

**EUROPEAN CAPITAL LIMITED**  
**CONSOLIDATED BALANCE SHEETS**  
As of 31 December 2007 and 2006  
(in thousands, except per share data)

	31 December 2007 €	31 December 2006 €	2007 Versus 2006 € %	
<b>Assets</b>				
Investments at fair value (Cost basis of €1,968,468 and €1,072,938, respectively)	€1,925,696	€1,077,709	€847,987	79%
Cash and cash equivalents	2,575	85,932	(83,357)	-97%
Restricted cash	30,214	12,913	17,301	134%
Other	9,558	18,031	(8,473)	-47%
Total assets	€1,968,043	€1,194,585	€773,458	65%
<b>Liabilities and Shareholders' Equity</b>				
Debt (maturing within one year €101,061 and €nil, respectively)	€896,157	€422,414	€473,743	112%
Due to European Capital Financial Services (Guernsey) Limited	718	3,568	(2,850)	-80%
Accrued dividends payable	15,171	21,750	(6,579)	-30%
Other	8,377	2,699	5,678	210%
Total liabilities	920,423	450,431	469,992	104%
Commitments and contingencies				
Shareholders' equity:				
Ordinary shares (nil par value, authorised to issue unlimited number of shares, 108,364 issued and outstanding)	1,030,888	-	1,030,888	NM
Preference shares (nil par value, authorised to issue unlimited number of shares, 75,000 issued and outstanding)	-	737,696	(737,696)	NM
Undistributed net realised earnings	37,235	1,261	35,974	NM
Net foreign currency (depreciation) appreciation	(28,391)	332	(28,723)	NM
Net appreciation of investments	7,888	5,638	2,250	40%
Other reserve	-	(773)	773	100%
Total shareholders' equity	1,047,620	744,154	303,466	41%
Total liabilities and shareholders' equity	€1,968,043	€1,194,585	€773,458	65%

NM = Not Meaningful

**EUROPEAN CAPITAL LIMITED**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Three and Twelve Months Ended 31 December 2007 and 2006**  
(in thousands, except per share data)

	Three Months Ended 31 December		Three Months Ended 31 December		Year Ended 31 December		Year Ended 31 December	
	2007	2006	2007 Versus 2006		2007	2006	2007 Versus 2006	
	(unaudited) €	(unaudited) €	€	%	€	€	€	%
<b>OPERATING INCOME:</b>								
Interest and dividend income	€55,214	€30,039	€25,175	84%	€174,470	€69,943	€104,527	149%
Fee and other income	612	6,241	(5,629)	-90%	6,715	15,220	(8,505)	-56%
Total operating income	55,826	36,280	19,546	54%	181,185	85,163	96,022	113%
<b>OPERATING EXPENSES:</b>								
Interest	14,880	7,135	7,745	109%	42,149	16,134	26,015	161%
Management fee and reimbursed expenses	9,775	11,238	(1,463)	-13%	39,459	32,279	7,180	22%
Incentive fee	-	-	-	-	5,115	-	5,115	NM
General and administrative	1,728	1,935	(207)	-11%	7,286	4,286	3,000	70%
Total operating expenses	26,383	20,308	6,075	30%	94,009	52,699	41,310	78%
<b>OPERATING INCOME BEFORE INCOME TAXES</b>								
	29,443	15,972	13,471	84%	87,176	32,464	54,712	169%
Provision for income taxes	(49)	(207)	158	76%	(257)	(276)	19	7%
<b>NET OPERATING INCOME</b>								
	29,394	15,765	13,629	86%	86,919	32,188	54,731	170%
Net foreign currency gains (losses)	46	(829)	875	NM	2,578	(1,564)	4,142	265%
Net gains on investments	-	1,345	(1,345)	-100%	2,321	1,547	774	50%
<b>TOTAL NET REALISED EARNINGS</b>								
	29,440	16,281	13,159	81%	91,818	32,171	59,647	185%
Net foreign currency (depreciation) appreciation	(13,782)	1,819	(15,601)	NM	(28,723)	1,074	(29,797)	NM
Net (depreciation) appreciation of investments	(5,950)	3,276	(9,226)	NM	2,250	5,638	(3,388)	-60%
<b>INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ("EARNINGS")</b>								
	€9,708	€21,376	€(11,668)	-55%	€65,345	€38,883	€26,462	68%
<b>NET OPERATING INCOME PER SHARE:</b>								
Basic & Diluted	€0.27	€0.21	€0.06	29%	€0.90	€0.43	€0.47	109%
<b>NET REALISED EARNINGS PER SHARE:</b>								
Basic & Diluted	€0.27	€0.22	€0.05	23%	€0.95	€0.43	€0.52	121%

