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**EUROPEAN CAPITAL REPORTS €0.90 NOI AND €0.95 REALISED EARNINGS IN 2007
FORECASTS 68% DIVIDEND INCREASE IN 2008 TO €0.62
FORECASTS Q1 DIVIDEND OF €0.15**

St. Peter Port, Guernsey – 13 February 2008 – European Capital Limited (“European Capital”) ([LSE: ECAS](#)) announced today its results for the fourth quarter and full year of 2007.

FOURTH QUARTER 2007 DIVIDEND GUIDANCE

European Capital reiterates guidance for a fourth quarter 2007 dividend of €0.14 per share. This would be an 8% increase over the third quarter 2007 dividend of €0.13 per share. It is in line with the dividend target announced at the time European Capital declared its second quarter 2007 dividend and represents a 37% increase from guidance provided in the Listing Prospectus. European Capital has now paid a total of €24.9 million in dividends since its May 2007 initial public offering (“IPO”).

2007 RESULTS

European Capital announced today its results for the quarter and year ended 31 December 2007. Net Operating Income (“NOI”) for the year increased 109% to €0.90 per share, compared to €0.43 per share for 2006. For the quarter, NOI increased 29% to €0.27 per share, compared to €0.21 per share in the fourth quarter of 2006.

“European Capital had a strong 2007 and is in an excellent position to have superior performance in 2008,” said [Malon Wilkus](#), European Capital Chairman. “However, the market has dramatically priced down financial stocks, and European Capital, being a young company, has experienced more than its share of these declines. We and our Investment Manager could not be more focused on this issue. We are reviewing all our options with respect to our extremely low price to book value and we will do all we can to see it rise in 2008.”

Earnings less appreciation and depreciation (“Realised Earnings”), increased 121% to €0.95 per share for 2007, compared to €0.43 per share for 2006. For the quarter, Realised Earnings increased 23% to €0.27 per share, compared to €0.22 per share for the fourth quarter of 2006. Realised Earnings return on equity at cost for 2007 was 10%. 2007 Realised Earnings exceeded 2007 total dividends by 64%.

Earnings increased 31% to €0.68 per share for 2007, compared to €0.52 per share for 2006. For the quarter, Earnings decreased 69% to €0.09 per share, compared to €0.29 per share for the fourth quarter of 2006. Earnings return on equity for 2007 was 7%.

As previously announced, fourth quarter 2007 dividends were €0.14 per share. For the quarter, European Capital's Realised Earnings of €0.27 per basic share exceeded the dividend by 93%.

European Capital's net asset value ("NAV") per share at 31 December 2007 was €9.67, a €0.06 decrease, including dividend distributions of €0.37 per share, from the 10 May 2007 IPO NAV per share of €9.73. The 31 December 2007 NAV was €0.04 per share less than at the end of the prior quarter.

"The credit quality of our portfolio is excellent and we believe that the performance of European Capital's portfolio remains very strong," said [John Erickson](#), Director of European Capital Financial Services (Guernsey) Limited, European Capital's Investment Manager. "Delinquencies and non-accruing loans are at a low level of 1.9% of the portfolio at cost. Commercial credit quality remains outstanding, spreads have widened, and many of our highly geared competitors are experiencing difficulty raising capital. With €2.3 billion of capital resources, we continue to have access to capital, permitting us to meet continued mid-market demand. Subsequent to our IPO in May 2007 we raised an unsecured multicurrency revolving line of credit in August 2007, a time when access to capital was closed to many financial institutions. Our ability to raise capital in this environment is also an ongoing affirmation of our business model, the outstanding quality of the Investment Manager's investment team and the portfolio."

For the year, European Capital invested €1.6 billion and received €0.7 billion of proceeds from realisations of portfolio investments. In the fourth quarter of 2007, European Capital invested €180 million and received €112 million of proceeds from realisations of portfolio investments.

The weighted average effective interest rate on European Capital's total investments in debt securities at 31 December 2007 was 12.7%, 50 basis points higher than at 30 September 2007. As of 31 December 2007, loans at cost of €30 million in relation to one Portfolio Company, which had been fully depreciated, were on non-accrual. These non-accruing loans represented 1.9% of total loans at cost and 0.0% of total loans at fair value at 31 December 2007.

