THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. This document comprises a prospectus relating to JZ Capital Partners Limited (the ''Company'') prepared in accordance with the Prospectus Rules of the Financial Services Authority made under section 73A of the Financial Services and Markets Act 2000, as amended (this ''prospectus''). If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from an independent financial advisor authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial advisor.

If you have sold or otherwise transferred all of your registered holding of Ordinary Shares before 26 May 2009, the date upon which the Ordinary Shares were marked ''ex'' the entitlement to the Open Offer by the London Stock Exchange, please send this document, together, if relevant, with the accompanying Application Form, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. **Such documents should not, however, be forwarded in or into the United States, Canada, Australia, the Republic of South Africa or Japan or into any other jurisdiction if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions.** If you have sold or transferred part of your holding of Ordinary Shares prior to such date, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If your Ordinary Shares which were sold or transferred were held in uncertificated form and were sold or transferred before that date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee.

The Company is an authorised closed-ended investment scheme pursuant to section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Schemes Rules 2008 issued by the Guernsey Financial Services Commission.

The Company and each of its directors (whose names appear on page 31 of this prospectus) accept responsibility for the information contained in this prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

For a discussion of certain risk and other factors that should be considered in connection with an investment in the Ordinary Shares, see ''Risk Factors'' set out on pages 10 to 26 of this prospectus.

JZ CAPITAL PARTNERS LIMITED

(incorporated in Guernsey with limited liability under the Companies (Guernsey) Law 2008 (as amended) with registered no. 48761)

Placing and Open Offer of up to 227,565,137 Ordinary Shares at 42p per share on the basis of 7 Ordinary Shares for every 3 Ordinary Shares held

Sponsored by

JEFFERIES INTERNATIONAL LIMITED

Application has been made to the Financial Services Authority for the New Ordinary Shares to be admitted to listing on the Official List and to the London Stock Exchange for such New Ordinary Shares to be admitted to trading on its main market for listed securities (together ''Ordinary Share Admission''). It is expected that the Ordinary Share Admission will become effective and that dealings will commence in the New Ordinary Shares at 8.00 a.m. on 19 June 2009.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 15 June 2009. The procedure for acceptance and payment is set out in Part 2 of this document and, where relevant, in the Application Form.

None of the existing Ordinary Shares, the New Ordinary Shares, the Open Offer Entitlements or the Limited Voting Ordinary Shares has been or will be registered under the US Securities Act or under the applicable state securities laws of the United States or under the applicable securities laws of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the

New Ordinary Shares and the Limited Voting Ordinary Shares made available under the Ordinary Share Issue and the Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, the Republic of South or Japan or to, or for the account or benefit of, a US person and, subject to certain exceptions, Application Forms are not being posted to and no Open Offer Entitlements will be credited to a stock account of any person in the United States, Australia, Canada, the Republic of South Africa or Japan. The Company has not been and will not be registered as an investment company under the US Investment Company Act, and investors will not be entitled to the benefits of that act. **The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled ''Overseas Shareholders'' at paragraph 6 of Part 2 of this document.**

The New Ordinary Shares, the Open Offer Entitlements and the Limited Voting Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the Limited Voting Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 26 May 2009. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Ordinary Shares prior to the date on which the Ordinary Shares were marked ''ex'' the entitlement by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 26 May 2009, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements provisionally credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Jefferies International Limited, which is authorised in the United Kingdom by the Financial Services Authority, is acting as sponsor, financial advisor and broker to the Company in connection with the Ordinary Share Issue and for no one else in connection with the Ordinary Share Issue. It will not regard any other person (whether or not a recipient of this prospectus) as its client in relation to the Ordinary Share Issue and will not be responsible to any person other than the Company for providing the protections afforded to customers of Jefferies International Limited or for giving advice in relation to the Ordinary Share Issue or any other transaction or arrangement referred to in this prospectus.

CONTENTS

	PAGE
SUMMARY INFORMATION	4
RISK FACTORS	10
IMPORTANT INFORMATION	27
DIRECTORS, INVESTMENT ADVISOR AND OTHER ADVISORS	30
EXPECTED TIMETABLE	32
ORDINARY SHARE ISSUE STATISTICS	33
PART 1 – THE PROPOSALS	34
PART 2 – TERMS OF THE OPEN OFFER	44
PART 3 – INFORMATION ON THE COMPANY	59
PART 4 – DIRECTORS, MANAGEMENT AND ADMINISTRATION	74
PART 5 – OPERATING AND FINANCIAL REVIEW	80
PART 6 – 2009 AUDITED ANNUAL REPORT COMMENTARY	93
PART 7 – ADDITIONAL INFORMATION	98
PART 8 – DOCUMENTATION INCORPORATED BY REFERENCE	139
DEFINITIONS	140

SUMMARY INFORMATION

This summary should be read as an introduction to this prospectus. Any decision to invest in Ordinary Shares should be based on a consideration of this prospectus as a whole. Where a claim relating to the information contained in this prospectus is brought before a court, a plaintiff investor may, under the national legislation of a European Economic Area State, have to bear the costs of translating this prospectus before legal proceedings are initiated. Civil liability attaches to the persons responsible for this summary, including any translation of this summary, but only if the summary is misleading, inaccurate or inconsistent or inconsistent when read with other parts of this prospectus.

1. The Company

- JZ Capital Partners Limited (the ''Company'' or ''JZCP'') is a London listed, Guernsey authorised closed-ended investment scheme which acquired all of the assets and liabilities of JZ Equity Partners Plc (''JZEP'') on 1 July 2008 pursuant to a scheme of reconstruction (the ''Reconstruction'').
- The Company's corporate objective is to create a portfolio of investments in businesses primarily in the United States, providing a superior overall return comprised of a current yield and significant capital appreciation.
- The Company's investment strategy is to maintain and build its portfolio by investing primarily in four areas:
  - Micro-Cap Buyouts;
  - Mezzanine Investments comprising loans and high yield securities;
  - Listed Bank Debt, including both senior secured and second lien loans; and
  - other debt and equity opportunities.

2. Investment Advisor

- Jordan/Zalaznick Advisers, Inc. (the ''Investment Advisor'' or ''JZAI'') manages the Company's investments and advises on its investment strategies.
- JZAI is a leader in the US Micro-Cap Buyout market sourcing investments in Micro-Cap Buyouts through a wide network of independent business brokers that has been built up over 30 years. John (Jay) W Jordan II and David W Zalaznick, who are primarily responsible for JZAI's investment decisions, have a 30-year history of successfully executing over 100 Micro-Cap Buyouts. The Company is able to take advantage of JZAI's attractive proprietary deal flow and large network of deal-sourcing relationships.

3. Investment Portfolio

As at 31 March 2009 (the last practicable date prior to the publication of this prospectus):

(a) the Investment Portfolio comprised:

Asset class	Number of investments	Percentage of Investment Portfolio
Investments in Micro-Cap Buyouts	8	36
Cash	—	23
Mezzanine Investments	12	17
Listed Equity	3	11
Listed Bank Debt	11	7
Legacy Portfolio	12	7
Total	**46**	**100%**

(b) the Investment Portfolio was diversified across the following business sectors:

Business sector	Number of investments	Percentage of Investment Portfolio
Health Care Equipment & Services	7	29
Support Services	10	23
Financial General	4	11
Hotel, Leisure & Personal Goods	7	13
Industrial Engineering	8	8
Construction Materials	4	12
Other	6	5
Total	**46**	**100%**

4. Performance

- As at 31 March 2009 (the last practicable date prior to the publication of this prospectus), the aggregate unaudited NAV of the Company was US$267.2 million (source: Board of JZCP), representing a decline of 8.2 per cent. since 31 December 2008. The Directors believe that the Company has delivered strong relative performance during a period characterised by unprecedented value declines across most asset classes, investment strategies, sectors and industries.
- During the nine-month period ending 31 March 2009 (the last practicable date prior to the publication of this prospectus), the price of Listed Bank Debt, has been affected by the collapse in the US credit markets; the S&P Leveraged Loan Flow Names Composite Index fell by 15.8 per cent. During the same nine-month period, the value of the Company's investments in Micro-Cap Buyouts was affected by the fall in public comparable multiples and the Company's decision to increase the illiquidity discount applied to the unlisted portfolio of investments from 10 to 20 per cent. Micro-Cap Buyouts, however, continued to trade relatively well in the face of challenging US economic conditions, with the EBITDA of the Company's eight investments in Micro-Cap Buyouts for the 12 months to 31 December 2008 up 4.8 per cent. compared to the same period in 2007.

