

MONTHLY REPORT

as per 28 February 2011

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

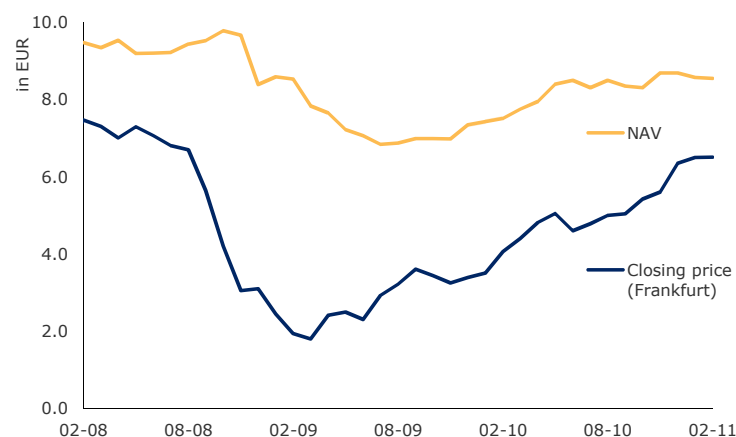
	Frankfurt	London
Trading symbol	PEY1	PEY
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Bloomberg	PEY1 GY	PEY LN
WKN	AOLBRM	AOLBRL
ISIN	DE000A0LBRM2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends 2008	EUR 0.30 (20/06/2008)	

Key figures

	28.02.2011	31.01.2011	YTD
Net asset value (NAV)	EUR 8.55	EUR 8.57	
Net asset value (NAV) incl. dividend	EUR 9.39	EUR 9.41	-1.62%
Investment level	92.23%	92.07%	
Gross Investment level	87.49%	87.35%	
Overcommitment	23.60%	24.32%	
Overcommitment incl. credit line	12.75%	13.50%	
Closing price Frankfurt	EUR 6.51	EUR 6.50	2.49%
Premium	-23.86%	-24.17%	
Closing price London	EUR 6.53	EUR 6.50	4.48%
Premium	-23.60%	-24.17%	

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

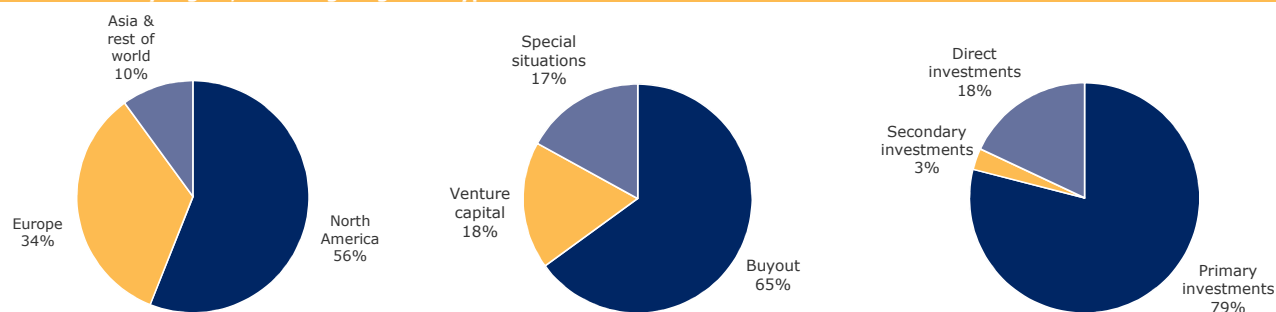
During the month of February, the net asset value (NAV) of Princess slightly decreased by 0.3% to EUR 8.55 per share. The companies in the Princess portfolio continued to develop well as many were able to improve their operating results and increase their earnings, contributing +0.4% to the NAV. Foreign exchange movements, however, had an adverse impact on the NAV due to the further appreciation of the euro against the US dollar in February. During the past month, Princess also adjusted its currency hedging contracts. Due to the reduced nominal amount of US dollar denominated investments following the completion of the secondary sales, Princess reduced the notional amount of its US dollar hedging contracts and sold the USD put option with a notional of USD 31.5 million purchased in June 2010. The sale of this put option generated EUR 1.3 million in cash proceeds for the Company. After this sale, Princess' US dollar denominated investments remain partially hedged through a USD put option with a notional of USD 250.0 million and a strike of USD 1.36 which matures in November 2011.

In February, Princess received EUR 6.3 million in distributions from realized portfolio companies, compared to EUR 5.7 million in drawdowns for new investment opportunities. In addition, as previously announced, Princess also received proceeds of EUR 9.1 million from the completion of the secondary sales program at the beginning of February.

In February, Advanced Technology Ventures VI announced the exit of Plexxikon, a pharmaceutical company based in California. Plexxikon is a leader in the discovery and development of novel pharmaceuticals. Since the company was founded in 2001, Plexxikon has utilized its proprietary discovery platform to successfully develop a portfolio of clinical and preclinical stage programs in a number of therapeutic areas, including oncology, the central nervous system, metabolic diseases and cardio-renal diseases. Plexxikon was sold for an USD 805 million payment plus potential additional payments of USD 130 million, which are subject to the approval of one of Plexxikon's late-stage oncology products. The exit is expected to generate a return of more than 10x the original investment.

Also during the month, Apollo Overseas Partners VII called capital from Princess to fund the previously announced acquisition of Brit Insurance Holding, a general insurance and reinsurance group providing commercial insurance products. The deal values the insurer at up to GBP 888 million. The currently high dividend yield of more than 8% reflects Brit's strong cash resources making it an attractive private equity investment opportunity.

PE investments by region, financing stage and type of investment



The accompanying notes form an integral part of this monthly report.

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 Board of Directors of Princess Private Equity Holding Limited passed a resolution to implement a share buyback program on 13 December 2010. There were no shares repurchased in February 2011. As of 28 February 2011, there were 70'084'760 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 70'084'760 shares outstanding.

GLOSSARY

Buyout (BO)	Acquisition of a controlling stake in a company, typically with financial or managerial reorganization needs. Small/mid/large/mega large size buyout refers to the enterprise value of the acquired company. Whereas the bandwidths are set at (EUR or USD) <250m/250m-EUR 1bn/1bn-5bn/>5bn for small/mid/large/mega large size buyout respectively.
Closing price	Last price paid on the Frankfurt Stock Exchange or on the London Stock Exchange on the respective date
Frankfurt Stock Exchange (Frankfurt)	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).
Gross Investment level	The value of private equity investments divided by the sum of NAV and drawn credit line
Investment level	The value of private equity investments divided by NAV
London Stock Exchange (London)	First listing on 01/11/2007. Shares are admitted to the Official List.
Net asset value (NAV)	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).
Overcommitment	Unfunded commitments less net current assets divided by NAV
Overcommitment incl. credit line	Unfunded commitments less the sum of net current assets and total credit line divided by NAV
Premium	Price divided by NAV
Private equity (PE)	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.
Special situations (SS)	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.
Total Return	Total return is calculated according the standard BVI-method of the Bundesverband Investment and Asset Management.
Value of private equity investments	Private equity investments are being held at fair value as required under the Company's adopted accounting standards IFRS.
Venture capital (VC)	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.

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

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