**EUROPEAN CAPITAL LIMITED**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Three and Twelve Months Ended 31 December 2007 and 2006**  
(in thousands, except per share data)

	Three Months Ended 31 December		Three Months Ended 31 December		Year Ended 31 December		Year Ended 31 December		
	2007	2006	2007 Versus 2006		2007	2006	2007 Versus 2006		
	(unaudited)	(unaudited)		%				%	
	€	€	€	%	€	€	€	%	
<b>NET EARNINGS PER SHARE:</b>									
Basic & Diluted	€0.09	€0.29	€(0.20)	-69%	€0.68	€0.52	€0.16	31%	
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:</b>									
Basic	108,364	75,000	33,364	44%	96,573	75,000	21,573	29%	
Diluted	108,364	75,166	33,198	44%	96,573	75,055	21,518	29%	
DIVIDENDS DECLARED PER SHARE	€0.14	€0.29	€(0.15)	NM	€0.58	€0.29	€0.29	100%	

NM = Not Meaningful

**EUROPEAN CAPITAL LIMITED**  
**OTHER FINANCIAL INFORMATION**  
**Three and Twelve Months Ended 31 December 2007 and 2006**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended 31 December		Three Months Ended 31 December		Year Ended 31 December		Year Ended 31 December	
	2007	2006	2007 Versus 2006	%	2007	2006	2007 Versus 2006	%
	€	€	€	%	€	€	€	%
<b>New Investments:</b>								
Senior Debt	€ 25,000	€ 185,650	€(160,650)	-87%	€ 629,618	€ 459,037	€ 170,581	37%
Subordinated Debt	149,937	129,740	20,197	16%	748,207	501,589	246,618	49%
Preferred Equity	3,263	63,795	(60,532)	-95%	3,263	180,216	(176,953)	-98%
Common Equity	1,775	14,031	(12,256)	-87%	178,084	23,870	154,214	NM
CDO/CLO Investments	-	-	-	NM	23,483	-	23,483	NM
<b>Total</b>	<b>€ 179,975</b>	<b>€ 393,216</b>	<b>€ (213,241)</b>	<b>-54%</b>	<b>€ 1,582,655</b>	<b>€ 1,164,712</b>	<b>€ 417,943</b>	<b>36%</b>
<b>European Capital Sponsored Buyouts</b>								
European Capital Sponsored Buyouts	€ -	€ 243,367	€(243,367)	-100%	€ 543,677	€ 530,569	€ 13,108	2%
Financing for Sponsored Buyouts	178,625	148,091	30,534	21%	812,130	601,561	210,569	35%
Direct Investments	-	-	-	-	95,713	-	95,713	NM
Add-on Financing for Acquisitions	1,350	1,758	(408)	-23%	38,124	32,582	5,542	17%
Add-on Financing for Recapitalisations	-	-	-	-	69,528	-	69,528	NM
CDO/CLO Investments	-	-	-	-	23,483	-	23,483	NM
<b>Total</b>	<b>€ 179,975</b>	<b>€ 393,216</b>	<b>€ (213,241)</b>	<b>-54%</b>	<b>€ 1,582,655</b>	<b>€ 1,164,712</b>	<b>€ 417,943</b>	<b>36%</b>
<b>Realisations:</b>								
Senior Loan Refinancings	40,000	122,702	(82,702)	-67%	357,786	247,286	110,500	45%
Principal Prepayments	68,218	28,279	39,939	141%	319,533	35,433	284,100	NM
Payment of Accrued Payment-in-kind Interest and Dividends and Original Issue Discount	3,304	2,026	1,278	63%	20,284	2,223	18,061	NM
Sale of Equity Investments	-	1,357	(1,357)	-100%	9,304	5,005	4,299	86%
<b>Total</b>	<b>€ 111,522</b>	<b>€ 154,364</b>	<b>€ (42,842)</b>	<b>-28%</b>	<b>€ 706,907</b>	<b>€ 289,947</b>	<b>€ 416,960</b>	<b>144%</b>
<b>Appreciation, Depreciation, Gains and Losses:</b>								
Gross Gains	€ -	€ 1,345	€(1,345)	NM	€ 2,321	€ 1,547	774	50%