5. Investment Highlights

Attractive current market opportunities

The Directors believe that there are attractive opportunities in the current market to:

- obtain improved lending terms and higher yields for mezzanine debt investors;
- invest in Micro-Cap Buyouts;
- invest in strong companies at attractive terms; and
- achieve significant capital appreciation, as well as income, from Listed Bank Debt by taking advantage of the continued dislocation in the global credit markets.

Extensive track record of performance

- JZEP, whose assets were managed by JZAI and were transferred to the Company pursuant to the Reconstruction, had an attractive performance record:

	Total return for period until 26 June 2008 (dividends reinvested)(%)		
	1 year	3 years	5 years
JZEP[1]	3.9	22.5	87.3
Russell 1000 Price Index[2]	-11.4	15.7	47.3
S&P 500 Composite Total Return Index[2]	-12.3	14.1	42.8

1 Source: www.FundData.com, net asset value total return in US$ to 26 June 2008, dividends re-invested

2 Source: www.FundData.com, total return to 26 June 2008, dividends re-invested

- Since the Reconstruction, the Company has maintained this track record of relative out-performance:

	Performance for period from 26 June 2008 to 31 March 2009 (%)
JZCP[3]	-28.8
Russell 1000 Price Index[4]	-37.3
S&P 500 Composite Total Return Index[4]	-36.5

6. Background to the Proposals and Working Capital Requirements

- The Company currently has 45,662,313 ZDP Shares in issue with a redemption date of 24 June 2009 and a total redemption cost (including the cost of an associated forward foreign exchange contract) of US$185.9 million. As at 30 April 2009, the Company had cash deposits of approximately US$103.7 million. The Directors believe that the Company would have a funding shortfall of US$82.2 million on 24 June 2009 and a maximum funding shortfall in the 12 months following the date of this prospectus of US$83.8 million.
- If the Company is unable to redeem the ZDP Shares in accordance with their terms and in the absence of any other proposal which would provide ZDP Shareholders within 21 days of an amount not less than they would otherwise have been entitled to receive on a winding up of the Company, the Board would be required to convene an extraordinary general meeting to propose a resolution to voluntarily wind up the Company.
- In order to meet potential redemptions of ZDP Shares and to take advantage of investment opportunities that the Investment Advisor has identified, the Directors intend to raise up to approximately US$147.2 million by means of a pre-emptive placing and open offer of Ordinary Shares (the ''Ordinary Share Issue'').
- In addition, ZDP Shareholders are being given the opportunity to convert all or part only of their holding of ZDP Shares into a new class of zero dividend redeemable preference shares (''New ZDP Shares'') (the ''ZDP Rollover Offer'').
- New ZDP Shares will also be available for subscription by new and existing investors under the New ZDP Issue.
- In aggregate, the Company has received irrevocable commitments from certain existing Ordinary Shareholders and a new investor to subscribe for Ordinary Shares totalling approximately US$86.0 million which represents the minimum level of gross proceeds expected to be raised by the Company pursuant to the Ordinary Share Issue. The actual amount of gross proceeds to be raised will depend on the level of Shares taken up by Qualifying Shareholders under the Open Offer, but will not exceed US$147.2 million. *Pro rata* entitlements to New Ordinary Shares under the Open Offer will be based on the maximum amount of gross proceeds to be raised by the Company of approximately US$147.2 million.

7. Summary of Ordinary Share Issue

- Under the Open Offer, the Company is offering up to 227,565,137 New Ordinary Shares to Qualifying Shareholders on a pre-emptive basis, *pro rata* to their existing holding of Ordinary Shares on the basis of 7 New Ordinary Shares for every 3 existing Ordinary Shares held at the Record Date.
- Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States. Certain Ordinary Shareholders that are Qualifying US Persons are being given the opportunity to subscribe for such number of Ordinary Shares as they would have been entitled to subscribe for under the Open Offer had they not been US Persons (this is being effected under the Ordinary Share Placing and is not subject to clawback under the Open Offer from Qualifying Shareholders).
- The Open Offer is not being underwritten. The Company has, however, received irrevocable commitments from John (Jay) W Jordan II and David W Zalznick to subscribe, under the Ordinary Share Issue, for an aggregate of 38,649,614 Ordinary Shares representing US$25.0 million in respect of the equivalent of their Open Offer Entitlements. In addition, the Company

3 Source: www.FundData.com, net asset value total return in US$ from 26 June 2008 to 31 March 2009, dividends re-invested

4 Source: www.FundData.com, total return from 26 June 2008 to 31 March 2009, dividends re-invested

has received irrevocable commitments from other Ordinary Shareholders to subscribe for their Open Offer Entitlements (or their equivalent) under the Ordinary Share Issue in respect of 38,992,874 Ordinary Shares representing US$25.2 million. Existing Ordinary Shareholders who wish to subscribe for Ordinary Shares in excess of their *pro rata* entitlements (or their equivalent) under the Ordinary Share Issue and new investors who wish to participate in the Ordinary Share Issue, have been given the opportunity to subscribe for additional Ordinary Shares which will be subject to clawback to satisfy valid applications from Qualifying Shareholders under the Open Offer and Qualifying US Persons in respect of the equivalent of their pro rata entitlements under the Ordinary Share Placing. The Company has received such further irrevocable commitments from existing Ordinary Shareholders and a new investor in respect of 55,353,377 Ordinary Shares subject to clawback representing US$35.8 million.

- Qualifying US Persons have the option to subscribe for either New Ordinary Shares or Limited Voting Ordinary Shares (''LVOS'') under the Ordinary Share Placing.
- LVOS are being created so that certain of the Company's existing Shareholders and certain new investors that are Qualifying US Persons may participate in the Ordinary Share Issue without causing the Company to be treated as a US domestic company for the purposes of US securities laws and/or a controlled foreign corporation (''CFC'') for US tax purposes.
- LVOS, which will not be listed on the Official List, will be issued fully paid at the Issue Price and will be identical to, and rank *pari passu* in all respects with, the New Ordinary Shares except that the LVOS will only carry a limited entitlement to vote on the appointment or removal of Directors and will not carry any entitlement to vote on certain other matters.
- David W Zalaznick and John (Jay) W Jordan II (who in aggregate hold approximately 17.97 per cent. of the Ordinary Shares of the Company) have elected, to the extent required to ensure that the Company continues to be treated as a foreign private issuer and is not treated as a CFC, to subscribe, under the Ordinary Share Issue, for LVOS in respect of the equivalent of their Open Offer Entitlements. They have also agreed to convert, again, to the extent required to ensure that the Company continues to be treated as a foreign private issuer and is not treated as a CFC, their existing holding of Ordinary Shares into LVOS.
- If the Proposals become effective, the Company's share capital will comprise Ordinary Shares (excluding LVOS), LVOS, ZDP Shares (until all outstanding ZDP Shares are redeemed on 24 June 2009) and New ZDP Shares.

