrie	Consumer staples	WEU	Mezzanine	2014	1'249'996	n.a.	n.a.
Media and communications company	Consumer discretionary	NAM	Large/mega-large-cap	2008	2'772'670	1'365'848	0.2%
Grupo SBF	Consumer discretionary	ROW	Growth	2013	1'904'788	1'334'688	0.2%
Univision Communications, Inc.	Consumer discretionary	NAM	Large/mega-large-cap	2007	873'531	1'330'667	0.2%
US entertainment company	Consumer discretionary	NAM	Large/mega-large-cap	2008	6'612'224	1'329'296	0.2%
Quick Service Restaurant Holdings	Consumer discretionary	APC	Mezzanine	2011	n.a.	n.a.	n.a.
Project Heron	Consumer staples	NAM	Mezzanine	2013	739'214	1'272'731	0.2%
Qinterra	Energy	WEU	Mezzanine	2013	1'088'470	1'257'552	0.2%
Total direct investments					251'945'509	373'244'073	57.2%

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

4.1 Fifty largest fund investments

Fifty largest fund investments

Investment	Regional focus	Financing category	Vintage year	Unfunded commitments	Net asset value	% of NAV
Partners Group Global Real Estate 2008, L.P.	WEU	Special situations	2008	1'759'056	14'586'834	2.2%
Terra Firma Capital Partners III, L.P.	WEU	Large/mega-large-cap	2006	79'547	12'525'476	1.9%
Ares Corporate Opportunities Fund III, L.P.	NAM	Special situations	2008	1'301'751	9'567'613	1.5%
Anonymized Emerging Markets Venture Fund 2	ROW	Venture capital	2008	403'045	8'676'981	1.3%
Anonymized European Buyout Fund 7	WEU	Small/Mid-cap	2007	1'160'855	7'968'702	1.2%
3i Eurofund Vb	WEU	Small/Mid-cap	2006	410'794	7'245'870	1.1%
MatlinPatterson Global Opportunities Partners III	NAM	Special situations	2007	540'833	6'347'483	1.0%
Quadriga Capital Private Equity Fund III, L.P.	WEU	Small/Mid-cap	2006	391'181	6'190'662	0.9%
GMT Communications Partners III, L.P.	WEU	Small/Mid-cap	2006	970'352	5'664'947	0.9%
August Equity Partners II A, L.P.	WEU	Small/Mid-cap	2007	n.a.	5'410'416	0.8%
Palamon European Equity 'C', L.P.	WEU	Small/Mid-cap	1999	0	4'597'808	0.7%
INVESCO U.S. Buyout Partnership Fund II, L.P.	NAM	Small/Mid-cap	2000	2'261'329	4'502'335	0.7%
Aksia Capital III, L.P.	WEU	Small/Mid-cap	2005	26'713	4'349'310	0.7%
Candover 2005 Fund, L.P.	WEU	Large/mega-large-cap	2005	19'791	4'195'271	0.6%
Ares Corporate Opportunities Fund II, L.P.	NAM	Special situations	2006	2'052'838	3'955'378	0.6%
INVESCO Venture Partnership Fund II-A, L.P.	NAM	Venture capital	2000	1'639'049	3'846'945	0.6%
Sterling Investment Partners II, L.P.	NAM	Small/Mid-cap	2005	1'105'433	3'697'735	0.6%
Fenway Partners Capital Fund II, L.P.	NAM	Small/Mid-cap	1998	423'121	3'292'045	0.5%
INVESCO Venture Partnership Fund II, L.P.	NAM	Venture capital	1999	3'030'690	3'201'645	0.5%
Pitango Venture Capital Fund III	ROW	Venture capital	2000	0	2'986'439	0.5%
SV Life Sciences Fund IV, L.P.	NAM	Venture capital	2006	285'358	2'946'480	0.5%
Index Ventures Growth I (Jersey), L.P.	WEU	Growth	2008	0	2'907'978	0.4%
Advent International GPE VI, L.P.	WEU	Small/Mid-cap	2008	82'866	2'799'217	0.4%
Alinda Infrastructure Parallel Fund II, L.P.	NAM	Special situations	2008	281'498	2'793'240	0.4%
The Peninsula Fund IV, L.P.	NAM	Mezzanine	2005	438'080	2'631'897	0.4%
Draper Fisher Jurvetson Fund VII, L.P.	NAM	Venture capital	2000	0	2'574'802	0.4%
OCM Mezzanine Fund II, L.P.	NAM	Mezzanine	2005	1'551'722	2'445'995	0.4%
Columbia Capital Equity Partners III (Cayman), LP	NAM	Venture capital	2000	130'731	2'258'770	0.3%
Advent Latin American Private Equity Fund IV, L.P.	ROW	Large/mega-large-cap	2007	238'616	2'256'710	0.3%
Patria - Brazilian Private Equity Fund III, L.P.	ROW	Small/Mid-cap	2007	n.a.	n.a.	n.a.
Penta CLO 1 S.A.	WEU	Special situations	2007	0	2'070'000	0.3%

