

Princess Private Equity Holding Limited

Investment holding company traded on the Frankfurt Stock Exchange and on the London Stock Exchange

Princess Private Equity Holding Limited ("Princess") is an investment holding company domiciled in Guernsey that invests in private market investments. Investments include primary and secondary fund investments, direct investments and listed private equity. Princess aims to provide shareholders with long-term capital growth and an attractive dividend yield in the mid- to long-term. The shares are traded on the Frankfurt Stock Exchange (in the form of co-ownership interests in a global bearer certificate) and on the London Stock Exchange.

Key facts

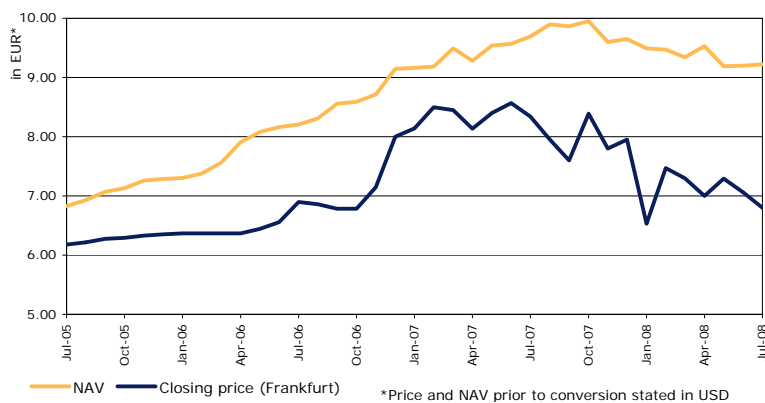
	Frankfurt	London
Trading symbol	PEY1	PEY
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Bloomberg	PEY1 GR	PEY LN
WKN	AOLBRM	AOLBRL
ISIN	DE000AOLBRM2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends 2008	EUR 0.30 (20/06/2008)	

Key figures

	31.07.2008	30.06.2008	YTD
Net asset value (NAV)	EUR 9.22	EUR 9.20	
Net asset value (NAV) incl. dividend	EUR 10.13	EUR 10.10	-1.1%
Investment level	93.29%	91.74%	
Over-commitment	55.22%	55.26%	
Closing price Frankfurt	EUR 6.80	EUR 7.06	-10.8%
Premium	-26.25%	-23.26%	
Closing price London	EUR 6.90	EUR 7.17	-10.4%
Premium	-25.16%	-22.07%	

Where applicable, returns are calculated according to the standard BVI-method of the Bundesverband Investment and Asset Management and may be subject to decimal rounding.

NAV and price development



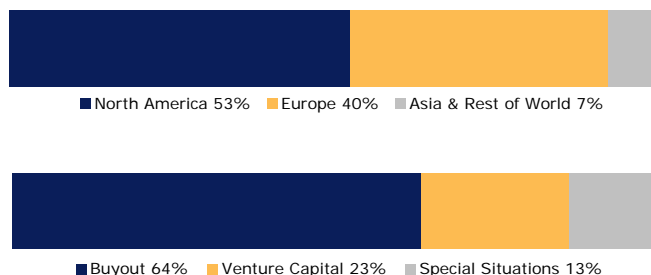
Monthly commentary

The net asset value of Princess showed a pleasing performance of +0.3% in July, closing the month at EUR 9.22 per share. Despite volatile markets, partnerships overall reported increases in value for their underlying portfolio companies, once again underlining the value adding potential private equity demonstrates even in periods of elevated uncertainty and tight lending standards. In total, revaluations made by general partners and IFRS adjustments, applied to reflect fair market value had a positive effect of 0.2% on the product NAV. A performance contributor of similar weight was the stabilizing US dollar, which slightly appreciated in the course of the month and thus contributed another 0.2% to Princess' net asset value. The impact of the listed private equity portion in the portfolio was positive in July, albeit small. Operating and other income components represent the residual net movement in the NAV.

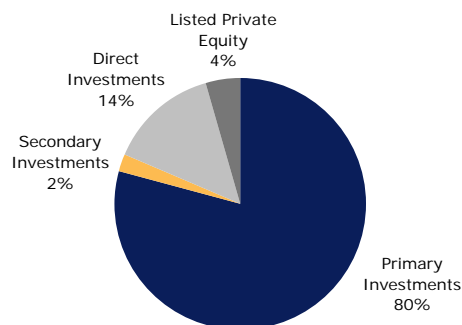
In July, Princess benefited from around EUR 4 million of distributions from underlying investments. At the same time, around EUR 11 million were drawn down from partnerships, for instance, by Candover to fund the acquisition of Expro International, a leading provider of services and products that measure, improve, control and process flow from high-value oil and gas wells.