8. Principal Terms of the Ordinary Share Issue

- The New Ordinary Shares and the LVOS will be issued at 42p per Share (the ''Issue Price''), a discount of 5.6 per cent. to the closing price of an existing Ordinary Share on 21 May 2009 and a discount of 75.7 per cent. to the NAV per Ordinary Share on 31 March 2009 (the last practicable date prior to the publication of this prospectus).
- The New Ordinary Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares, save for the final dividend declared, if any, in respect of the period to 28 February 2009.
- The Ordinary Share Issue is conditional on, *inter alia*:
  - the approval of Ordinary Shareholders at the EGM;
  - the Ordinary Share Placing Agreement becoming unconditional and not being terminated in accordance with its terms at any time prior to Ordinary Share Admission; and
  - Ordinary Share Admission becoming effective on or before 8.00 a.m. on 19 June 2009 (or such later time and/or date as the Company and Jefferies may agree, being not later than 8.00 a.m. on 26 June 2009).

9. The Share Consolidation

- Following implementation of the Ordinary Share Issue, the Company is proposing to consolidate the Ordinary Share capital on the basis that every five Ordinary Shares will be consolidated into one Ordinary Share.
- Following the Share Consolidation, the rights attaching to the Ordinary Shares will remain unchanged.

10. Benefits of the Proposals

The Directors believe that:

- the Ordinary Share Issue and the New ZDP Issue will provide new capital which will enable the Company to take advantage of investment opportunities that the Investment Advisor has identified in the current market; and
- the Ordinary Share Issue will provide the necessary cash balances to enable the Company to meet potential redemptions of ZDP Shares.

11. Changes to the Advisory Agreement

The Company is proposing to amend certain terms of the Advisory Agreement. The proposed changes to the Advisory Agreement constitute a related party transaction for the purposes of the Listing Rules between the Company and the Investment Advisor and, because the changes are of a sufficient size under the Listing Rules, shareholder approval is required.

12. Forced Transfers of Shares

The Company has identified 1,722,129 Ordinary Shares that are held by persons that appear to the Directors to be non-qualified in breach of restrictions imposed by the Company in its Articles in order to comply with the US Investment Company Act.

If one or more of such holders does not either make a required disposal of such shares or show that they are not Non-Qualified Holders, the Directors intend to arrange for a required disposal to be made on their behalf.

13. Key Risk Factors

Investors should consider carefully the following key risks which could have a material adverse effect on the Company:

- The Company may have to realise its investments if the Proposals do not proceed and if it is unable to do so, it may have to be liquidated or wound up.
- Normal market fluctuations and the current global economic crisis may impact the business, operating results or financial condition of the Company.
- The Company's financial performance depends on the success of its investment strategy, the skill and judgement of the Investment Advisor and its ability to retain key personnel.
- Investments may not appreciate in value or generate investment income or gains.
- The reported value of investments may not be realised.
- The Company may not identify sufficient suitable opportunities for investment and re-investment.
- Financial results may be adversely affected by movements in foreign exchange rates.
- The Company is subject to concentration risk in its investment portfolio.
- Private equity and venture capital investments are risky specialist investments.
- The Company will not control its portfolio companies.
- The Company's investments may be illiquid.
- Market values of publicly traded securities held as investments may be volatile.
- Investments in senior secured debt, mezzanine and second lien loans, high-yield securities and other debt may involve significant risks.
- Subordinated debt investments are subject to increased risk of lower recoveries upon a default.
- Defaults by and of the Company's portfolio companies may adversely affect operating results.
- Private companies in which the Company invests may not provide information for due diligence or ongoing investment monitoring.
- The Investment Advisor's compensation structure may encourage it to advise the Company to invest in or place undue emphasis on high risk investments.
- Changes in the Company's tax status, tax legislation or practice could adversely affect the Company.

- The Shares are subject to certain United States ownership and transfer restrictions.
- Loss of ‘‘foreign private issuer’’ status may result in additional reporting and filing requirements, significant costs and expenses and possible violation of the US Investment Company Act.
- LVOS will not be listed on any stock exchange, will only carry a limited entitlement to vote on the appointment or removal of Directors and will not carry any entitlement to vote on certain other matters.

RISK FACTORS

In addition to all other information set out in this prospectus, the following specific factors should be considered carefully when evaluating whether to make an investment in the New Ordinary Shares or the Limited Voting Ordinary Shares. An investment in the New Ordinary Shares or the Limited Voting Ordinary Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the New Ordinary Shares or the Limited Voting Ordinary Shares should constitute part of a diversified investment portfolio. Typical investors in the Company are expected to be institutional investors, investment funds, private client fund managers and private client brokers. There can be no assurance that the Company's corporate objective will be achieved. Prospective investors should carefully review and evaluate the risks and the other information contained in this prospectus, as well as their own personal circumstances and consult their financial advisor before making a decision to invest in the New Ordinary Shares or the Limited Voting Ordinary Shares.

Prospective investors should be aware that the value of the New Ordinary Shares or the Limited Voting Ordinary Shares may decrease and that they may not realise their initial investment. In addition, there is no guarantee that the market price of the New Ordinary Shares or the Limited Voting Ordinary Shares will reflect accurately the underlying value of the Company's net assets.

The risks set out below are the risks which are considered to be material but are not the only risks relating to the Company or an investment in the Company through New Ordinary Shares or the Limited Voting Ordinary Shares. There may be additional risks that the Company does not currently consider to be material or of which the Company is not aware.

1. Risks Relating to the Proposals not Proceeding

The Company may be required to realise its investments if the Proposals do not proceed

If the Proposals do not proceed for any reason (including the Resolutions not being passed) or if insufficient capital is raised pursuant to either the Ordinary Share Issue or the New ZDP Issue, the Company may be required to realise some or all of its investments in order to fund the redemption of the existing ZDP Shares that are to be redeemed for cash on 24 June 2009. In the current economic climate, the Company may not be able to realise its investments efficiently or cost-effectively and, in the event that it is unable to do so, the Company may have to be liquidated or wound up.

2. Risks Relating to the Company's Business

The effects of both normal market fluctuations and the current global economic crisis may impact the business, operating results or financial condition of the Company.

The current global economic crisis has caused a general tightening in the credit markets, lower levels of liquidity, depressed equity and debt values, increases in the rates of default and bankruptcy and extreme volatility in credit, equity and fixed income markets. These macroeconomic developments could negatively affect the business, operating results or financial condition of the Company and its portfolio companies. The gross domestic product for the United States, where the Company is active and in which its portfolio investments are located, has declined and indicates that the United States is in a recession. The Company's portfolio companies may be more likely to suffer from cash flow or liquidity constraints or lower profitability. The Company's investments may decline in value and its income may be reduced as dividend and interest payments decrease.

Although the Company has no direct investments in mortgages or sub-prime mortgage debt, and seeks to diversify its portfolio in terms of sector and size, if the banking system or the fixed income, credit or equity markets continue to deteriorate or remain volatile, the Company's investment portfolio may be impacted and the values, liquidity, default rates, interest income, gains on investments and/or the level of impairment provisions of the Company's investments could be adversely affected. The Company's portfolio companies typically will have fewer resources than larger businesses and an economic downturn may therefore have a more material adverse effect on them than their larger counterparts, as small and middle-market companies are likely to have greater exposure to economic downturns than larger companies.

The Company's financial performance will depend on the success of its investment strategy, and the Company will be reliant on the skill and judgement of the Investment Advisor in effecting its investment strategy.

The Company's investment strategy includes investments in Micro-Cap Buyouts, Mezzanine Investments and high-yield securities, senior secured debt and second lien loans, and other debt and equity opportunities, including distressed debt and structured financings, derivatives and opportunistic purchases of publicly traded securities, all based primarily in the United States. There is no guarantee that the investment strategy adopted by the Company will provide the returns sought by the Company. There can be no guarantee, therefore, that the Company will achieve its corporate objective.

In addition, the success of the Company in the pursuit of its corporate objective is significantly dependent upon the expertise of the Investment Advisor, which has significant influence on the evaluation, selection and monitoring of investments and the implementation of the Company's investment objective and policy. The assessment of any future investment will involve an evaluation by the Investment Advisor of the strengths and weaknesses of the underlying business of a potential portfolio company and the preparation of financial models based on assumptions and estimates, many of which cannot be confirmed readily or at all, to test the resilience of the investment under specified assumptions. Such assessments involve subjective judgements and forward-looking determination by the Investment Advisor. In the event that the Investment Advisor misjudges an investment, the actual returns on the investment may be less than anticipated at the time of acquisition, and it may prove difficult for the Company to dispose of the investment at a price similar to that of the Company's original acquisition price.