Investment	Regional focus	Financing category	Vintage year	Unfunded commitments	Net asset value	% of NAV
Levine Leichtman Capital Partners II, L.P.	NAM	Mezzanine	1998	0	1'869'927	0.3%
Innisfree PFI Secondary Fund	WEU	Special situations	2007	205'913	1'782'546	0.3%
Anonymized European Buyout Fund 3	WEU	Small/Mid-cap	2008	177'966	1'780'938	0.3%
Clayton, Dubilier & Rice Fund VIII, L.P.	NAM	Large/mega-large-cap	2009	333'882	1'471'750	0.2%
Southern Cross Latin America PE Fund III	ROW	Small/Mid-cap	2007	4	1'459'632	0.2%
Vortex Corporate Development Fund, L.P.	NAM	Venture capital	2000	128'974	1'435'333	0.2%
Exxel Capital Partners VI, L.P.	ROW	Small/Mid-cap	2000	0	1'421'073	0.2%
Summit Partners Europe Private Equity Fund, L.P.	WEU	Growth	2008	527'867	1'419'242	0.2%
Menlo Ventures IX, L.P.	NAM	Venture capital	2000	0	1'281'946	0.2%
Baring Asia Private Equity Fund IV, L.P.	APC	Small/Mid-cap	2007	250'662	1'278'683	0.2%
SV Life Sciences Fund II, L.P.	WEU	Venture capital	1998	0	1'235'589	0.2%
European Equity Partners (III), L.P.	WEU	Venture capital	1999	0	1'221'924	0.2%
Nmas1 Private Equity Fund II, L.P.	WEU	Small/Mid-cap	2008	65'181	1'181'832	0.2%
Navis Asia Fund V, L.P.	APC	Small/Mid-cap	2007	0	1'123'950	0.2%
Russia Partners III, L.P.	ROW	Small/Mid-cap	2007	89'194	1'116'875	0.2%
EQT Infrastructure (No.1) Limited Partnership	WEU	Special situations	2008	123'134	1'053'632	0.2%
Sofinnova Capital VI FCPR	WEU	Venture capital	2008	49'799	1'020'975	0.2%
Partners Group SPP1 Limited	NAM	Special situations	1996	2'265'572	961'574	0.1%
Doughty Hanson & Co. Fund III, L.P.	WEU	Small/Mid-cap	1997	104'926	910'029	0.1%
Total partnership investments				47'600'711	213'591'887	32.8%

