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**EUROPEAN CAPITAL DECLARES €0.16 Q3 2008 DIVIDEND, REPORTS €0.14 NOI  
AND REALISED EARNINGS IN Q2 2008**

St. Peter Port, Guernsey – 12 August 2008 – European Capital Limited (LSE: ECAS) (“European Capital”) announced today its third quarter 2008 dividend and its results for the second quarter of 2008.

**THIRD QUARTER 2008 DIVIDEND DECLARATION**

European Capital’s Board of Directors has declared a third quarter 2008 dividend of €0.16 per share to record holders as of 26 September 2008, payable on 24 October 2008. This is a 23% increase over the third quarter 2007 dividend of €0.13 per share and is in line with the dividend guidance announced at the time of its results announcement for 2007. European Capital has now paid or declared a total of €89.5 million in dividends since its May 2007 initial public offering (“IPO”).

**2008 DIVIDEND GUIDANCE**

European Capital reiterates its 2008 dividend forecast of €0.62 per share, a 68% growth over post-IPO 2007 dividends of €0.37 per share. The fourth quarter 2008 dividend per share is forecast to be €0.16 per share, a 14% increase over Q4 2007.

**SHARE REPURCHASE PROGRAMME**

Under the €30 million share repurchase programme European Capital purchased 1.6 million shares for a total of €9 million which are held as treasury shares.

**SECOND QUARTER 2008 RESULTS**

**Net Operating Income (NOI)**

European Capital also announced today its results for the second quarter of 2008. NOI for the quarter decreased 22% to €0.14 per share, compared to €0.18 per share for the second quarter of 2007.

### Realised Earnings

Earnings less appreciation and depreciation ("Realised Earnings") decreased 33% to €0.14 per share for the second quarter of 2008, compared to €0.21 per share for the second quarter of 2007. Realised Earnings return on equity at cost for the twelve months to the second quarter of 2008 was 10%. Realised Earnings year to date to June 2008 of €0.46 covered 153% of the €0.30 per share dividend for the year to date to June 2008.

### Earnings

European Capital's Earnings for the second quarter of 2008 was a loss of €0.04 per share, a decrease of €0.31 per share from the second quarter of 2007 Earnings of €0.27 per share. This loss was due primarily to €21 million of unrealised depreciation during the second quarter of 2008. Earnings return on equity for the twelve months to the second quarter of 2008 was (16)%.

European Capital's net asset value ("NAV") per share at 30 June 2008 was €7.87, a decrease of €1.80 or 19% lower than the 31 December 2007 NAV per share of €9.67.

"With a €1.9 billion portfolio of 72 outstanding companies, European Capital has built an impressive and diversified portfolio which produces excellent performance in good times and can expand individual market share in troubled times," said Malon Wilkus, Chairman of the Board. "Our experienced investment and operations teams have done a great job of selecting investments and assisting portfolio companies in a great variety of operational improvements. As a result, the portfolio produces excellent income and we expect significant gains in the future."

For the second quarter of 2008, net appreciation, depreciation, gains and losses totalled €(20) million, consisting of €(19) million of net depreciation, compared to €9 million of net appreciation, depreciation, gains and losses for the second quarter of 2007. The primary components of the €(19) million of net depreciation for the quarter were as follows:

- €(11) million of net depreciation associated with the Private Finance portfolio due primarily to a decline of the trading multiples of comparable public companies;
- €(7) million of net depreciation associated with SFAS 157 Market Yield Analysis, due primarily to the widening of investment spreads;
- €2 million of net appreciation from foreign currency translation; and
- €(3) million of net depreciation on derivatives.

"Although we invested €152 million in six transactions this quarter, we are being very selective as evidenced by our closing ratio declining from our 5% historical average to about 4% during the second quarter," said Ira Wagner, President of European Capital Financial Services Limited ("ECFS"). "In addition to macroeconomic conditions softening, the liquidity crisis is also causing the volume of leveraged buyouts in the

market to decline and although we have achieved excellent market coverage in our target markets, we intend to be extremely selective over the next few quarters.”

As of 30 June 2008, loans with a fair value of €13 million were on non-accrual. The €13 million fair value of non-accruing loans represented 0.8% of total loans at fair value as of 30 June 2008, compared to no non-accrual loans at fair value as of 31 December 2007.