Gross Losses	-	-	-	NM	-	-	-	NM
Portfolio Gains	-	1,345	(1,345)	NM	2,321	1,547	774	50%
Net Gains (Losses) for Foreign Currency Translation	46	(829)	875	NM	2,578	(1,564)	4,142	NM
<b>Total Gains and Losses</b>	<b>46</b>	<b>516</b>	<b>(470)</b>	<b>NM</b>	<b>4,899</b>	<b>(17)</b>	<b>4,916</b>	<b>NM</b>
<b>Gross Appreciation at 7, 2, 12 and 2 Portfolio Companies</b>								
Gross Appreciation at 7, 2, 12 and 2 Portfolio Companies	18,819	3,678	15,141	NM	73,590	6,383	67,207	NM
<b>Gross Depreciation at 7, 0, 7 and 1 Portfolio Companies</b>								
Gross Depreciation at 7, 0, 7 and 1 Portfolio Companies	(24,769)	-	(24,769)	NM	(71,340)	-	(71,340)	NM
Current Portfolio Net Appreciation	(5,950)	3,678	(9,628)	-262%	2,250	6,383	(4,133)	-65%
Net Depreciation From the Recognition of Net Gains	-	(402)	402	100%	-	(745)	745	100%
Net (Depreciation) Appreciation for Foreign Currency Translation	(13,782)	1,819	(15,601)	NM	(28,723)	1,074	(29,797)	NM
<b>Total Appreciation and Depreciation</b>	<b>(19,732)</b>	<b>5,095</b>	<b>(24,827)</b>	<b>NM</b>	<b>(26,473)</b>	<b>6,712</b>	<b>(33,185)</b>	<b>-</b>
<b>Net Gains, Losses, Appreciation and Depreciation</b>	<b>€ (19,686)</b>	<b>€ 5,611</b>	<b>€ (25,297)</b>	<b>NM</b>	<b>€ (21,574)</b>	<b>€ 6,695</b>	<b>€ (28,269)</b>	<b>NM</b>
<b>Other Financial Data:</b>								
Net Asset Value per Share	€ 9.67	€ 9.92	€ (0.25)	-3%				
Market Capitalisation	€ 756,381	NA	NA	NA				
Total Enterprise Value	€ 1,649,963	NA	NA	NA				
<b>Credit Quality:</b>								
Weighted Average Effective Interest Rate on Debt Investments	12.7%	12.5%						
Loans on Non-Accrual at Cost	€ 29,875	€ -	€ 29,875	NM				
Loans on Non-Accrual at Fair Value	€ -	€ -	€ -	-				
Past Due Loans at Cost	€ -	€ -	€ -	-				
Past Due and Non-Accrual Loans at Cost as a Percentage of Total Loans	1.9%	0.0%						
Past Due and Non-Accrual Loans at Fair Value as a Percentage of Total Loans	0.0%	0.0%						
Number of Portfolio Companies on Non-Accrual and Past Due	1	-						
<b>Return on Equity:</b>								
2007 Net Operating Income Return on Average Equity at Cost	9.4%	7.9%						
2007 Realised Earnings Return on Average Equity at Cost	9.9%	7.9%						

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**OTHER FINANCIAL INFORMATION**  
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	2007	2006	2007 Versus 2006		2007	2006	2007 Versus 2006	
	€	€	€	%	€	€	€	%
2007 Earnings Return on Average Equity	7.0%	9.5%						
Current Quarter Net Operating Income Return on Average Equity at Cost Annualised	11.2%	10.1%						
Current Quarter Realised Earnings Return on Average Equity at Cost Annualised	11.2%	10.4%						
Current Quarter Earnings Return on Average Equity Annualised	3.7%	13.7%						
<b>Dividends:</b>								
Dividend Coverage (Realised Earnings per Basic Share/Dividend per Share)	1.93 x	0.75 x						
Dividend Payout Ratio (Dividend per Share/Realised Earnings per Basic Share)	0.52 x	1.34 x						