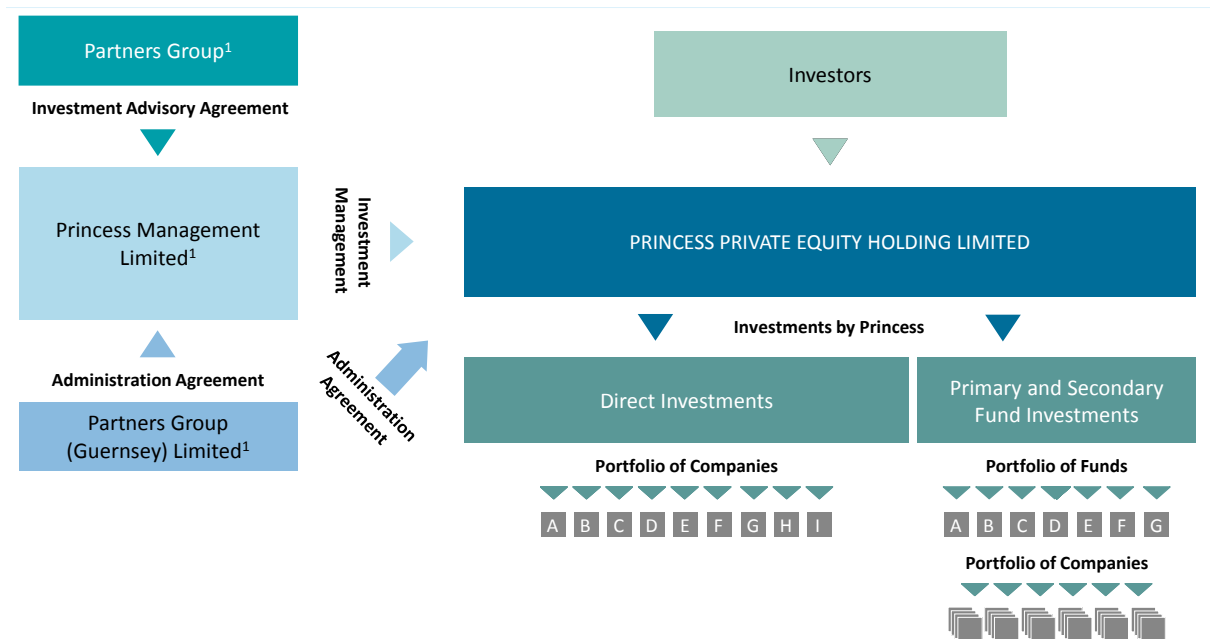
The overview shows the 50 largest partnership investments based on NAV. Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. Please note that contributions may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

5. 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 42 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.



1 100% owned by Partners Group Holding

6. Facts and figures

Company	Princess Private Equity Holding Limited
Currency denomination	Euro
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
Joint coporate brokers	JPMorgan Cazenove Numis Securities Ltd.
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	ISIN: GG00B28C2R28 WKN: AOM5MA Valor: 3493187 Trading symbol: PEY Bloomberg: PEY LN Reuters: PEY.L
Voting rights	Each ordinary registered share represents one voting right

7. Unaudited consolidated financial statements

Unaudited consolidated statement of comprehensive income

for the period from 1 January 2015 to 30 September 2015

In thousands of EUR	Notes	01.07.2015 30.09.2015	01.01.2015 30.09.2015	01.07.2014 30.09.2014	01.01.2014 30.09.2014
Net income from financial assets at fair value through profit or loss		25'326	104'293	48'113	81'496
Private equity		24'062	93'714	41'240	69'516
Interest & dividend income		54	736	452	452
Revaluation	6	25'220	76'677	27'509	54'228
Net foreign exchange gains / (losses)	6	(1'212)	16'301	13'279	14'836
Private debt		1'689	8'811	4'963	9'186
Interest income (including PIK)		470	1'433	570	1'872
Revaluation	6	2'222	3'495	719	3'017
Net foreign exchange gains / (losses)	6	(1'003)	3'883	3'674	4'297
Private real estate		(225)	803	310	1'047
Revaluation	6	(225)	782	295	1'030
Net foreign exchange gains / (losses)	6	-	21	15	17
Private infrastructure		(200)	965	1'600	1'747
Revaluation	6	(186)	468	1'256	1'431
Net foreign exchange gains / (losses)	6	(14)	497	344	316
Net income from cash & cash equivalents and other income		(28)	270	129	115
Interest income		-	51	9	9
Net foreign exchange gains / (losses)		(28)	219	120	106
Total net income		25'298	104'563	48'242	81'611
Operating expenses		(5'398)	(13'807)	(3'041)	(10'340)
Management fees		(2'494)	(7'833)	(2'298)	(6'816)
Incentive fees	10	(2'501)	(8'525)	(3'901)	(6'214)
Administration fees		(79)	(233)	(71)	(213)
Service fees		(63)	(188)	(63)	(188)
Other operating expenses		(170)	(1'042)	(218)	(583)
Revaluation of other long-term receivables		-	(9)	6	-
Other net foreign exchange gains / (losses)		(91)	4'023	3'504	3'674
Other financial activities		292	(13'649)	(11'564)	(11'652)
Setup expenses - credit facilities		110	(116)	(229)	(456)
Interest expense - credit facilities		101	156	-	-
Other finance cost		198	543	155	534
Net gains / (losses) from hedging activities		(117)	(14'232)	(11'490)	(11'730)
Surplus / (loss) for the financial period		20'192	77'107	33'637	59'619