"European Capital possesses significant competitive advantages as many of our competitors face a difficult environment in which many middle market investors are trying to find their way," said [Ira Wagner](#), President of European Capital Financial Services Limited ("ECFS"). "European Capital's One Stop Buyouts™, in which we fund senior debt, mezzanine debt and equity, have become even more important to sellers of companies in this uncertain financing environment. In addition, European Capital's resources and ability to underwrite mezzanine assets is in great demand from other private equity funds who are seeking certainty of financing for their transactions. Financing is going to be much harder to raise for most private equity funds in the current environment, mezzanine debt is going to play an increasingly significant role and we are superbly positioned to take advantage of these market conditions. Although investment opportunities in the second half of 2007 declined, due to the significant decline of large multi-billion euro transactions, the mid-market targeted by our four offices remains active. At the close of 2007, we were reviewing approximately €9 billion of opportunities. We continue to find mid-market companies with robust track records, strong cash flows, significant growth prospects, highly competitive positioning, experienced management teams and the potential for European Capital to gain liquidity and/or realise appreciation in its investments. We continue to make progress increasing our market coverage across Europe, with offices in London, Paris, Frankfurt and Madrid, and having investments in the U.K., Germany, France, Luxembourg, the Netherlands, Sweden, Norway, Spain, Switzerland and Italy."

Since inception European Capital has earned a 15% compounded annual return, including interest, dividends, fees and net gains, on 27 realisations of senior debt, subordinated debt and equity investments, totalling €1 billion of invested capital. These realisations represent 34% of all amounts invested by European Capital since inception.

2008 DIVIDEND GUIDANCE

European Capital forecast total 2008 dividends of €0.62 per share, a 68% growth over post-IPO 2007 dividends of €0.37 per share in 2007. The 2008 dividends per share are forecast to be in the following quarterly amounts:

- €0.15 for Q1 2008;
- €0.15 for Q2 2008, 50% increase over Q2 2007;
- €0.16 for Q3 2008, 23% increase over Q3 2007; and
- €0.16 for Q4 2008, 14% increase over Q4 2007.

THIRD PARTY VALUATION OF PORTFOLIO INVESTMENTS

European Capital's Board of Directors is responsible for determining the fair value of European Capital's portfolio investments on a quarterly basis. In that regard, the Board retains Houlihan Lokey Howard & Zukin Financial Advisors Inc. ("Houlihan Lokey") to assist it by having Houlihan Lokey regularly review its fair value determinations. Houlihan Lokey is a leading valuation firm engaged in approximately 1,000 valuation assignments per year for clients worldwide. Each quarter, Houlihan Lokey reviews European Capital's determination of the fair value of all portfolio companies that have been a portfolio company at least one year and that have a fair value in excess of €10 million. In the fourth quarter of 2007, Houlihan Lokey reviewed valuations of 23 portfolio company investments having an aggregate €741 million in fair value as of the period end. In addition, Houlihan Lokey representatives attend European Capital's quarterly valuation meetings and provide periodic reports and recommendations to the Audit Committee of the Board of Directors.

Financial highlights for the quarter are as follows:

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

	31 December	31 December	2007 Versus 2006	
	2007	2006	€	%
	€	€	€	%
Assets				
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%
Liabilities and Shareholders' Equity				
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		Three Months Ended		Year Ended		Year Ended	
	31 December 2007 (unaudited)	31 December 2006 (unaudited)	31 December 2007 Versus 2006	%	31 December 2007	31 December 2006	31 December 2007 Versus 2006	%
	€	€	€	%	€	€	€	%
OPERATING INCOME:								
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%
OPERATING EXPENSES:								
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%
OPERATING INCOME BEFORE INCOME TAXES	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%
NET OPERATING INCOME	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%
TOTAL NET REALISED EARNINGS	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%
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS (" EARNINGS")	€ 9,708	€ 21,376	€ (11,668)	-55%	€ 65,345	€ 38,883	€ 26,462	68%
NET OPERATING INCOME PER SHARE:								
Basic & Diluted	€ 0.27	€ 0.21	€ 0.06	29%	€ 0.90	€ 0.43	€ 0.47	109%
NET REALISED EARNINGS PER SHARE:								
Basic & Diluted	€ 0.27	€ 0.22	€ 0.05	23%	€ 0.95	€ 0.43	€ 0.52	121%
NET EARNINGS PER SHARE:								
Basic & Diluted	€ 0.09	€ 0.29	€ (0.20)	-69%	€ 0.68	€ 0.52	€ 0.16	31%
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:								
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		Three Months Ended		Year Ended		Year Ended	
	31 December 2007	31 December 2006	31 December 2007 Versus 2006	%	31 December 2007	31 December 2006	31 December 2007 Versus 2006	%
	€	€	€	%	€	€	€	%
New Investments:								
Senior Debt	€ 25,000	€ 185,650	€ (160,650)	-87%	€ 629,618	€ 59,037	€ 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
Total	€ 179,975	€ 393,216	€ (213,241)	-54%	€ 1,582,655	€ 1,164,712	€ 417,943	36%
European Capital Sponsored Buyouts								
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
Total	€ 179,975	€ 393,216	€ (213,241)	-54%	€ 1,582,655	€ 1,164,712	€ 417,943	36%
Realisations:								
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%
Total	€ 111,522	€ 154,364	€ (42,842)	-28%	€ 706,907	€ 289,947	€ 416,960	144%
Appreciation, Depreciation, Gains and Losses:								
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
Total Gains and Losses	46	516	(470)	NM	4,899	(17)	4,916	NM
Gross Appreciation at 7, 2, 12 and 2 Portfolio Companies								
Gross Appreciation at 7, 2, 12 and 2 Portfolio Companies	18,819	3,678	15,141	NM	73,590	6,383	67,207	NM
Gross Depreciation at 7, 0, 7 and 1 Portfolio Companies								
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
Total Appreciation and Depreciation	(19,732)	5,095	(24,827)	NM	(26,473)	6,712	(33,185)	—
Net Gains, Losses, Appreciation and Depreciation	€ (19,686)	€ 5,611	€ (25,297)	NM	€ (21,574)	€ 6,695	€ (28,269)	NM