The Company's investments may not appreciate in value or generate investment income or gains.

The Company intends to make investments that will create long-term value for Shareholders. Investments that the Company makes may not, however, appreciate in value and, in fact, may decline in value. In addition, issuers of debt securities which the Company holds as investments may default on payments of interest, principal or both, issuers of equity securities may not declare or pay dividends, and issuers of equity and debt securities can go bankrupt. Certain of the Company's debt instruments provide for the rate at which interest is payable to the Company to be reduced if the relevant borrower's financial condition or operations improve, which would reduce the returns earned by the Company. Accordingly, the Company cannot assure investors that its investments will generate gains or income or that any gains or income that may be generated will be sufficient to offset any losses that may be sustained.

The Company cannot assure investors that the Investment Advisor will be able to accurately predict or effectively react to future changes in the value of investments or to generate gains.

The ability of the Company to generate attractive returns for investors will depend upon the Investment Advisor's ability to make a correct assessment as to future values that can be realised in connection with the Company's investments. The ability to accurately assess future investment values, whether in connection with the making of an investment or the exiting of an investment, may be particularly important in the case of investments that are made in the businesses over which the Company and the Investment Advisor have relatively limited or no control. The securities markets may experience volatility and unpredictability and no assurance can be given that the Investment Advisor will be successful in making assessments regarding future trends in prices, including the timing of any price changes, that it will be able to effectively react to any such changes or that gains will be generated on investments.

The value of investments that the Company reports from time to time may not in fact be realised.

A substantial portion of the Company's Investment Portfolio is, and it is anticipated that nearly all of the investments that will continue to be made by the Company in the future will be, in the form of investments for which market quotations are not readily available. The Board will be required to make good faith determinations as to the fair value of these investments on a quarterly basis with the assistance of the Investment Advisor in connection with the preparation of the Company's financial statements and the calculations of the fees payable under the Advisory Agreement. There is no single standard for determining fair value in good faith and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. The types of factors the Board and the Investment Advisor may consider when estimating the fair value of an

investment in a particular company include the historical and projected financial data for the company, valuations given to comparable companies, the size and scope of the company's operations, the strengths and weaknesses of the company, expectations relating to investors' receptivity to an offering of the company's securities, the size of its holding in the company and any control associated therewith, information with respect to transactions or offers for the company's securities (including the transaction pursuant to which the investment was made and the period of time that has elapsed from the date of the investment to the valuation date), applicable restrictions on transfer, industry information and assumptions, general economic and market conditions, the nature and realisable value of any collateral or credit support and other relevant factors. Fair values may be established using a market multiple approach that is based on a specific financial measure (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or net asset value) or, in some cases, on a cost basis or a discounted cash flow or liquidation analysis. These valuation methodologies involve a significant degree of management judgement. Valuations, particularly valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates. As a consequence, determinations of fair value may differ materially from values that would have resulted if a ready market had existed. Even where market quotations are available for the Company's investments, such quotations may not reflect the value that would actually be realised because of various factors, including the possible illiquidity associated with a large ownership position, subsequent illiquidity on the market for a company's securities, future market price volatility or the potential for a future loss in market value based on poor industry conditions and the market's view of overall company and management performance. The Company's asset value could be adversely affected if the values of investments recorded are materially higher than the values that are ultimately realised upon the disposal of the investments and changes in values attributed to investments from quarter to quarter may result in volatility in the net asset values and results of operations that the Company reports from period to period. The Company cannot make any assurance that the investing values that are recorded from time to time will ultimately be realised even where a disposal occurs shortly after the relevant valuation date. The Company also cannot make any assurance that it will be able to realise the unrealised investment values that are presented in this prospectus even where a disposal occurs shortly after the relevant valuation date.

The Investment Advisor may not be able to accurately predict or effectively react to future changes in the value of investments or to generate gains.

The ability of the Company to generate attractive returns for investors will depend upon the Investment Advisor's ability to make a correct assessment as to future values that can be realised in connection with the Company's investments. The ability to accurately assess future investment values, whether in connection with the making of an investment or the exiting of an investment, may be particularly important in the case of investments that are made in the businesses over which the Company and the Investment Advisor have relatively limited or no control. The securities markets may experience volatility and unpredictability and no assurance can be given that the Investment Advisor will be successful in making assessments regarding future trends in prices, including the timing of any price changes, that it will be able to effectively react to any such changes or that gains will be generated on investments.

The Company may not identify sufficient suitable opportunities for investment and re-investment.

There can be no assurance that suitable investment opportunities will materialise, prove attractive or be sufficient in quantity or size to permit the Company to invest the remaining funds raised pursuant to the Ordinary Share Issue and the New ZDP Issue in a timely manner, or at all, or that upon receiving the full of partial repayment of a given investment, the Company will be able to use those funds to make a further investment with an adequate return. These funds will need to be invested in temporary investments pending their investment in the portfolio companies.

The Company may need to rely on third parties to help source investment opportunities.

The Company also relies on its relationships with business brokers, private equity houses and banks to source new opportunities. The loss of these relationships could affect future investment opportunities and may have an adverse effect on the Company's business, results and prospects.

The Company may face a highly competitive market for investment opportunities in the future.

During periods when the supply of credit is readily available, competition increases, not only for mezzanine, second lien and equity assets but also for all senior debt. The Company competes with private equity funds, mezzanine lenders, commercial and investment banks and other institutions making investments that are similar to those that the Company targets. Many of the Company's competitors may, among other things, be more established in the relevant markets, and may have greater financial, technical and/or marketing resources than the Company. During periods of heightened competitiveness the Company may find it difficult to invest, as it is the Company's policy to be selective as to new business and to seek to maintain its credit discipline. Liquidity in the senior debt market in recent times led to more aggressive debt packages being arranged by investment banks with mezzanine, second lien and equity finance often being replaced by larger and cheaper senior debt tranches. This trend has been interrupted by the current economic crisis. Some competitors may have a lower cost of funds and access to funding sources that are not available to the Company. In addition, some of the Company's competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Company. The competitive pressures faced by the Company may prevent the Investment Advisor from identifying and making investments on behalf of the Company that are consistent with its corporate objective or that generate attractive returns for the Shareholders. The Company may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Company may experience decreased rates of return and increased risks of loss if it matches investment prices, structures and terms offered by its competitors. The Company can offer no assurance that competitive pressures will not have a material adverse effect on its profitability, Net Asset Value and Share price.

The Company's financial results may be adversely affected by movements in foreign exchange rates.

The Company will account for its activities and report its results in US dollars. Its investments will primarily be made and realised in US dollars. The Company's Shares are, and will continue to be, quoted in GB sterling and the redemption value of the ZDP Shares is, and that of the New ZDP Shares will be, fixed in GB sterling. Although the Company acquired the benefit of the ISDA Forward Contract in order to protect its Shareholders against an increased GB sterling cost of the ZDP Share redemption on 24 June 2009 (thus replicating the historic currency hedging arrangement of JZEP), where the Company does not hedge its currency exposure the movement of exchange rates between US dollars and GB sterling may have a material effect, unfavourable as well as favourable, on the price of and returns otherwise experienced on the Shares and on the Company's results.

In addition, movements in the foreign exchange rate between US dollars, GB sterling and the currency applicable to a particular Shareholder may have an impact upon the Shareholder's returns in their own currency of account. Any currency hedging may force the Investment Advisor to realise underlying investments as well as affect the overall value of the Investment Portfolio and the Net Asset Value.

The Company may use derivatives for the purposes of efficient portfolio management and risk mitigation.