"We are pleased with the credit quality of our portfolio," stated John Erickson, Director of European Capital Financial Services (Guernsey) Limited. "Our non-accrual loans were less than 1% of total loans at fair value as at 30 June 2008. Also the average debt to EBITDA of the portfolio had declined to 6.1x, which is in line with current market leverage levels. We have a highly diversified portfolio that will continue to perform well even if the economy falters."

Since inception, European Capital has earned a 15% compounded annual return, including interest, dividends, fees and net gains, on 31 realisations of senior debt, subordinated debt and equity investments, totalling €1.2 billion of committed capital. These realisations represent 36% of all amounts invested by European Capital since inception.

### **THIRD PARTY VALUATION OF PORTFOLIO INVESTMENTS**

European Capital's Board of Directors is ultimately responsible for determining the fair value of European Capital's portfolio investments on a quarterly basis in good faith. In that regard, the Board retains independent third party valuation firms to assist it by having the third party valuation firms regularly perform certain procedures that the Board identifies and requests the respective third party firms to perform on a predetermined selection of the Board's fair value determinations ("Procedures"). The Board of Directors may also obtain valuation assistance from such firms on other portfolio investments. Representatives from the valuation firms also attend European Capital's quarterly valuation meetings and provide their respective quarterly reports to the Audit Committee of the Board of Directors. Each quarter, the third party valuation firms will perform Procedures on European Capital's determination of the fair value of all portfolio company investments that have been both portfolio companies for at least one year and that have a fair value in excess of €10 million, in accordance with European Capital's valuation procedures.

European Capital's Board of Directors engaged two valuation firms, Houlihan Lokey Howard & Zukin Financial Advisors Inc. ("Houlihan Lokey") and Duff & Phelps, LLC ("Duff & Phelps") to perform Procedures on European Capital's fair value determination for the second quarter of 2008. Houlihan Lokey and Duff & Phelps are both leading international valuation firms. For the quarter ended 30 June 2008, Houlihan Lokey performed its Procedures on 7 portfolio company investments, with a fair value of €345 million. The value is approximately 18% of the fair value of European Capital's total investments as of 30 June 2008. Duff & Phelps performed its Procedures on valuations on an additional 23 portfolio company investments, with a fair value of €739 million as of the period end. This value is approximately 38% of the fair value of European Capital's total investments as at 30 June 2008. For the last four quarters, third party valuation

firms performed Procedures on an aggregate of 92 portfolio company investments totalling €3.2 billion in fair value as of their respective valuation dates, in accordance with European Capital's valuation procedures. For those portfolio company investments on which each valuation firm has performed Procedures during each applicable period, using the scope of review set forth by European Capital's Board of Directors and in accordance with European Capital's valuation procedures, the Board of Directors has made a fair value determination for such investments that is within each valuation firm's aggregate range of fair value for the investments. Additionally, in connection with its review, Duff & Phelps also concluded that the aggregate range of fair value determined by the Board of Directors for the investments that it performed Procedures was not unreasonable.

Financial highlights for the quarter are as follows:

EUROPEAN CAPITAL LIMITED							
CONSOLIDATED BALANCE SHEETS							
As at 30 June 2008, 31 December 2007 and 30 June 2007							
(in thousands)							
	30 June 2008 (unaudited)	31 December 2007	30 June 2008 Versus 31 December 2007		30 June 2007 (unaudited)	30 June 2008 Versus 30 June 2007	
	€	€	€	%	€	€	%
<b>Assets</b>							
Investments at fair value (cost basis of €2,221,531, €1,968,468 and €1,587,174, respectively)	€1,942,928	€1,925,696	€17,232	1%	€1,607,020	€335,908	21%
Cash and cash equivalents	6,993	2,575	4,418	172%	7,349	(356)	-5%
Restricted cash	57,810	30,214	27,596	91%	67,938	(10,128)	-15%
Other	26,412	9,558	16,854	176%	11,163	15,249	137%
Total assets	€2,034,143	€1,968,043	€66,100	3%	€1,693,470	€340,673	20%
<b>Liabilities and Shareholders' Equity</b>							
Debt (maturing within one year €609,595, €793,237 and €2,196, respectively)	€1,169,432	€896,157	€273,275	30%	€606,774	€562,658	93%
Due to European Capital Financial Services (Guernsey) Limited	5,607	718	4,889	681%	5,352	255	5%
Accrued dividends payable	16,022	15,171	851	6%	10,836	5,186	48%
Other	2,795	8,377	(5,582)	-67%	6,648	(3,853)	-58%
Total liabilities	1,193,856	920,423	273,433	30%	629,610	564,246	90%
Commitments and contingencies							
Shareholders' equity:							
Ordinary shares (nil par value, authorised to issue unlimited number of shares, 108,364 issued and 106,813, 108,364 and 108,364 outstanding, respectively)	-	1,030,888	(1,030,888)	-100%	1,030,371	(1,030,371)	-100%
Other reserve	1,021,519	-	1,021,519	NM	-	1,021,519	NM
Undistributed net realised earnings	54,594	37,235	17,359	47%	14,542	40,052	275%
Net unrealised foreign currency (depreciation) appreciation	(58,102)	(28,391)	(29,711)	105%	1,456	(59,558)	NM
Net unrealised (depreciation) appreciation of investments	(177,724)	7,888	(185,612)	NM	17,491	(195,215)	NM
Total shareholders' equity	840,287	1,047,620	(207,333)	-20%	1,063,860	(223,573)	-21%
Total liabilities and shareholders' equity	€2,034,143	€1,968,043	€66,100	3%	€1,693,470	€340,673	20%
NM = Not Meaningful							