In thousands of EUR	Notes	01.07.2015 30.09.2015	01.01.2015 30.09.2015	01.07.2014 30.09.2014	01.01.2014 30.09.2014
Other comprehensive income for the period; net of tax		-	-	-	-
Total comprehensive income for the period		20'192	77'107	33'637	59'619
Weighted average number of shares outstanding		69'151'168.00	69'151'168.00	69'151'794.04	69'174'701.07
Basic surplus / (loss) per share for the financial period		0.29	1.12	0.49	0.86
Diluted surplus / (loss) per share for the financial period		0.29	1.12	0.49	0.86

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 September 2015

In thousands of EUR	Notes	30.09.2015	31.12.2014
ASSETS			
Financial assets at fair value through profit or loss			
Private equity	6	489'845	406'628
Private debt	6	78'619	74'954
Private real estate	6	14'603	15'862
Private infrastructure	6	12'847	12'436
Other long-term receivables		2'858	2'646
Non-current assets		598'772	512'526
Other short-term receivables		865	558
Deferred receivables on investments		27'828	56'512
Cash and cash equivalents	7	43'868	45'348
Current assets		72'561	102'418
TOTAL ASSETS		671'333	614'944
EQUITY AND LIABILITIES			
Share capital	8	69	69
Retained earnings		147'120	70'013
Reserves	8	504'769	523'440
Total equity		651'958	593'522
Other long term payables		108	209
Liabilities falling due after one year		108	209
Hedging liabilities		237	5'794
Accruals and other short-term payables		19'030	15'419
Liabilities falling due within one year		19'267	21'213
TOTAL EQUITY AND LIABILITIES		671'333	614'944

Unaudited consolidated statement of changes in equity

for the period from 1 January 2015 to 30 September 2015

In thousands of EUR	Share capital	Treasury shares	Retained earnings	Reserves	Total
Balance at the beginning of reporting period	69	-	70'013	523'440	593'522
Dividend paid during the period	-	-	-	(18'671)	(18'671)
Other comprehensive income for the period; net of tax	-	-	-	-	-
Share buyback and cancellation	-	-	-	-	-
Surplus / (loss) for the financial period	-	-	77'107	-	77'107
Equity at end of reporting period	69	-	147'120	504'769	651'958

for the period from 1 January 2014 to 30 September 2014

In thousands of EUR	Share capital	Treasury shares	Retained earnings	Reserves	Total
Balance at the 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	-	-	-	-	-
Treasury shares cancelled	-	432	-	(432)	-
Share buyback and cancellation	-	-	-	(617)	(617)
Surplus / (loss) for the financial period	-	-	59'619	-	59'619
Equity at end of reporting period	69	-	58'262	542'111	600'442