The Company may use derivatives for the purposes of efficient portfolio management and risk mitigation, including for hedging purposes such as in relation to foreign currencies or interest rate risk. A hedge may not be effective in eliminating all risks inherent in any particular position and there can be no guarantee that suitable instruments for hedging will be available at times when the Company wishes to use them.

The Company may use derivatives as part of its investment policy.

The Company may use derivatives as part of its investment policy. In the case of derivatives used to take synthetic exposures, there may not be a reliable price correlation between price movements in the underlying securities and the derivative instrument. In addition, an active market may not exist for a particular derivative instrument at any particular time. The Company may also use derivatives that are highly geared to price movements in the underlying securities which may expose the Company to significant capital losses in extreme market circumstances. The Company

will be exposed to the credit risk of the counterparty with respect to any payments it is entitled to receive under any derivative instruments.

The Company may experience fluctuations in its quarterly operating results.

The Company may experience fluctuations in its operating results from quarter to quarter due to a number of factors, including changes in the values of investments, the timing of the repayment of debt investments, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of Shares and cause the Company's results for a particular period not to be indicative of the Company's performance in a future period.

The Company is subject to concentration risk in its investment portfolio.

The Company will own a relatively limited number of investments at any one time. The Investment Portfolio is comprised entirely of US-based portfolio companies. While the Company will seek to diversify its portfolio across various sectors, returns from bank and mezzanine debt still account for a substantial proportion of the Company's income and any events which may cause adverse conditions in the mezzanine market could have a detrimental effect on the Company's business, results and prospects.

A material fall in the value of the assets in the Investment Portfolio may lead to the winding-up of the Company.

If there is a material fall in the value of the assets in the Investment Portfolio, the Company may find that its asset base is so small that it is impracticable for the Company to continue in existence. For instance, this may occur if the Company's operating costs significantly exceed its income and no prospect of recovery in asset values can be expected within a reasonable period. In this event, the Directors may resolve that the Company should be wound-up voluntarily and will then convene an extraordinary general meeting for that purpose. In that event, the Directors will instruct the Investment Advisor to commence an orderly realisation of the investments of the Company and to distribute the proceeds of such realisations to creditors and Shareholders as they become available. It is envisaged that any such orderly realisation process could take up to three years following its commencement.

A principal of the Investment Advisor, in his capacity as a former shareholder of JZEP, may have a claim against the Company in its capacity as the successor entity to JZEP.

The Directors are aware of a potential claim against JZEP by David W Zalaznick, the Chairman of the Investment Advisor, in his capacity as a former shareholder of JZEP. The potential claim relates to foreign exchange losses incurred by David W Zalaznick as a result of a delay in the settlement of a dividend payment that was paid to him by JZEP, in the form of a bank cheque.

The potential claim arises as a result of a loss of approximately US$175,000 incurred by him due to the decline in the value of the GB sterling relative to the US dollar from the time that David W Zalaznick should have received the settled funds from the dividend payment by JZEP, which were payable in GB sterling, to the time the funds were actually received by him and converted to US dollars at the then-prevailing rate. It is believed that the delay occurred as a result of an error by either JZEP's paying agent or the paying agent's bankers, which twice failed to honour the final dividend payment cheque. In the event legal proceedings are brought by David W Zalaznick against JZEP, the Company would liaise closely with JZEP's liquidators and the Company would investigate whether JZEP could pursue an action against either its paying agent or the paying agent's bankers for further recourse. However, pursuant to the terms of the Reconstruction, the Company acquired all the assets and liabilities of JZEP on 1 July 2008 and could therefore become liable should a claim be brought against JZEP for the loss for which JZEP is held to be wholly or partially liable. The Company has not investigated the merits of the potential claim against JZEP or JZEP's potential claims against its paying agent or paying agent's bankers. However, on the basis of the information currently available to it, the Board considers that JZEP's, and therefore the Company's, ultimate liability should a claim be brought should not exceed US$225,000.

3. Risks Relating to the Company's Investments

The effects of both normal market fluctuations and the current global economic crisis may impact the business, operating results or financial condition of the Company's investments.

The Company's investments are subject to normal market fluctuations and there can be no assurance that the value of those investments will not depreciate. There can be no guarantee that any realisation of an investment will be on a basis which reflects the Company's valuation of that investment for the purposes of calculating the value of the Company's net assets.

Private equity and venture capital type investments are risky specialist investments.

Many of the Company's debt and equity investments are expected to be made in companies that have been subject to private equity or venture capital type buy-outs, which are exposed to significant risks. Such risks include the following:

- portfolio companies may be highly leveraged and subject to significant debt service obligations, stringent operating and financial covenants and/or risks of default under financing and other contractual arrangements, which could trigger severe adverse consequences for the portfolio company and for the value of the Company's investment in such company if a default were to occur;
- portfolio companies may have limited financial resources, especially if they are ''distressed companies'', and may be unable to meet their obligations under their securities, which may be accompanied by a deterioration in the value of their equity securities or any collateral or guarantees provided with respect to their debt;
- portfolio companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- portfolio companies are more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation or termination of one or more of those persons could have a material adverse impact on their business and prospects and the investment made;
- portfolio companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and
- executive officers, directors and the employees may be named as defendants in litigation which may be expensive or distracting.

The Company will not control its portfolio companies.

The Company does not, and does not expect to, control companies in its Investment Portfolio, even though its agreements may contain certain restrictive covenants that its portfolio companies must comply with. As a result, the Company is subject to the risk that a portfolio company in which it invests may make business decisions with which it disagrees.

Some of the Company's investments may be club investments in which two or more private equity firms serve together or collectively as equity sponsors. In club deals, other equity sponsors usually have governance rights and may pursue investment approaches with which the Company may not concur. The Company may not be able to realise some or all of the benefits that it believes will be created from the involvement of the Company in such investments, including the approach that it has developed for managing portfolio company investments, and it may be unable to exit any such investment at a time when the Company believes it is beneficial to do so.

Where the Company has a debt investment in such a portfolio company, the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve the Company's interests as a debt investor. As a result, a portfolio company may make decisions that could decrease the value of the Company's investment.

The Company's investments may be illiquid.

Many of the Company's investments are illiquid and the Company expects that its future investments will typically also be illiquid. The Company's ability to sell its investments in Micro-Cap Buyouts, mezzanine loans, high-yield securities, senior secured debt and second lien loans, and

other debt and equity opportunities at short notice or to receive a fair price in response to economic and other conditions may be limited.

Any securities and loans which the Company may purchase in connection with privately negotiated transactions may be subject to contractual or other restrictions on transfers and may not be registered under relevant securities laws, resulting in restrictions on their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise in accordance with, those laws. These restrictions may adversely affect the marketability and liquidity of the Company's investments. As at the date of this prospectus, a substantial portion of the Company's investments are less liquid than public securities. Such illiquidity may make it difficult for the Company to obtain cash equal to the recorded value of the investment should the need arise.

Senior secured debt, mezzanine loans and second lien loans are typically issued as private loans which have no, or a limited, trading market and therefore such investments will be illiquid. In order to induce banks and institutional investors to invest in senior secured debt and mezzanine and second lien loans, and to obtain a favourable rate of interest, an issuer often provides the investors therein with extensive information about its business, which is not generally available to the public. Due to the provision of confidential information, the unique and customised nature of agreements and the private syndication, these loans are often illiquid. Furthermore, where there is not a readily available market for these investments, the ability to deal in any such investment or obtain reliable information about the secondary market value of such investment or risks to which such investment is exposed may be limited. As a result of this illiquidity, the Company's ability to sell its portfolio at short notice or to receive a fair price in response to changes in economic and other conditions may be limited. This may have an adverse effect on the Company's business, results or prospects.