NM = Not Meaningful

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

Continued from previous page

	Three Months Ended		Three Months Ended		Year Ended		Year Ended	
	31 December 2007	31 December 2006	31 December 2007 Versus 2006	%	31 December 2007	31 December 2006	31 December 2007 Versus 2006	%
	€	€	€	%	€	€	€	%
Other Financial Data:								
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				
Credit Quality:								
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	—						
Return on Equity:								
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%						
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%						
Dividends:								
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						

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NM = Not Applicable

EUROPEAN CAPITAL LIMITED
STATIC POOL INFORMATION
Portfolio Statistics for Investments Made in Each of the Following Years
(in thousands)
(all amounts in euros unless otherwise noted)

Portfolio statistics ⁽¹⁾⁽⁹⁾	2005	2006	2007	Aggregate
Internal Rate of Return — All Investments ⁽²⁾⁽⁸⁾	16.3%	11.9%	16.3%	14.0%
Internal Rate of Return — Equity Investments only ⁽²⁾⁽⁸⁾⁽¹⁰⁾	38.3%	12.1%	27.0%	18.2%
Original Investments and Commitments ⁽⁸⁾	237,612	1,213,336	1,473,669	2,924,617
Total Exits and Prepayments of Original Investments ⁽⁸⁾	85,928	594,481	340,514	1,020,923
Total Interest, Dividends and Fees Collected ⁽⁸⁾	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 ⁽¹¹⁾	177,205	607,925	1,129,638	1,914,768
Net Appreciation (Depreciation) ⁽¹²⁾	12,969	(21,754)	15,966	7,181
Non-Accruing Loans at Cost	—	29,875	—	9,875
Non-Accruing Loans at Fair Value	—	—	—	—
Equity Interest at Fair Value	31,754	205,646	189,352	426,752
Debt to EBITDA ⁽³⁾⁽⁴⁾	5.2	6.3	6.4	6.3
Interest Coverage ⁽³⁾	3.1	2.3	3.6	3.1
Debt Service Coverage ⁽³⁾	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 ⁽⁵⁾	666,234	483,548	288,536	387,117
Average EBITDA ⁽⁶⁾	89,317	65,903	50,690	59,356
Average EBITDA margin ⁽⁶⁾	15.4%	14.4%	16.1%	15.3%
Total Sales ⁽⁵⁾	4,588,938	16,042,751	15,942,894	36,574,583
Total EBITDA ⁽⁶⁾	706,815	2,316,138	2,560,501	5,583,454
% Senior Loans ⁽⁷⁾	9.1%	21.5%	34.2%	28.1%
% Loans with Lien ⁽⁷⁾	100.0%	100.0%	100.0%	100.0%

(1) 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.

(2) Assumes investments are exited at current fair value.

(3) These amounts do not include investments in which we own only equity.

(4) For portfolio companies with a nominal EBITDA amount, the portfolio company's maximum debt leverage is limited to 15 times EBITDA.

(5) Sales of the most recent twelve months, or when appropriate, the forecasted twelve months.

(6) EBITDA of the most recent twelve months, or when appropriate, the forecasted twelve months.

(7) As a percentage of our total debt investments.

(8) Non euro-denominated amounts are retranslated at the exchange rate ruling at the date of original investment.

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

(10) Excludes equity investments that are the result of conversions of debt and warrants received with the issuance of debt.

(11) Excludes derivative instruments.

(12) Balance Sheet appreciation (depreciation) of investments excluding foreign exchange revaluation.