EUROPEAN CAPITAL LIMITED								
CONSOLIDATED STATEMENTS OF OPERATIONS								
Three and Six Months Ended 30 June 2008 and 2007								
(in thousands, except per share data)								
(unaudited)								
	Three Months Ended		Three Months Ended		Six Months Ended		Six Months Ended	
	30 June 2008	30 June 2007	30 June 2008 Versus 2007		30 June 2008	30 June 2007	30 June 2008 Versus 2007	
	€	€	€	%	€	€	€	%
<b>OPERATING INCOME:</b>								
Interest and dividend income	€46,607	€39,680	€6,927	17%	€100,053	€73,962	€26,091	35%
Fee and other income	47	1,737	(1,690)	-97%	368	5,027	(4,659)	-93%
Total operating income	46,654	41,417	5,237	13%	100,421	78,989	21,432	27%
<b>OPERATING EXPENSES:</b>								
Interest	18,963	8,264	10,699	129%	34,992	15,204	19,788	130%
Management fee and reimbursed expenses	10,019	9,373	646	7%	19,440	20,739	(1,299)	-6%
Incentive fee	-	5,115	(5,115)	-100%	-	5,115	(5,115)	-100%
General and administrative	2,266	1,831	435	24%	4,418	3,361	1,057	31%
Total operating expenses	31,248	24,583	6,665	27%	58,850	44,419	14,431	32%
<b>OPERATING INCOME BEFORE INCOME TAXES</b>								
	15,406	16,834	(1,428)	-8%	41,571	34,570	7,001	20%
Provision for income taxes	(89)	(35)	(54)	154%	(170)	(179)	9	5%
<b>NET OPERATING INCOME</b>	<b>15,317</b>	<b>16,799</b>	<b>(1,482)</b>	<b>-9%</b>	<b>41,401</b>	<b>34,391</b>	<b>7,010</b>	<b>20%</b>
Net foreign currency gain	143	869	(726)	-84%	8,721	3,155	5,566	176%
Net (loss) gain on investments	(461)	2,321	(2,782)	-120%	(487)	2,321	(2,808)	-121%
<b>TOTAL NET REALISED EARNINGS</b>	<b>14,999</b>	<b>19,989</b>	<b>(4,990)</b>	<b>-25%</b>	<b>49,635</b>	<b>39,867</b>	<b>9,768</b>	<b>25%</b>
Net foreign currency appreciation (depreciation)	1,722	4,906	(3,184)	-65%	(29,711)	1,124	(30,835)	NM
Net (depreciation) appreciation of investments	(21,129)	840	(21,969)	NM	(185,612)	11,853	(197,465)	NM
<b>(DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ("EARNINGS")</b>	<b>€(4,408)</b>	<b>€25,735</b>	<b>€(30,143)</b>	<b>-117%</b>	<b>€(165,688)</b>	<b>€52,844</b>	<b>€(218,532)</b>	<b>-414%</b>
<b>NET OPERATING INCOME PER SHARE:</b>								
Basic & Diluted	€0.14	€0.18	€(0.04)	-22%	€0.38	€0.41	€(0.03)	-7%
<b>NET REALISED EARNINGS PER SHARE:</b>								
Basic & Diluted	€0.14	€0.21	€(0.07)	-33%	€0.46	€0.47	€(0.01)	-2%
<b>NET EARNINGS PER SHARE:</b>								
Basic & Diluted	€(0.04)	€0.27	€(0.31)	-115%	€(1.53)	€0.62	€(2.15)	-347%
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES:</b>								
Basic & Diluted	107,855	94,247	13,608	14%	108,109	84,677	23,432	28%
<b>DIVIDENDS DECLARED PER SHARE</b>	<b>€0.15</b>	<b>€0.10</b>	<b>€0.05</b>	<b>50%</b>	<b>€0.30</b>	<b>€0.31</b>	<b>€(0.01)</b>	<b>-3%</b>
NM = Not Meaningful								