The onset of the current financial crisis has had a severe impact on the liquidity of loans. Historically, investors in or lenders under senior and mezzanine loans have been predominantly commercial banks and investment banks. The range of investors for such loans broadened in recent years to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and portfolio managers of trusts or special purpose companies issuing collateralised bond and loan obligations. New loans had been adopting more standardised documentation to facilitate loan trading. The current financial crisis has resulted in a significant reduction in both the liquidity and pricing of not only senior, mezzanine and second lien loans, but also of high-yield loans as well. There can be no assurance that future levels of supply and demand in loan trading will provide the degree of liquidity that existed in the market before the onset of the current financial crisis.

In the event that the Company makes a revenue loss or charges management fees and finance costs to its capital account in excess of any retained revenues, it may need to liquidate some of its investments to pay expenses.

Market values of publicly traded securities that are held as investments may be volatile.

The Company's debt and equity investments may include investments in publicly traded securities such as listed equity or high-yield bonds. The Company's equity investments may also include investments in portfolio companies whose securities are offered to the public in connection with the process of exiting an investment. The market prices and values of publicly traded securities of companies in which the Company has invested may be volatile and are likely to fluctuate due to a number of factors beyond the Company's control, including: actual or anticipated fluctuations in the quarterly, interim and annual results of the companies in which investments are made and other companies in the industries in which they operate; market perceptions concerning the availability of additional securities for sale; general economic, social or political developments; changes in industry conditions; changes in government regulation; shortfalls in operating results from levels forecast by securities analysts; the general state of the securities markets and other material events, such as significant management changes, refinancings, acquisitions and dispositions. Changes in the values of these investments may adversely affect the Company's Net Asset Value and results of operations and cause the market price of the Shares to fluctuate.

The Company's investments in senior secured debt, mezzanine and second lien loans, high-yield securities and other debt may involve significant risks.

The Company invests partly in senior secured debt, mezzanine and second lien loans, high-yield securities and other debt and fixed income securities and the Company's income will be derived

from payments on these assets. A wide range of factors could adversely affect the ability of borrowers to make interest or other payments on such loans and securities. These factors include adverse changes in the financial condition of those borrowers, or the industries or regions in which they operate; systemic risk in the financial system; changes in law and taxation; a downturn in general economic conditions; changes in interest rates, governmental regulations or other policies and natural disasters, terrorism, social unrest and civil disturbances.

The value of the Company's debt investments may be affected by unscheduled prepayments. The terms of most debt investments permit the borrower to pre-pay the loan at will or require the loan to be prepaid on the occurrence of certain events. Additionally, a borrower may be entitled to require a lender to be replaced with another lender if the borrower is required to deduct withholding tax from payments made to that lender. Unscheduled prepayments are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond the Company's control and consequently cannot be predicted with certainty. The volatility in prepayment rates may result in reduced earnings or losses for the Company and negatively affect the cash available for distribution to Shareholders.

The Company's subordinated debt investments are subject to increased risk of lower recoveries upon a default.

Mezzanine and second lien loans are typically subordinated in right of payment and rank junior to senior obligations. Such mezzanine and second lien loans have substantially greater credit and recovery risk than more highly rated debt obligations. Many portfolio companies will be highly leveraged, thus increasing the risk that their operations may not generate sufficient cash flow to service all of their debt obligations. In the event of default by an issuer in relation to such loans, holders of the issuer's more senior debt will be entitled to payments in priority to holders of mezzanine and second lien loans and high-yield securities. Senior lenders will typically be entitled to block payments on mezzanine and second lien loans and high-yield securities if there is a senior payment or other default. There may also be structural subordination features that divert payments of interest and principal to more senior classes of debt. Second priority liens on collateral securing loans may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and the Company. This in turn could have an adverse effect on the ability of the Company to realise its projected returns and on its future business, results and prospects.

Investors in subordinated securities or loans, such as the Company in respect of certain of its investments, are generally subject to intercreditor arrangements under which they do not have the right to call a default or may be limited in their right to call a default or vote on remedies following a default unless more senior securities or loans have been paid in full. As a result, a shortfall in payment to investors in subordinated securities or loans may not result in the default being declared on the relevant investment. This may operate to the prejudice of the Company and is likely to have, *inter alia*, the consequences described above.

Some mezzanine and second lien loans do not entitle the holder(s) to interest payable in cash. The interest is rolled up and capitalised into the loan. Such loans have substantial credit risk as there is no return to the Company until the loan, plus all the interest, is repaid in full.

Defaults by and of the Company's portfolio companies may adversely affect the Company's operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by the Company or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt securities that the Company holds or render the Company's equity securities worthless. The Company may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company.

In the event of any default on the Company's loan investments, the Company will bear a risk of loss of principal and accrued interest of the investment, which could have a material adverse effect on the Company's income and potential to pay dividends to Ordinary Shareholders. Foreclosure on a loan can be an expensive and lengthy process which could have a material negative effect on the Company's anticipated return on the foreclosed loan. The level of defaults in the Company's

loan investments and the losses suffered on such defaults will vary depending on credit market conditions.

Although holders of mezzanine and second lien loans sometimes have the benefit of security (or other priority rights), control of the timing and manner of the disposal of such security upon a default typically will devolve to the holders of the senior class of debt outstanding. There can be no assurance that the proceeds of any sale of such security will be adequate to repay in full the Company's subordinated investments after payments to more senior lenders.

The Company's investments will be subject to differing laws regarding creditors' rights and enforceability of security.

The Company's investments may be subject to various laws for the protection of creditors in the US jurisdictions of incorporation of the issuers or borrowers and, if different, the US or foreign jurisdictions from which they conduct business and in which they hold assets, which may adversely affect an issuer's or borrower's ability to make payment in full or on a timely basis. These insolvency considerations will differ depending on the country in which an obligor or its assets are located and may differ depending on the legal status of the obligor. The Company, as creditor, may experience less favourable treatment under different insolvency regimes than in the UK or Guernsey, including where seeking to enforce any security it may hold as creditor.

The Company may only have sub-participation rights in loans which do not entitle it to a direct claim against the borrower.

The Company may hold debt investments structured as funded sub-participations. Such investments do not give the Company a direct right against the underlying borrower. The Company will only have a contractual right through the interposed lender. This may make it more difficult for the Company to bring an action in a default situation and exposes the Company to the additional credit risk of the interposed lender.

If the Company invests in the securities and obligations of distressed companies, it might not receive interest or other payments.

Some of the Company's investments may be made in distressed companies. Such investments are generally considered to be speculative and the repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer of those obligations might not make any interest or other payments.

The private companies in which the Company invests may not provide information for due diligence or ongoing monitoring of the Company's investments.

The Company or the Investment Advisor may only have had the opportunity to carry out a limited due diligence exercise prior to making an investment in a portfolio company. The Company or the Investment Advisor may have access to little or no publicly available information. Furthermore, there can be no assurance as to the adequacy or accuracy of information provided during any due diligence exercise or that such information will remain accurate in the period from conclusion of the due diligence exercise until the making of the investment.

Where the Company makes an investment as part of a debt syndication process, the due diligence reports prepared for the original transaction will typically not be addressed to, and hence would not be able to be relied upon by, the Company and may not have been updated prior to the Company's participation. Even if the Company is able to rely upon a due diligence report, such reliance will be limited by the scope of the report and any applicable contractual limitations on liability.

Actual or uncertain potential risks or liabilities which may have become apparent during due diligence (for example tax, environmental, capital expenditure or other risks or costs) may not have been reflected, fully or at all, in the purchase price of the relevant investment, or protected against through contractual arrangements, and the value of the investment in the Company's portfolio may be reduced. Similarly, the Company or the Investment Advisor may have made decisions about the materiality of contingent or actual risks or liabilities identified during due diligence that may not in practice turn out to have been accurate.

The agreements which the Company enters into in making investments in portfolio companies may contain only limited representations and warranties from the relevant vendors in favour of the

relevant member of the Company. Such vendor's liability may be limited in, for example, time and amount, and the agreements may contain limited or no other contractual protection. In addition, there can be no assurance as to the ability of the relevant vendor to satisfy any claims which may be made under any such agreement.

The Company's portfolio companies may fail to meet operating projections.