During the month of July, Princess made a follow-on investment together with Sofinnova Partners and Earlybird Venture Capital in Purple Labs, a French based mobile-phone software and hardware design company. The investment enables Purple Labs to acquire the client division of Openwave Systems. Purple Labs' management considers this acquisition to be an excellent means of expanding the company's current range of services. For example, it will enable a combination of the company's operating system know-how and Client Business' end-user interfaces. In addition, the acquisition affords Purple Labs access to top-tier market participants such as Sagem, Samsung, Motorola, KDDI and chipset providers.

PE investments by regions and financing stages



PE investments by investment types



Recent commitments

Partnership/Company	Financing stage	Region	Vintage	Size in m	Month
Ares Corporate Opportunities Fund III, L.P.	Buyout	North America	2008	USD 10	Apr 08
Aksia Capital III, L.P.	Buyout	Europe	2005	EUR 3	Mar 08
Partners Group Distressed 2008, L.P.*	Special Situations	North America	2008	USD 30	Feb 08
TPG Partners VI, L.P.	Buyout	North America	2008	USD 20	Feb 08
Clayton, Dubilier & Rice Fund VIII, L.P.	Buyout	North America	2008	USD 15	Feb 08

Definitions

This Newsletter is produced based on information available on the last working day of the month.

On a bondholders' meeting on 5 December 2006, bondholders approved to amend the terms and conditions of the Bonds by entering into a fifth supplemental trust deed with Law Debenture Trustees Limited (the "Fourth Supplemental Trust Deed") giving the Company a mandatory conversion right. Accordingly the Company was granted the right (the "Mandatory Conversion Right") to convert all of the Bonds into Co-ownership Interests. On 8 December 2006 each bond has been converted into 10 Ordinary shares deliverable in the form of Co-ownership Interests in a global bearer certificate issued by Clearstream, Frankfurt such that each Co-ownership Interest in a global bearer certificate carries rights corresponding to one Ordinary Share.

The conversion of 700,000 convertible bonds at a par value of USD 1,000 each at USD 100 per share resulted in the issuance of 7,000,000 Ordinary Shares. 10,000 shares were already issued and outstanding leading to a total amount of 7,010,000 issued and outstanding Ordinary shares. 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.

The Net asset value ("NAV") is calculated based on a total of 70,100,000 shares outstanding.

<b>Net asset value (NAV)</b>	The net asset value, as described in the Prospectus dated 12 October 2007, equals the total assets less liabilities due in one year of the company calculated in accordance with the International Financial Reporting Standard ("IFRS").
<b>Closing price</b>	Last price paid on the Frankfurt Stock Exchange or on the London Stock Exchange on the respective date
<b>Premium/Discount</b>	Closing price divided by NAV
<b>Market capitalization</b>	Closing price multiplied by number of issued and outstanding shares
<b>Value of private equity investments</b>	Private equity investments are being held at fair value as required under the Company's adopted accounting standards IFRS.
<b>Investment level</b>	The lesser of 100% or the value of private equity investments divided by NAV
<b>Overcommitment</b>	Unfunded commitments less net current assets plus use of credit facility divided by NAV
<b>Total Return</b>	Total return is calculated according the standard BVI-method of the Bundesverband Investment and Asset Management.
<b>Frankfurt Stock Exchange ("Frankfurt")</b>	First listing on 13/12/2006. The shares deliverable in the form of co-ownership interests in a global bearer certificate are admitted to trading on the regulated market (Reglementierter Markt) with concurrent admission to trading on the segment of the regulated market with additional post-admission obligations (Prime Standard).
<b>London Stock Exchange ("London")</b>	First listing on 01/11/2007. Shares are admitted to the Official List.

**Regions**

<b>North America</b>	North America
<b>Europe</b>	European Union & European Free Trade Association
<b>Asia &amp; RoW</b>	Asia & Rest of World

**Financing stages**

<b>Private Equity (PE)</b>	Investments in companies, which typically are not publicly traded and in which the investor may significantly influence the management, and other investments of similar character.
<b>Venture Capital (VC)</b>	Financing for companies typically in their build-up phase. Seed Stage describes the period where product feasibility is confirmed; Early Stage involves the identification of the position in the market, the establishment of production lines and the development of marketing channels; Later Stage portrays the subsequent rapid expansion phase of a young company.
<b>Buyout (BO)</b>	Acquisition of a controlling stake in a company, typically with financial or managerial reorganization needs. Small/mid/large size buyout refers to the enterprise value of the acquired company. Whereas the bandwidths for Europe are set at <EUR 100m/EUR 100m-EUR 400m/>EUR 400m, US bandwidths are at <USD 300m/USD 300m-USD 1bn/>USD 1bn for small/mid/large size buyout respectively.
<b>Special Situations (SS)</b>	Any form of investment that falls within the definition of private equity but cannot be attributed to venture capital or buyout as described above. Special situations includes mezzanine, turnaround, distressed and other investments.

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