

MONTHLY REPORT

as per 31 March 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	A0LBRM	A0LBRL
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

	31.03.2011	28.02.2011	YTD
Net asset value (NAV)	EUR 8.63	EUR 8.55	
Net asset value (NAV) incl. dividend	EUR 9.48	EUR 9.39	-0.67%
Investment level	93.17%	92.23%	
Gross Investment level	88.41%	87.49%	
Overcommitment	22.41%	23.60%	
Overcommitment incl. credit line	11.65%	12.75%	
Closing price Frankfurt	EUR 6.25	EUR 6.51	-1.57%
Premium	-27.58%	-23.86%	
Closing price London	EUR 6.27	EUR 6.53	0.32%
Premium	-27.35%	-23.60%	

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.

Monthly commentary

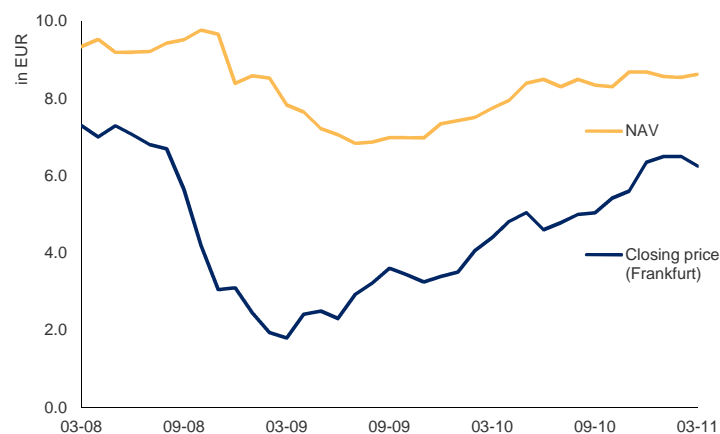
The net asset value (NAV) of Princess increased by 1.0% to EUR 8.63 per share during the month of March. The companies in Princess' portfolio continued their strong development of the past quarters with a positive impact of +2.6% on the NAV, with investments in the buyout segment particularly contributing to this favorable performance. Foreign exchange movements, however, had an adverse impact of 1.3% on the NAV due to the further appreciation of the euro against the US dollar during the past month.

Driven by a continued recovery of M&A markets and a healthy IPO environment, the month of March continued to be a strong month for realizations, with Princess receiving EUR 9.8 million in distributions from realized portfolio companies. Amongst others, Princess received a EUR 1.8 million distribution from the previously announced exit of Loyalty Partner, which generated a return of approximately 3x the original investment and an internal rate of return (IRR) of 25%. New investments during the month amounted to EUR 14.4 million, including the first new direct investment of EUR 5.6 million into the mezzanine tranche of the Newcastle Coal Infrastructure Group.

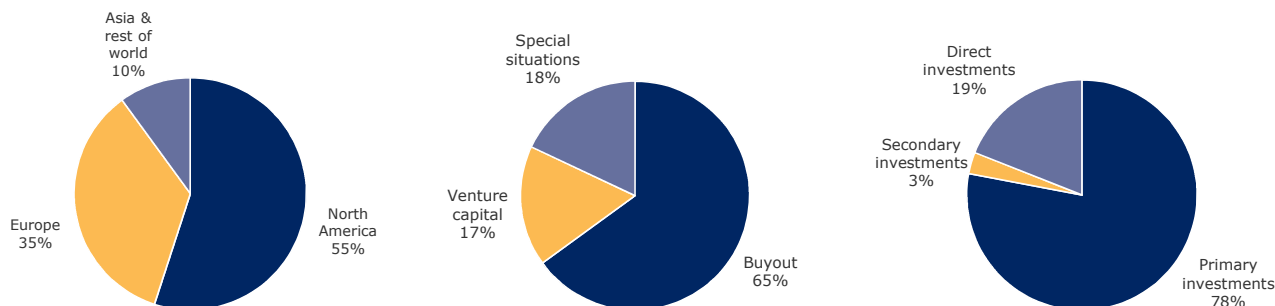
In March, Princess completed a direct mezzanine investment into Newcastle Coal Infrastructure Group, an Australian coal export terminal located in the Port of Newcastle and currently being expanded to a capacity of 53 million tons per annum. The subordinated debt tranche worth EUR 5.6 million offers attractive terms with strong downside protection due to secure revenue streams which are based on long-term "ship or pay" agreements, wherein a buyer agrees to pay for contracted transportation capacity regardless of actually transported volumes.

On 31 March 2011, Princess' largest portfolio company GNC announced its IPO on the New York Stock Exchange at an issue price of USD 16.00 per share. The company raised a total of USD 414 million in the IPO with trading commencing on 1 April 2011. GNC sells health and wellness products, including vitamins, minerals and herbal supplements, through its worldwide network of more than 7'200 locations and its website. Since Princess' investment in 2007, the company has been growing significantly, with revenue in 2010 increasing by 6.8% to USD 1.8 billion compared to 2009 and net income increasing by 41.0%. Princess sold part of its holding in GNC during the IPO and expects to receive cash proceeds of approximately EUR 3.0 million during the next weeks, with the remaining direct investment holding in GNC currently being valued at approximately EUR 11.9 million.

NAV and price development



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. During March 2011, a total of 126'969 shares were repurchased under the share buyback program. All of the shares bought back in March 2011 were cancelled. As of 31 March 2011 there were 69'957'791 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 69'957'791 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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