A portfolio company's failure to meet its operating projections may cause the rating agencies to downgrade the investment, which may affect the overall rating of the Company's portfolio and affect the Company's ability to raise or draw upon its own credit facilities, to the extent it has any in place. A portfolio company's failure to meet its operating projections could also lead that company to default in the payment of interest or principal due in respect of a loan investment which could, in turn, have a material adverse effect on the Company's income, the ability of the Company to service its own debt, and the Company's potential to pay dividends to Ordinary Shareholders.

The Company may be subject to liability following the disposal of investments.

While the Company generally intends to hold all of its Micro-Cap Buyout Investments and Mezzanine Investments to maturity or prepayment, the Company may, in some circumstances, dispose of investments and may be required to give representations and warranties about such investments and to pay damages to the extent that any such representations or warranties turn out to be inaccurate.

The business, operating results and financial condition of the Company's investments may be subject to a number of significant industry, competition, political, tax and other risks.

Industry conditions, competition, political and diplomatic events, tax, and other laws and other factors, whether affecting the United States alone or other countries and regions more widely, can substantially and either adversely or favourably affect the value of the securities in which the Company invests and, therefore, the Company's performance and prospects.

The impact of environmental disasters and other events could adversely affect the value of the Investment Portfolio.

There may be environmental disasters or other unforeseen destructive occurrences, whether affecting the United States alone or other countries and regions more widely, involving the Company's portfolio companies. Such events may have an adverse impact on the value of the Investment Portfolio and may therefore adversely affect the Company's financial performance.

4. Risks Relating to the Investment Advisor

The Company's financial performance is dependent on the Investment Advisor and the Investment Advisor's ability to retain key personnel.

The success of the Company in the pursuit of its corporate objective is significantly dependent upon the expertise of the Investment Advisor, which has significant influence on the selection of investments and the implementation of the Company's investment objective and policy. No assurance can be given that the advice of the Investment Advisor will achieve the Company's financial objectives.

The Investment Advisor has the right to resign its appointment and terminate the Advisory Agreement in accordance with the notice provisions described in paragraph 8.1 of Part 7 of this prospectus. If the Investment Advisor resigns its appointment, the Company is subject to the risk that no suitable replacement will be found.

In addition, the Company believes that its success depends to a significant extent upon the skills and experience of the members of the Investment Advisor's team. There can be no guarantee that key individuals will remain with the Investment Advisor or that the Investment Advisor will be able to attract and retain suitable staff. In common with most investment advisors, the compensation of the Investment Advisor's personnel may contain significant performance related elements, and poor performance by the Company may make it difficult for the Investment Advisor to retain key personnel. The departure of any key personnel from the Investment Advisor may have an adverse effect on the performance of the Company.

The Investment Advisor's compensation structure may encourage it to advise the Company to invest in high risk investments or place undue emphasis on the same.

Pursuant to the Advisory Agreement, the Company pays to the Investment Advisor both a base management fee and an incentive fee, the details of which are set out in paragraph 13 of Part 3 of this prospectus. The incentive fees payable to the Investment Advisor may result in substantially higher payments to the Investment Advisor than alternative arrangements in other types of investment vehicles. The existence of such fees may create an incentive for the Investment Advisor to make riskier or more speculative investments than it would otherwise make in the absence of such fees.

The Advisory Agreement may create an incentive for the Investment Advisor to make investments and take other actions that increase or maintain the aggregate Net Asset Value over the near-term when other investments or actions may be more favourable.

Under the Advisory Agreement, the Investment Advisor is entitled to receive a base management fee of 1.5 per cent. of the Gross Assets and an incentive fee, details of which are set out in paragraph 13 of Part 3 of this prospectus. This fee may create an incentive for the Investment Advisor to make investments and take other actions that increase or maintain the Company's Gross Assets over the near-term when other investments or actions may be more favourable to the Shareholders.

The involvement of the Investment Advisor's investment professionals in the Company's valuation process may create conflicts of interest.

The Company's portfolio investments are generally not in publicly traded securities. As a result, the value of these securities is not readily available. The Company values these securities at fair value as determined in good faith by the Company's board with assistance from the Investment Advisor. In connection with such determination, investment professionals from the Investment Advisor prepare portfolio company valuations based upon the most recently available portfolio company financial statements and projected financial results of each portfolio company. The participation of the Investment Advisor's investment professionals in the Company's valuation process could result in a conflict of interest as the Investment Advisor's compensation is based, in part, on the valuation of the Company's investment portfolio.

The Investment Advisor is able to pursue other business activities and provide services to third parties that compete directly with the Company.

The Investment Advisor is not required to commit its full time to Company affairs, and is able to pursue other business activities and provide services to third parties that compete directly with the Company, and such activities or services may give rise to conflicts of interest.

Insofar as the Investment Advisor devotes time and attention to its responsibilities to other individual business interests, its ability to devote time and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment strategy and corporate objectives, which could have a material adverse effect on the Company's profitability, Net Asset Value and Ordinary Share price.

The Investment Advisor's liability to the Company is limited.

The Advisory Agreement between the Company and the Investment Advisor limits the liability of the Investment Advisor to the Company in circumstances in which the Investment Advisor has been negligent, in wilful default of its obligations, dishonest or fraudulent. Accordingly, the rights of the Company against the Investment Advisor may not be adequate to compensate for any loss that the Company may suffer as a result of its actions.

The Advisory Agreement may be difficult and costly to terminate.

Termination of the Advisory Agreement may be difficult and costly. The Advisory Agreement currently provides that either party may terminate the Advisory Agreement without cause on not less than 24 months' prior notice (or such lesser period as may be agreed by the other) to the other party, provided that no such notice may be served until after 1 July 2010. Subject to approval by Shareholders at the EGM, the Company and the Investment Advisor propose to amend the term of the Advisory Agreement such that either party may terminate the Advisory Agreement on not less than 30 months' prior notice (or such lesser period as may be agreed by the other) to the other, without cause provided that no such notice may be served prior to 30

months after the effective date of such amendment. Should the Company wish to terminate the Advisory Agreement without cause, it could be subject to long delays and the payment of substantial fees during that time. The Advisory Agreement may be terminated without cause sooner for material unremedied breaches, certain insolvency type events or non-compliance with regulatory requirements. A summary of the Advisory Agreement is set out in paragraph 8.1 of Part 7 of this prospectus.

5. Risks Relating to Tax

Changes in the Company's non-UK tax residence status could adversely affect the Company.

In order to maintain its non-UK tax residence status, the Company is required to be controlled and managed outside the United Kingdom. Continued attention must be paid to ensure that decisions which go to the management and control of the Company are made by the Company's board and are not made in the United Kingdom, or else the Company may lose its non-UK tax residence status. The composition of the Board, the places of residence of the Directors and the location(s) in which the Board makes decisions will be important in determining and maintaining the non-UK tax residence status of the Company. If the Company were to be considered a UK tax resident, it would be subject to UK corporation tax on its worldwide profits, which might negatively affect its financial and operating results.

An adverse change in the Company's tax status or applicable tax legislation or practice could have a negative effect on the Company's financial condition or prospects.

Any change in the Company's tax status or in taxation legislation in Guernsey, the United States, the United Kingdom or any other tax jurisdiction relevant to the Company could adversely affect the value of the investments held by the Company or affect the Company's ability to achieve its corporate objective.

In addition, if the Company were treated as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country other than Guernsey, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax under the taxation laws of that country.

An adverse change in tax legislation or practice could have a negative effect on the taxation of Shareholders.

Statements in this prospectus concerning the UK taxation of Shareholders are based upon current UK tax law and published practice, which are in principle subject to changes (possibly with retrospective effect) which could adversely affect the Shareholders. In particular, potential investors should be aware that the comments as to UK taxation set out in paragraph 7 of Part 7 of this prospectus are based on the proposals published in the 2009 Finance Bill. The terms of such proposals are likely to vary before the new legislation is enacted and any such variations may adversely affect the tax position of certain Shareholders.