EUROPEAN CAPITAL LIMITED							
OTHER FINANCIAL INFORMATION							
Three Months Ended 30 June 2008, 31 March 2008 and 30 June 2007							
(in thousands, except per share data)							
(unaudited)							
	Q2	Q1	Q2 2008 Versus		Q2	Q2 2008 Versus	
	2008	2008	Q1 2008		2007	Q2 2007	
	€	€	€	%	€	€	%
<b>New Investments:</b>							
Senior Debt	€ -	€ 1,035	€(1,035)	-100%	€ 330,409	€(330,409)	-100%
Subordinated Debt	152,115	164,037	(11,922)	-7%	292,994	(140,879)	-48%
Preferred Equity	-	3,072	(3,072)	-100%	74,879	(74,879)	-100%
Common Equity	-	115	(115)	-100%	2,072	(2,072)	-100%
CDO/CLO Investments	-	-	-	-	6,510	(6,510)	-100%
Total	€ 152,115	€ 168,259	€(16,144)	-10%	€ 706,864	€(554,749)	-78%
European Capital Sponsored Buyouts	€ -	€ -	€ -	-	€ 420,636	€(420,636)	-100%
Financing for Sponsored Buyouts	149,266	152,949	(3,683)	-2%	194,719	(45,453)	-23%
Add-on Financing for Acquisitions	2,849	14,000	(11,151)	-80%	15,471	(12,622)	-82%
Add-on Financing for Recapitalisations	-	1,310	(1,310)	-100%	69,528	(69,528)	NM
CDO/CLO Investments	-	-	-	-	6,510	(6,510)	-100%
Total	€ 152,115	€ 168,259	€(16,144)	-10%	€ 706,864	€(554,749)	-78%
<b>Realisations:</b>							
Senior Loan Refinancings	€ -	€ -	€ -	-	€ 214,032	€(214,032)	-100%
Principal Prepayments	20,889	83,580	(62,691)	-75%	85,634	(64,745)	-76%
Payment of Accrued Payment-in-kind							
Interest and Dividends and Original Issue							
Discount	1,920	6,503	(4,583)	-70%	5,894	(3,974)	-67%
Sale of Equity Investments	16	24,664	(24,648)	-100%	2,322	(2,306)	-99%
Total	€ 22,825	€ 114,747	€(91,922)	-80%	€ 307,882	€(285,057)	-93%
<b>Appreciation, Depreciation, Gains and Losses:</b>							
Gross Gains	€ -	€ -	€ -	-	€ 2,321	€(2,321)	-100%
Gross Losses	(461)	(26)	(435)	NM	-	(461)	NM
Portfolio (Losses) Gains	(461)	(26)	(435)	NM	2,321	(2,782)	-120%
Net Gains for Foreign Currency							
Translation	143	8,576	(8,433)	-98%	869	(726)	-84%
Total Gains and Losses	(318)	8,550	(8,868)	-104%	3,190	(3,508)	-110%
Gross Appreciation at 12, 8 and 6							
Portfolio Companies	30,005	19,683	10,322	52%	13,491	16,514	122%
Gross Depreciation at 18, 42 and 2							
Portfolio Companies	(51,134)	(184,166)	133,032	72%	(12,651)	(38,483)	-304%
Current Portfolio Net (Depreciation)							
Appreciation	(21,129)	(164,483)	143,354	87%	840	(21,969)	NM
Net Appreciation (Depreciation) for							
Foreign Currency Translation	1,722	(31,432)	33,154	105%	4,906	(3,184)	-65%
Total (Depreciation) Appreciation	(19,407)	(195,915)	176,508	90%	5,746	(25,153)	-438%
Net Gains, Losses, Appreciation and Depreciation	€(19,725)	€(187,365)	€ 167,640	89%	€ 8,936	€(28,661)	-321%
<b>Other Financial Data:</b>							
Net Asset Value per Share	€ 7.87	€ 8.03	€(0.16)	-2%	€ 9.82	€(1.95)	-20%
Financial Liabilities at Cost	€ 1,169,432	€ 948,582	€ 220,850	23%	€ 606,774	€ 562,658	93%
Financial Liabilities at Fair Value	€ 1,130,154	€ 915,303	€ 214,851	23%	NA	NA	NA
Market Capitalisation	€ 661,171	€ 653,435	€ 7,736	1%	€ 1,146,491	€(485,320)	-42%
Total Enterprise Value	€ 1,823,610	€ 1,562,276	€ 261,334	17%	€ 1,745,916	€ 77,694	4%
<b>Credit Quality:</b>							