NM = Not Meaningful

NA = Not Applicable

**EUROPEAN CAPITAL LIMITED  
STATIC POOL INFORMATION**

**Portfolio Statistics for Investments Made in Each of the Following Years  
(in thousands)**

<b>Portfolio statistics</b> <sup>(1) (9)</sup>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Aggregate</b>
Internal Rate of Return - All Investments <sup>(2) (8)</sup>	16.3%	11.9%	16.3%	14.0%
Internal Rate of Return - Equity Investments only <sup>(2) (8) (10)</sup>	38.3%	12.1%	27.0%	18.2%
Original Investments and Commitments <sup>(8)</sup>	€ 237,612	€ 1,213,336	€ 1,473,669	€ 2,924,617
Total Exits and Prepayments of Original Investments <sup>(8)</sup>	€ 85,928	€ 594,481	€ 340,514	€ 1,020,923
Total Interest, Dividends and Fees Collected <sup>(8)</sup>	€ 36,684	€ 104,852	€ 51,111	€ 192,647
Total Net Gains on Investments	€ 202	€ 3,666	€ -	€ 3,868
Current Cost of Investments	€ 164,242	€ 658,313	€ 1,145,913	€ 1,968,468
Current Fair Value of Investments <sup>(11)</sup>	€ 177,205	€ 607,925	€ 1,129,638	€ 1,914,768
Net Appreciation (Depreciation) <sup>(12)</sup>	€ 12,969	€ (21,754)	€ 15,966	€ 7,181
Non-Accruing Loans at Cost	€ -	€ 29,875	€ -	€ 29,875
Non-Accruing Loans at Fair Value	€ -	€ -	€ -	€ -
Equity Interest at Fair Value	€ 31,754	€ 205,646	€ 189,352	€ 426,752
Debt to EBITDA <sup>(3) (4)</sup>	5.2	6.3	6.4	6.3
Interest Coverage <sup>(3)</sup>	3.1	2.3	3.6	3.1
Debt Service Coverage <sup>(3)</sup>	1.9	2.0	2.7	2.4
Average Age of Companies	109 years	92 years	45 years	65 years
Ownership Percentage	11.5%	33.5%	15.9%	21.3%
Average Sales <sup>(5)</sup>	€ 666,234	€ 483,548	€ 288,536	€ 387,117
Average EBITDA <sup>(6)</sup>	€ 89,317	€ 65,903	€ 50,690	€ 59,356
Average EBITDA margin <sup>(6)</sup>	15.4%	14.4%	16.1%	15.3%
Total Sales <sup>(5)</sup>	€ 4,588,938	€ 16,042,751	€ 15,942,894	€ 36,574,583
Total EBITDA <sup>(6)</sup>	€ 706,815	€ 2,316,138	€ 2,560,501	€ 5,583,454
% Senior Loans <sup>(7)</sup>	9.1%	21.5%	34.2%	28.1%
% Loans with Lien <sup>(7)</sup>	100.0%	100.0%	100.0%	100.0%

<sup>1</sup> Static pool classification is based on the year the initial investment was made. Subsequent add-on investments are included in the static pool year of the original investment.

<sup>2</sup> Assumes investments are exited at current fair value.

**EUROPEAN CAPITAL LIMITED  
STATIC POOL INFORMATION**

**Portfolio Statistics for Investments Made in Each of the Following Years  
(in thousands)**

<sup>3</sup> These amounts do not include investments in which we own only equity.

<sup>4</sup> For portfolio companies with a nominal EBITDA amount, the portfolio company's maximum debt leverage is limited to 15 times EBITDA.

<sup>5</sup> Sales of the most recent twelve months, or when appropriate, the forecasted twelve months.

<sup>6</sup> EBITDA of the most recent twelve months, or when appropriate, the forecasted twelve months.

<sup>7</sup> As a percentage of our total debt investments.

<sup>8</sup> Non euro-denominated amounts are retranslated at the exchange rate ruling at the date of original investment.

<sup>9</sup> Non euro-denominated balances, other than those referred to in (8), are retranslated at the exchange rate ruling at the balance sheet date.

<sup>10</sup> Excludes equity investments that are the result of conversions of debt and warrants received with the issuance of debt.

<sup>11</sup> Excludes derivative instruments.

<sup>12</sup> Balance Sheet appreciation (depreciation) of investments excluding foreign exchange revaluation.