

MONTHLY REPORT

as of 30 June 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 2011	EUR 0.22 (15/07/2011)	

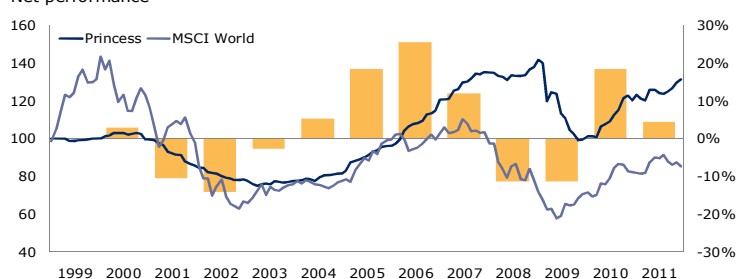
Key figures

	30.06.2011	31.05.2011	YTD
Net asset value (NAV)	EUR 8.85	EUR 8.96	
Net asset value (NAV) incl. dividend	EUR 9.96	EUR 9.84	4.43%
Investment level	93.96%	90.85%	
Gross Investment level	89.27%	86.37%	
Overcommitment	20.60%	17.73%	
Overcommitment incl. credit line	10.09%	7.36%	
Closing price Frankfurt	EUR 6.70	EUR 6.85	8.95%
Discount	-24.32%	-23.58%	
Closing price London	EUR 6.67	EUR 6.80	10.20%
Discount	-24.66%	-24.13%	

NAV and share price returns, including dividends, are calculated according to the standard BVI-method of the Bundesverband Investment and Asset Management, and may be subject to decimal rounding.

NAV since inception

Net performance



in %	2007	2008	2009	2010	2011 YTD	5 years	5 year annualized return
Princess*	11.9%	-11.3%	-11.3%	18.4%	4.4%	22.1%	4.1%
MSCI World**	-5.3%	-35.9%	22.4%	17.9%	-5.2%	-9.6%	-2.0%

* Based on monthly valuations.

** Source: Bloomberg NDDLWI Index in EUR

Monthly commentary

Building on its strong performance over recent months, Princess' net asset value (NAV) increased by 1.2% to EUR 8.85 per share in June, adjusted for the interim dividend payment of EUR 0.22 per share. Positive valuation developments of portfolio companies again proved the main performance driver, contributing 2.1% to Princess' NAV, as robust economic conditions continued to support successful realizations from the portfolio and improvements in company operating results. Over the first half of the year, portfolio company revaluations within Princess also made a 9.9% contribution to NAV growth. Currency effects however detracted 0.5% from NAV growth in June, as the euro appreciated against the US dollar, continuing the trend seen in the first five months of the year.

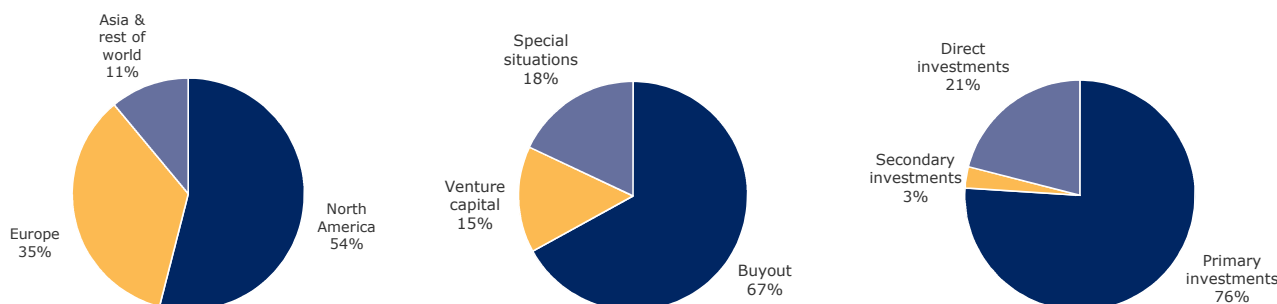
During the month Princess made further progress with the redirection of the investment focus towards direct investments by completing two new direct private equity transactions. This included a EUR 2.7 million mid-cap buyout investment into BarBri, and a EUR 3.8 million buyout investment into a leading European apparel retailer. Overall investments in new portfolio companies in June amounted to EUR 10.4 million.

Princess also continued to see a high level of exit activity during the month with distributions amounting to EUR 7.6 million as the exit environment remained supportive. Amongst others, Princess received a EUR 2.9 million distribution from the exit of Bigpoint, the German developer of online games.

In June, Princess made a direct equity investment in BarBri, the world's largest provider of bar exam test preparation services. BarBri offers in-class and online review courses as well as supplemental products for those seeking to obtain the requisite license to practice law within individual states. The company has been active in this market for over 40 years, and has a presence on almost all major law school campuses across all 50 US states. It also possesses the largest proprietary database of content amongst its competitors.

In another successful exit from Princess' mature portfolio, GMT Communications Partners III disposed of its majority stake in Bigpoint to a private equity consortium. The USD 350 million partial recapitalization resulted in a return in excess of 4x for GMT. Bigpoint is a developer of online games. Following its initial investment in 2008, GMT has helped Bigpoint to build a strong management team, to expand geographically and to develop new studios. Upon completion of this transaction, which is subject to regulatory approval, GMT will continue to hold a stake in Bigpoint and benefit from its further anticipated upside.

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 June 2011, a total of 50'000 shares were repurchased under the share buyback program. All of the shares bought back in June 2011 were cancelled. As of 30 June 2011 there were 69'870'181 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 69'870'181 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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