Weighted Average Effective Interest Rate on Debt Investments	11.6%	12.6%			12.0%		
Loans on Non-Accrual at Cost	€42,892	€21,165	€21,727	103%	€20,000	€22,892	114%
Loans on Non-Accrual at Fair Value	€13,351	€4,290	€9,061	211%	€10,672	€2,679	25%
Past Due Loans at Cost	€-	€-	€-	-	€-	€-	-
Past Due and Non-Accrual Loans at Cost as a Percentage of Total Loans	2.4%	1.3%			1.6%		
Past Due and Non-Accrual Loans at Fair Value as a Percentage of Total Loans	0.8%	0.3%			0.9%		
Number of Portfolio Companies on Non-Accrual and Past Due	2	1			1		
<b>Return on Equity:</b>							
LTM Net Operating Income Return on Average Equity at Cost	9.0%	9.7%			9.5%		
LTM Realised Earnings Return on Average Equity at Cost	9.8%	10.8%			10.5%		
LTM Earnings Return on Average Equity	-15.7%	-12.8%			13.3%		
Current Quarter Net Operating Income Return on Average Equity at Cost Annualised	6.0%	10.1%			7.5%		
Current Quarter Realised Earnings Return on Average Equity at Cost Annualised	5.9%	13.4%			8.8%		
Current Quarter Earnings Return on Average Equity Annualised	-2.1%	-67.3%			11.3%		
<b>Dividends:</b>							
Dividend Coverage (Realised Earnings per Basic Share/Dividend per Share)	1.07	x	2.13	x	2.10	x	
Dividend Payout Ratio (Dividend per Share/Realised Earnings per Basic Share)	0.93	x	0.47	x	0.48	x	
LTM Dividend Coverage (Realised Earnings per Basic Share/Dividend per Share)	1.64	x	NA		NA		
LTM Dividend Payout Ratio (Dividend per Share/Realised Earnings per Basic Share)	0.61	x	NA		NA		
Dividends Declared	€16,022	€15,171	€851	6%	€10,836	€5,186	48%
NM = Not Meaningful NA = Not Applicable							

The following table summarises the current GAAP cost and fair value of our investments as of 30 June 2008 and the amount that we currently anticipate realising on settlement or maturity of these investments, or "Realisable Value":

Asset Class	Cost Basis	Fair Value	Realisable Value	Difference Between Realisable Value and Fair Value
<b>(in thousands)</b>				
Private Finance	€2,196,182	€1,925,070	€2,020,829	€95,759
Structured Products	24,165	13,161	24,165	11,004
Derivatives, net	1,184	4,697	4,697	-
<b>Total</b>	<b>€2,221,531</b>	<b>€1,942,928</b>	<b>€2,049,691</b>	<b>€106,763</b>

### **USE OF NON-GAAP FINANCIAL INFORMATION**

In addition to the results presented in accordance with GAAP, this press release includes realisable value, a non-GAAP financial measure that management uses in its internal analysis of results, and believes may be informative to investors gauging the quality of the Company's assets and financial performance from a long-term perspective, identifying trends in its results and providing meaningful period-to-period comparisons. Realisable value is defined as the future value that European Capital currently anticipates realising on the settlement or maturity of its investments. It does not represent current fair value or net present value. European Capital believes that this non-GAAP financial measure provides information useful to investors because the Company generally intends to hold its assets to settlement or maturity, and there may be material differences between the GAAP fair values of its investments and the amounts the Company expects to realise on settlement or maturity. This is primarily because the current lack of liquidity in the financial markets has caused investment spreads between the cost of funds and investment income to widen significantly on investments, resulting in current fair values under Statement of Financial Accounting Standards No. 157 that are materially lower than what the Company currently anticipates realising on settlement or maturity. European Capital believes that providing investors with realisable value in addition to the related GAAP fair value gives investors greater transparency to the information used by management in its financial operational decision-making. Although European Capital believes that this non-GAAP financial measure enhances investors' understanding of its business and performance, realisable value should not be considered as an alternative to GAAP basis financial measures. A reconciliation of non-GAAP realisable value to GAAP fair value is set out above.