Unaudited consolidated statement of cash flows

for the period from 1 January 2015 to 30 September 2015

In thousands of EUR	Notes	01.01.2015 30.09.2015	01.01.2014 30.09.2014
Operating activities			
Surplus / (loss) for the financial period before interest expense		76'951	59'619
Adjustments:			
Net foreign exchange (gains) / losses		(24'944)	(23'246)
Investment revaluation		(81'422)	(59'706)
Revaluation of other long-term receivables		9	-
Net (gain) / loss on interest		(2'220)	(2'333)
Revaluation on forward hedges		14'232	11'730
(Increase) / decrease in receivables		32'207	46'776
Increase / (decrease) in payables		3'814	4'225
Realized gains / (losses) from forward hedges		(19'789)	(7'421)
Purchase of private equity investments	6	(69'409)	(54'957)
Purchase of private debt investments	6	(2'296)	(23'818)
Purchase of private real estate investments	6	(307)	(373)
Purchase of private infrastructure investments	6	(132)	(4'563)
Distributions from and proceeds from sales of private equity investments	6	79'170	42'951
Distributions from and proceeds from sales of private debt investments	6	6'808	10'738
Distributions from and proceeds from sales of private real estate investments	6	2'369	1'674
Distributions from and proceeds from sales of private infrastructure investments	6	686	-
Purchase of short-term investments		-	(75'000)
Sale of short-term investments		-	45'000
Interest & dividends received		1'421	1'563
Net cash from / (used in) operating activities		17'148	(27'141)
Financing activities			
Interest paid - credit facilities		(176)	-
Dividends paid	8	(18'671)	(18'672)
Share buyback and cancellation	8	-	(617)
Net cash from / (used in) financing activities		(18'847)	(19'289)
Net increase / (decrease) in cash and cash equivalents		(1'699)	(46'430)
Cash and cash equivalents at beginning of reporting period	7	45'348	69'762
Effects of foreign currency exchange rate changes on cash and cash equivalents		219	106
Cash and cash equivalents at end of reporting period	7	43'868	23'438

Notes to the unaudited consolidated financial statements

for the period from 1 January 2015 to 30 September 2015

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.

For the purposes of the requirements of the UK Listing Authority which apply to closed-ended investment funds, the Company confirms that it will not invest more than 10 per cent in aggregate of the Company's total assets in other listed closed-ended investment funds.

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 2014, which have been prepared in accordance with International Financial Reporting Standards.

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 2014.

The following standards which are 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

IFRS 15 (effective 1 January 2017) - Revenue from Contracts with Customers

IFRS 10, IFRS 12 and IAS 28 (Amendment effective 1 January 2016) - Clarifications and interpretations to requirements when accounting for investment entities

The Directors of the Company are in the process of assessing the impact of these standards and believe that these new accounting standards 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 2015:

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%
Brewin Dolphin Ltd	5.00%	24 July 2014	3'459'832	69'151'168*	5.00%
Witan Investment Trust plc	5.00%	27 February 2015	3'600'000	69'151'168*	5.21%

*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 2015 on each Ordinary Share. The dividend paid on 18 June amounted to EUR 18.7 million (The full year 2014: EUR 37.3 million).

5 Segment calculation

In thousands of EUR	01.01.2015 30.09.2015	01.01.2014 30.09.2014
Private equity		
Interest & dividend income	736	452
Revaluation	76'677	54'228
Net foreign exchange gains / (losses)	16'301	14'836
Total net income private equity	93'714	69'516
Segment result private equity	93'714	69'516
Private debt		
Interest income (including PIK)	1'433	1'872
Revaluation	3'495	3'017
Net foreign exchange gains / (losses)	3'883	4'297
Total net income private debt	8'811	9'186
Segment result private debt	8'811	9'186
Private real estate		
Revaluation	782	1'030
Net foreign exchange gains / (losses)	21	17
Total net income private real estate	803	1'047
Segment result private real estate	803	1'047
Private infrastructure		
Revaluation	468	1'431
Net foreign exchange gains / (losses)	497	316
Total net income private infrastructure	965	1'747
Segment result private infrastructure	965	1'747
Non attributable		
Interest & dividend income	51	9
Net foreign exchange gains / (losses)	219	106
Total net income non attributable	270	115
Segment result non attributable	(13'537)	(10'225)
Other financial activities not allocated	(13'649)	(11'652)
Surplus / (loss) for the financial period	77'107	59'619