EUROPEAN CAPITAL'S DIVIDEND HISTORY POST MAY 2007 IPO

Year and Quarter	Dividend	% Change of Dividend Over Prior Period	Total
Total			€0.99
2008	€0.62	68%	€0.62
Q4 Forecast	€0.16	14%	
Q3 Forecast	€0.16	23%	
Q2 Forecast	€0.15	50%	
Q1 Forecast	€0.15	N/A	
2007	€0.37	N/A	€0.37
Q4	\$0.14		
Q3	\$0.13		
Q2 (IPO = 10 May 2007)	\$0.15	N/A	

SHAREHOLDER CALL

European Capital invites shareholders, analysts and other interested persons to attend the European Capital Shareholder Call on Thursday 14 February at 14:30 GMT (9:30 EST). Callers within the UK can dial +44 (0)800 678 1161, while other callers from within Europe should dial +44 (0) 207 740 9501. Callers within the United States should dial +1 (866) 804-8688. The access code for callers is 320 568.

Point your browser to www.EuropeanCapital.com and click on the Q4 2007 Shareholder Call Slide Show button.

BEFORE THE CALL:

REVIEW SLIDE PRESENTATION IN ADVANCE OF THE SHAREHOLDER CALL The quarterly shareholder presentation includes a slide presentation to accompany the call that participants may download and print prior to the call. You may wish to take the time to review the slides in advance of the Shareholder Call.

DURING THE CALL:

VIEW STREAMING SLIDE PRESENTATION DURING THE SHAREHOLDER CALL During the Shareholder Call you may watch and listen to the webcast or listen to the Shareholder Call by phone and step through the slides at your own pace.

AFTER THE CALL:

LISTEN AND VIEW AUDIO SLIDE PRESENTATION AFTER THE CALL The audio of the Shareholder Call combined with the slide presentation will be made available after the call on 14 February on our website www.EuropeanCapital.com.

AUDIO ONLY PRESENTATION AVAILABLE AFTER THE SHAREHOLDER CALL:

There will be a phone recording available from 23:59 GMT Thursday 14 February until 23:59 GMT Thursday 28 February. If you are interested in hearing the recording of the presentation, please dial +44 (0)800 032 9687 or +44 (0)207 136 9233. The access code for callers is 77284642.

For further information or questions, please do not hesitate to call our Investor Relations Department at +44 (0)20 7539 7100.

ABOUT EUROPEAN CAPITAL

European Capital is a publicly traded investment company for pan-European equity, mezzanine and senior debt investments with current capital resources of approximately €2.3 billion (\$3.3 billion). It is managed by European Capital Financial Services (Guernsey) Limited, an indirect wholly-owned affiliate of American Capital Strategies Ltd. ECFSG, together with its wholly owned subsidiary European Capital Financial Services Ltd ("ECFS"), is referred to as the "Investment Manager". ECFS has offices in Paris, London, Frankfurt and Madrid. As of 31 December 2007 the Investment Manager had 43 investment professionals and 61 support staff.

European Capital invests in and sponsors management and employee buyouts, invests in private equity buyouts and provides capital directly to private and public companies headquartered predominantly in Europe. European Capital generally invests between €5 million and €500 million per transaction in equity, mezzanine debt and senior debt to fund growth, acquisitions and recapitalisations.

The investment objective of European Capital is to provide investors with dividend income and the potential for share value appreciation by investing in debt and equity investments in private and public companies headquartered primarily in Europe.

European Capital seeks to achieve this through pursuing the following types of investments:

European Capital One- Stop Buyouts™

Through our One Stop Buyouts™, European Capital provides equity, mezzanine debt and senior debt as the lead investor in the buyout of private and public companies.

Mezzanine Direct with Sponsors

European Capital provides debt and equity financing for buyouts sponsored by private equity firms where European Capital is either the sole or lead mezzanine debt investor.

Syndicated Mezzanine and Senior Debt

European Capital provides mezzanine and senior financing for buyouts sponsored by private equity firms where European Capital is neither the sole nor lead mezzanine or senior debt investor.

Direct Investments

European Capital provides debt and equity financing directly to private and public companies, which is used for growth, acquisitions or recapitalisations, and investing in structured finance vehicles.

Companies interested in learning more about European Capital's flexible financing should contact [Simon Henderson](#) or [Nathalie Faure Beaulieu](#) at + 44 (0)20 7539 7000 in London, [Jean Eichenlaub](#) at + 33 (0)1 40 68 06 66 in Paris, [Robert von Finckenstein](#) at +49 (0) 69 71 71 297-0 in Frankfurt, or [Luis Felipe Castellanos](#) at +(34) 91 423 27 60 in Madrid, or visit the website at www.EuropeanCapital.com.

ABOUT AMERICAN CAPITAL

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Nothing in this document is intended to be a profit forecast.

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