<b>EUROPEAN CAPITAL LIMITED</b>					
<b>STATIC POOL INFORMATION</b>					
<b>Portfolio Statistics for Investments Made in Each of the Following Years</b>					
<b>(in thousands)</b>					
<b>Portfolio statistics (1) (10)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Aggregate</b>
Internal Rate of Return - All Investments - Realisable Value (2) (9)	15.6%	7.7%	10.5%	13.7%	10.1%
Internal Rate of Return - All Investments (3) (9)	15.6%	5.1%	3.8%	12.6%	6.4%
Internal Rate of Return - Equity Investments only (3) (9) (11)	29.1%	5.3%	(7.9)%	(69.5)%	2.9%
Original Investments and Commitments (9)	€ 240,461	€ 1,211,838	€ 1,496,747	€ 293,007	€ 3,242,053
Total Exits and Prepayments of Original Investments (9)	€ 125,659	€ 672,835	€ 343,617	€ 1,989	€ 1,144,100
Total Interest, Dividends and Fees Collected (9)	€ 42,994	€ 123,727	€ 75,975	€ 2,907	€ 245,603
Total Net Gains on Investments	€ 202	€ 3,666	€ -	€ -	€ 3,868
Current Cost of Investments (12)	€ 128,398	€ 579,446	€ 1,217,508	€ 294,995	€ 2,220,347
Current Fair Value of Investments (12)	€ 140,707	€ 442,420	€ 1,066,275	€ 288,827	€ 1,938,229
Current Fair Value of Investments as a % of Total Investments at Fair Value (12)	7.3%	22.8%	55.0%	14.9%	100.0%
Net Appreciation (Depreciation) (13)	€ 12,323	€ (91,023)	€ (92,732)	€ (1,805)	€ (173,237)
Non-Accruing Loans at Cost	€ -	€ 42,892	€ -	€ -	€ 42,892
Non-Accruing Loans at Fair Value	€ -	€ 13,351	€ -	€ -	€ 13,351
Equity Interest at Fair Value	€ 31,545	€ 162,093	€ 152,663	€ 1,529	€ 347,830
Debt to EBITDA (4) (5)	5.5	5.7	6.5	5.7	6.1
Interest Coverage (4)	2.6	2.7	2.7	2.3	2.6
Debt Service Coverage (4)	1.8	2.0	2.1	2.2	2.1
Average Age of Companies	130	89	43	32	58
Ownership Percentage	15.0%	34.5%	15.5%	0.1%	17.6%
Average Sales (6)	€ 295,485	€ 486,928	€ 291,613	€ 163,415	€ 318,478
Average EBITDA (7)	€ 49,957	€ 76,468	€ 48,465	€ 28,235	€ 52,127
Average EBITDA margin (7)	16.9%	15.7%	16.6%	17.3%	16.4%
Total Sales (6)	€ 1,532,277	€ 13,383,529	€ 18,125,335	€ 1,482,269	€ 34,523,410
Total EBITDA (7)	€ 333,157	€ 2,276,649	€ 2,721,112	€ 259,262	€ 5,590,180
% Senior Loans (8)	-	22.8%	31.5%	-	22.4%
% Loans with Lien (8)	100.0%	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 based on Realisable Value that is anticipated to be received upon settlement or maturity.
- (3) Assumes investments are exited at current US GAAP fair value.
- (4) These amounts do not include investments in which we own only equity.
- (5) For portfolio companies with a nominal EBITDA amount, the portfolio company's maximum debt leverage is limited to 15 times EBITDA.
- (6) Sales of the most recent twelve months, or when appropriate, the forecasted twelve months.
- (7) EBITDA of the most recent twelve months, or when appropriate, the forecasted twelve months.
- (8) As a percentage of our total debt investments.
- (9) Non euro-denominated amounts are retranslated at the exchange rate ruling at the date of original investment.
- (10) Non euro-denominated balances, other than those referred to in (9), are retranslated at the exchange rate ruling at the balance sheet date.
- (11) Excludes equity investments that are the result of conversions of debt and warrants received with the issuance of debt.
- (12) Excludes derivative instruments.
- (13) Balance Sheet appreciation (depreciation) of investments excluding foreign exchange revaluation.