6 Financial assets at fair value through profit or loss

6.1 PRIVATE EQUITY

In thousands of EUR	30.09.2015	31.12.2014
Balance at beginning of period	406'628	317'049
Purchase of Direct and Indirect Investments	69'409	56'927
Distributions from and proceeds from sales of Direct and Indirect Investments	(79'170)	(53'009)
Revaluation	76'677	63'340
Foreign exchange gains / (losses)	16'301	22'321
Balance at end of period	489'845	406'628

6.2 PRIVATE DEBT

In thousands of EUR	30.09.2015	31.12.2014
Balance at beginning of period	74'954	57'882
Purchase of Direct and Indirect Investments	2'296	23'843
Distributions from and proceeds from sales of Direct and Indirect Investments	(6'808)	(17'915)
Accrued cash and PIK interest	1'039	1'327
Interest received	(240)	(318)
Revaluation	3'495	4'560
Foreign exchange gains / (losses)	3'883	5'575
Balance at end of period	78'619	74'954

6.3 PRIVATE REAL ESTATE

In thousands of EUR	30.09.2015	31.12.2014
Balance at beginning of period	15'862	15'985
Purchase of Direct and Indirect Investments	307	323
Distributions from and proceeds from sales of Direct and Indirect Investments	(2'369)	(2'184)
Revaluation	782	1'713
Foreign exchange gains / (losses)	21	25
Balance at end of period	14'603	15'862

6.4 PRIVATE INFRASTRUCTURE

In thousands of EUR	30.09.2015	31.12.2014
Balance at beginning of period	12'436	5'267
Purchase of Direct and Indirect Investments	132	4'765
Distributions from and proceeds from sales of Direct and Indirect Investments	(686)	(186)
Revaluation	468	2'047
Foreign exchange gains / (losses)	497	543
Balance at end of period	12'847	12'436

7 Cash and cash equivalents

In thousands of EUR	30.09.2015	31.12.2014
Cash at banks	43'868	6'348
Cash equivalents	-	39'000
Total cash and cash equivalents	43'868	45'348

8 Share capital, treasury shares and reserves

8.1 CAPITAL

In thousands of EUR	30.09.2015	31.12.2014
Issued and fully paid		
69'151'168 Ordinary shares of EUR 0.001 each out of the bond conversion	69	69
Total issued and fully paid shares	69	69

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

During the reporting period, the Company has not purchased or cancelled any of its own shares.

8.2 TREASURY SHARES

In thousands of EUR	30.09.2015	31.12.2014
Share buyback for cancellation	-	-

8.3 RESERVES

In thousands of EUR	30.09.2015	31.12.2014
Distributable reserves		
Distributable reserves at beginning of reporting period	523'440	561'832
Dividend payment	(18'671)	(37'343)
Treasury shares cancelled	-	(432)
Share buyback and cancellation	-	(617)
Total distributable reserves at end of reporting period	504'769	523'440

9 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.

Interest is charged on drawn amounts 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 of EUR 25'000 per annum.

This facility is secured, inter alia, by 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%.

In thousands of EUR	30.09.2015	31.12.2014
Balance at beginning of period	-	-
Increase in the period	32'000	-
(Decrease) in the period	(32'000)	-
Balance at end of period	-	-

10 Incentive fee

In thousands of EUR	30.09.2015	31.12.2014
Balance at beginning of period	11'406	4'413
Change in incentive fees attributable to General Partner	8'525	7'654
Incentive fees paid/payable	(3'884)	(660)
Balance at end of period	16'047	11'407

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. As of the end of September 2015 USD 140'670'725 and EUR 24'252'872 had been received from the Buyer, which reflected more than 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 proceeds of USD 18'957'367 and EUR 10'848'825 were fully received on 2 October 2015.

