

MONTHLY REPORT

as of 31 May 2012

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

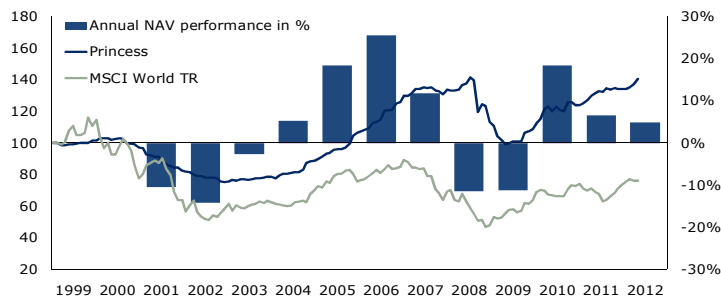
	Frankfurt	London
Trading symbol	PEY1	PEY
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Bloomberg	PEY1 GY	PEY LN
WKN	AOLBRM	AOLBRL
ISIN	DE000AOLBRM2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends 2012	EUR 0.24 (22/06/12)	

Key figures

	31.05.2012	30.04.2012	YTD
Net asset value (NAV)	EUR 8.99	EUR 9.02	
Net asset value (NAV) incl. dividend	EUR 10.66	EUR 10.42	4.82%
Investment level	99.21%	94.18%	
Gross Investment level	99.21%	94.18%	
Overcommitment	34.26%	14.69%	
Overcommitment incl. credit line	21.46%	1.94%	
Closing price Frankfurt	EUR 5.80	EUR 6.08	3.36%
Discount	-35.50%	-32.60%	
Closing price London	EUR 5.83	EUR 6.15	3.69%
Discount	-35.17%	-31.83%	

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



in %	2007	2008	2009	2010	2011	2012 YTD	5 years annualized return
Princess NAV*	11.9%	-11.3%	-11.3%	18.4%	6.6%	4.8%	8.4%
MSCI World TR**	-5.3%	-35.9%	22.4%	17.9%	-2.6%	7.1%	-14.7%

\* Based on monthly valuations.

\*\* Source: Bloomberg NDDLWI Index in EUR.

Monthly commentary

The net asset value (NAV) of Princess Private Equity Holding Limited (Princess, or the Company) increased by 2.3% in May to EUR 8.99 per share, adjusted for the interim dividend payment of EUR 0.24 per share that was paid out to shareholders on 22 June 2012. Accordingly, Princess' year-to-date NAV growth now stands at 4.8% when accounting for the dividend payment. Positive currency effects (+2.7%) proved to be the key performance driver over the month, as Princess' large US exposure benefited from the dollar's significant appreciation versus the euro.

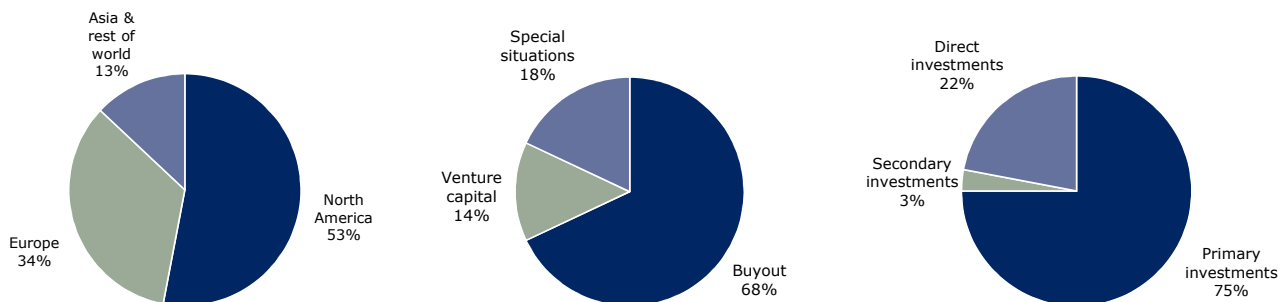
Valuation developments by underlying portfolio holdings detracted (-0.2%) from Princess' NAV in May. Though portfolio companies continued to deliver healthy operational performances during the month, these positives were offset by falling share prices in global public markets, which prompted the investment manager to adjust the holding value of certain portfolio companies.

In the current portfolio, distribution proceeds (EUR 8.7 million) from realized investments exceeded capital called from third party funds (EUR 1.9 million) by as much as EUR 6.9 million in May. The bulk of this distribution was attributable to the repayment of senior loan notes by HD Supply (EUR 2.9 million), a large industrial distribution company in North America. In May, Princess, through its recent allocation to the Partners Group Direct Investments 2012 program, agreed to acquire a stake in Global Blue, a provider of travel-related financial services headquartered in Switzerland. Global Blue's tax-free shopping business offers refund services through a partnership network of more than 270'000 retail merchants worldwide and refund counters at major airports. The transaction is subject to regulatory approval. To facilitate this and other deals in the pipeline, Princess made an initial EUR 12.7 million contribution to the direct investment program vehicle in May. Ultimately it is anticipated that the commitment to the direct investment program will increase Princess' direct investment allocation over time and ensure a broad portfolio diversification.

With regards to distributions, Ares Corporate Opportunities Fund II (ACOF II) received proceeds from a prepayment of senior notes in HD Supply, one of the largest industrial distribution companies in North America. HD Supply in March appointed several banks to arrange a new term loan to refinance existing debt. ACOF II purchased the senior notes in 2008 and will continue to hold senior subordinated notes that were acquired at the same time. Since 2009, HD Supply has grown its EBITDA significantly and is focused on investing in new technologies that create value for its customers.

Post month-end, it was also announced that a UK healthcare operator and Princess' third largest portfolio company holding — with a valuation of circa 1.5% of Princess' NAV as at 31 March 2012 — will be divested via a secondary buyout transaction. Princess' initial investment was made in 2007 and a return multiple of around 3x is anticipated.

PE investments by region, financing stage and type of investment



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

## PRINCESS PRIVATE EQUITY HOLDING LIMITED

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 January 2012 zero shares were repurchased under the share buyback program. As of 31 May 2012 there were 69'522'971 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 69'522'971 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.

### CONTACT DETAILS

Princess Private Equity Holding Limited  
Tudor House  
P.O. Box 477  
St. Peter Port  
Guernsey, GY1 1BT  
Channel Islands  
[www.princess-privateequity.net](http://www.princess-privateequity.net)

Investor Relations  
Phone: +44 (0)1481 730 946  
Fax: +44 (0)1481 730 947  
Email: [princess@princess-privateequity.net](mailto:princess@princess-privateequity.net)

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 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. Approved by Partners Group (UK) Ltd., authorised and regulated by the Financial Services Authority in the United Kingdom.