A summary of European Capital's dividend history post IPO and forecast follows. For more information, please visit our website at [www.EuropeanCapital.com](http://www.EuropeanCapital.com) or call our Investor Relations Department at +44 (0) 207 539 7100.

Year and Quarter	Dividend	% Change of Regular Dividend Over Prior Year	Total	% Change of Total Dividend Over Prior Year
<b>Total 2007 to Q2 2008</b>			<b>€0.67</b>	
<b>2008</b>	<b>€0.62</b>	<b>68%</b>	<b>€0.62</b>	<b>68%</b>
Q4 Forecast	€0.16	14%		
Q3 Declared	€0.16	23%		
Q2	€0.15	50%		
Q1	€0.15	N/A		
<b>2007</b>	<b>€0.37</b>	<b>N/A</b>	<b>€0.37</b>	<b>N/A</b>
Q4	€0.14			
Q3	€0.13			
Q2 (IPO = 10 May 2007)	€0.10			

## SHAREHOLDER CALL

European Capital invites shareholders, analysts and other interested persons to attend the European Capital Shareholder Call on Wednesday 13 August at 14:30 BST (9:30 EST). Callers within the UK can dial +44 (0)800 62 66 06. Other callers from within Europe should dial +44 (0)129 648 0100. Callers within the United States should dial +1 (866) 804 8688. The access code for callers is 107 754.

Point your browser to [www.EuropeanCapital.com](http://www.EuropeanCapital.com) and click on the Q2 2008 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 13 August on our website [www.EuropeanCapital.com](http://www.EuropeanCapital.com).

#### AUDIO ONLY PRESENTATION AVAILABLE AFTER THE SHAREHOLDER CALL:

There will be a phone recording available from 1:00 BST Thursday 14 August until 1:00 BST Wednesday 27 August. 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 66482260.

For further information or questions, please do not hesitate to call our Investor Relations Department at +44 (0)207 539 7100 or send an email to [IR@EuropeanCapital.com](mailto:IR@EuropeanCapital.com).

## **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 €2.4 billion (\$3.8 billion). It is managed by European Capital Financial Services (Guernsey) Limited (“ECFSG”), a wholly-owned affiliate of American Capital, 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 30 June 2008 the Investment Manager had 41 investment professionals and 63 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 primarily 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 one stop financing of subordinated 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 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 Jean Eichenlaub at + 33 (0)1 40 68 06 66 in Paris, Nathalie Faure Beaulieu at + 44 (0)20 7539 7000 in London, 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](http://www.EuropeanCapital.com).

### **ABOUT AMERICAN CAPITAL**

American Capital (Nasdaq: ACAS), with \$20 billion in capital resources under management, is the only private equity fund and the largest alternative asset management company in the S&P 500. American Capital, both directly and through its global asset management business, originates, underwrites and manages investments in private equity, leveraged finance, real estate and structured products. American Capital and its affiliates invest from \$5 million to \$800 million per company in North America and €5 million to €500 million per company in Europe. American Capital was founded in 1986 and currently has 12 offices in the U.S. and Europe. For further information, please refer to [www.AmericanCapital.com](http://www.AmericanCapital.com)

### **IMPORTANT DISCLOSURES**

This document may contain "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Many of these risks and uncertainties relate to factors beyond European Capital's control or which cannot be estimated precisely. These factors include, but are not limited to, uncertainties associated with the timing of transaction closings, changes in interest rates, availability of transactions, changes in regional, national or international economic conditions, and changes in the conditions of the industries in which European Capital has made investments. Actual outcomes and results may therefore differ materially from any outcomes or results expressed or implied by any such forward-looking statements.

Performance data quoted above represents past performance of European Capital. Past performance does not guarantee future results and the investment return and principal value of an investment in European Capital will likely fluctuate. Consequently, an investor's shares, when sold, may be worth more or less than their original cost. Additionally, European Capital's current performance may be lower or higher than the performance data quoted above.

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