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 to Direct and Indirect Investments

In thousands of EUR	30.09.2015	31.12.2014
Unfunded commitments translated at the rate prevailing at the end of the reporting period	102'494	165'038

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 2015 and 2014.

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	30.09.2015	31.12.2014
Net assets of the Group	651'958	593'522
Outstanding shares at the end of the reporting period	69'151'168.00	69'151'168.00
Net assets per share at period-end	9.43	8.58

14 Fair value measurement

14.1 FAIR VALUE ESTIMATION CURRENT PERIOD

In thousands of EUR

Assets

Financial assets at fair value through profit or loss - equity securities

1'066 5'115 511'114 517'295

Financial assets at fair value through profit or loss - debt investments

- - 78'619 78'619

Total assets

1'066 5'115 589'733 595'914

Liabilities

Derivatives used for hedging

- (237) - (237)

Total liabilities

- **(237)** - **(237)**

14.2 FAIR VALUE ESTIMATION PREVIOUS PERIOD

In thousands of EUR

Assets

Financial assets at fair value through profit or loss - equity securities

1'965 - 432'961 434'926

Financial assets at fair value through profit or loss - debt investments

- - 74'954 74'954

Total assets

1'965 - 507'915 509'880

Liabilities

Derivatives used for hedging

- (5'794) - (5'794)

Total liabilities

- **(5'794)** - **(5'794)**

14.3 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.

If broker quotes are available, Direct debt Investments are valued by the Investment Advisor utilizing such quotes, which are provided by an independent third party broker. Broker quotes are applied to the nominal value of such Direct debt Investments. Broker quotes utilized for valuing Direct debt Investments represent indicative quotes for investments traded in an inactive market.

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 tables below present 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 tables 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 tables 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 if 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, which 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 if 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, which 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 valuation inputs that would be considered appropriate by market participants.

14.4 Significant unobservable valuation input table current period

Type of security	Fair value at 30.09.2015	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity Investments	152'308	Market comparable companies	Enterprise value to EBITDA multiple	4.74x - 13.92x (10.36x)	13'494	-13'494
	280	Exit price	Recent transaction price	n/a	n/a	n/a
	6'276	Recent financing	Recent transaction price	n/a	n/a	n/a
Direct debt Investments	23'390	Market comparable companies	Enterprise value to EBITDA multiple	7.50x - 14.61x (11.06x)	n/a	n/a
	4'194	Broker quotes	Bid quotes for an inactive market	n/a	n/a	n/a
	6'036	Recent financing	Recent transaction price	n/a	n/a	n/a
Indirect Investments						
	399'413	Adjusted reported net asset value	Reported net asset value	n/a	19'971	-19'971
	-2'164	Adjusted reported net asset value	Fair value adjustments	n/a	-108	108

14.5 Significant unobservable valuation input table previous period

Type of security	Fair value at 31.12.2014	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity Investments	114'020	Market comparable companies	Enterprise value to EBITDA multiple	4.20x - 13.50x (10.51x)	11'688	-11'688
	6'918	Market comparable companies	Price to book ratio	1.06x - 1.10x (1.07x)	909	-909
Direct debt Investments	22'243	Market comparable companies	Enterprise value to EBITDA multiple	7.80x - 13.58x (10.38x)	n/a	n/a
	3'851	Broker quotes	Bid quotes for an inactive market	n/a	n/a	n/a
	5'236	Market comparable companies	Price to book ratio	1.06x - 1.06x (1.06x)	n/a	n/a
Indirect Investments						
	357'418	Adjusted reported net asset value	Reported net asset value	n/a	17'871	-17'871
	-1'764	Adjusted reported net asset value	Fair value adjustments	n/a	-88	88

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REALIZING POTENTIAL IN PRIVATE MARKETS

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Trading symbol	PEY
Bloomberg	PEY LN
Reuters	PEY.L
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