UK taxation and the changes currently proposed are discussed at paragraph 7 of Part 7 of this prospectus.

The Company will be treated as a foreign corporation for US federal income tax purposes.

The Company will be treated as a foreign corporation for US federal income tax purposes. Foreign corporations are subject to US federal tax only with respect to income that is ''effectively connected with the conduct of a trade or business within the United States'' (''ECI''), which is subject to income tax on a net basis and certain types of US-source income, which is subject to withholding tax on a gross basis.

The Company intends to continue the policy of the Company that its affairs be managed in a manner such that it should not be treated as being engaged in a US trade or business for US federal income tax purposes. If the Company is treated as engaged in a US trade or business, some portion of its income will be treated as ECI. To the extent The Company's income is treated as ECI, it will be subject to US federal income tax at regular US tax rates on any such income (state and local income taxes and filings may also apply in that event). It may also be subject to a 30 per cent. branch profits tax on such income. In addition, certain income from US sources that is not ECI may be reduced by withholding taxes imposed at a 30 per cent. tax rate. The Company intends to structure its investments in a manner that will minimise any such US withholding taxes.

If the Company were to be treated as a controlled foreign corporation (''CFC'') certain US Holders would have adverse US federal income tax consequences.

If the Company were to be treated as a controlled foreign corporation (''CFC'') within the meaning of the Code, certain US Holders would generally include in their gross income for US federal income tax purposes their *pro rata* share of the Company's ''subpart F income'' for the year even if the subpart F income is not distributed. Such US Holders may also be deemed to receive taxable distributions to the extent that the Company increases the amount of its earnings that are invested in certain types of US property. ''Subpart F income'' includes, *inter alia*, ''foreign personal holding company income'', such as interest, dividends, and other types of passive investment income. In addition, if the Company were to be treated as a CFC, a portion of any gain recognised by certain US Holders on the sale or exchange of the shares of the Company would generally be taxed as dividend income, rather than as capital gain income.

A US Holder who is subject to tax on its share of income under the CFC rules is not separately subject to tax under the passive foreign investment company (''PFIC'') rules described below and may not make a qualified electing fund (''QEF'') election. For further details see paragraph 7.4 of Part 7 of this prospectus.

If proposed new US tax legislation were enacted in its current form the Company may be subject to US income tax.

Legislation recently introduced before the US Congress proposes to amend the US tax laws to treat a foreign corporation, effective two years after the enactment of the legislation, as a US domestic corporation for US income tax purposes if such foreign corporation is publicly traded, its assets consist primarily of assets being managed on behalf of investors and the decisions about how to invest the assets are made in the US. If the proposed legislation were enacted in its current form, there is a significant risk that income or gains recognised by JZCP would be subject to US income tax at regular US corporate tax rates. At this time, it is not clear whether the proposed legislation will be enacted in its current form or a modified form and whether it will contain any exceptions relevant to JZCP.

6. Risks Relating to the Ordinary Shares

There may be potential structural conflicts of interests between the different classes of Shares.

The different rights and expectations of the share classes in issue from time to time may give rise to conflicts of interest between them. Holders of New ZDP Shares will have the expectation that the capital value of the Investment Portfolio will be sufficient to repay the Final Capital Entitlement of the New ZDP shares on the New ZDP Repayment Date but can be expected to have no interest in any growth in capital in excess of that pre-determined amount. Conversely, holders of Ordinary Shares will, by virtue of the geared nature of their investment, be interested in both increases in the capital value of the Investment Portfolio in the period up to the Final Capital Entitlement in excess of the Final Capital Entitlement of the New ZDP Shares (since this will form the basis of capital returns to be made in respect of the Ordinary Shares) and in the revenue that the Investment Portfolio produces (and hence the level of distributions which will be capable of being paid on the Ordinary Shares). However, Ordinary Shareholders should note that achieving income is only a secondary objective of the Company.

Whilst the Company's corporate objective and investment strategy will need to seek to balance the interests of Ordinary Shareholders in maximising capital growth (with income as a secondary objective) with the interests of the holders of New ZDP Shares in meeting their expected pre-determined Final Capital Entitlement with as little capital risk as possible (and with little focus on revenue generation other than to meet the Company's operating expenses), there can be no guarantee that such a balance can be achieved. Given the entitlement of Ordinary Shareholders to the net revenue profits (including accumulated but unpaid revenue reserves, if any) of the Company on a winding up, the Company may continue to pay distributions in circumstances where the Final Capital Entitlement of the New ZDP Shareholders may not or cannot be met.

If there is a material fall in the capital value of the Investment Portfolio such that the Final Capital Entitlement of the New ZDP Shares is significantly uncovered, the Directors may find it impossible to meet fully the expectations of both classes of Shareholder. In such circumstances, the Directors will need to act in a manner which they consider to be fair and equitable to both classes of Shareholders but having regard to the entitlements of each class of Shares under the Articles.

There may not be a liquid secondary market for the New Ordinary Shares, the price of which may fluctuate.

There may not be a liquid secondary market for the New Ordinary Shares, and an investment in the Company should be regarded as medium to long-term in nature and may not be suitable as a short-term investment. In addition, the value of the New Ordinary Shares can go down as well as up. The market price and the realisable value of the New Ordinary Shares, as well as being affected by the underlying value of the Company's net assets, will be affected by interest rates, supply and demand for the New Ordinary Shares, market conditions and general investor sentiment. As such, the market value and the realisable value of the New Ordinary Shares will fluctuate and may vary considerably from the underlying value of the Company's net assets. In addition, the published market price of the New Ordinary Shares will be, typically, their middle market price. Due to the potential difference between the middle market price of the New Ordinary Shares and the price at which the New Ordinary Shares can be sold, there is no guarantee that the realisable value of the New Ordinary Shares will be the same as the published market price.

The Company is a closed-ended vehicle. Accordingly, Shareholders have no right to have their Ordinary Shares or New ZDP Shares redeemed by the Company at any time (other than on the New ZDP Repayment Date in the case of the New ZDP Shares). Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Shares on the stock market or, in the case of the New ZDP Shares, wait until their redemption.

Market liquidity in the shares of investment companies is sometimes less than market liquidity in shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market in the Ordinary Shares will be maintained or will exist for the New ZDP Shares. Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price (or at the prevailing Net Asset Value per Ordinary Share) or their New ZDP Shares at the quoted market price or, in either case, at all.

The Company has applied for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Securities exchanges, including the London Stock Exchange, typically have the right to suspend or limit trading in a company's securities. Any suspension or limits on trading in the New Ordinary Shares may affect the ability of Ordinary Shareholders to realise their investment.

In addition, stock markets have from time to time experienced extreme price and volume volatility, which, besides general economic and political conditions, could adversely affect the market price for the New Ordinary Shares. To optimise returns, investors may need to hold the New Ordinary Shares on a long-term basis and they may not be suitable for short-term investment. Listing should not be taken as implying that there will be a liquid market for the New Ordinary Shares. There is no guarantee that an active market will develop or be sustained for the New Ordinary Shares after listing. If an active trading market is not developed or maintained, the liquidity and trading price of the New Ordinary Shares could be adversely affected. Even if an active trading market develops, the market price for the New Ordinary Shares may fall below the Issue Price.

Future share issues could dilute the interests of Ordinary Shareholders and lower the price of Ordinary Shares.

The Company may issue additional shares in subsequent public offerings or private placements in order to fund additional investments or for other corporate purposes, which may dilute the existing investors' interests in the Company. Such issues may be of Ordinary Shares, New ZDP Shares or shares ranking in priority to the Ordinary Shares and/or the New ZDP Shares. In addition, the issue of additional shares by the Company, or the possibility of such issue, may cause the market price of the Shares to decline. Furthermore, such additional shares may be of a class ranking in priority to the Ordinary Shares and/or the New ZDP Shares in respect of dividends or other distribution or other rights which may change the risk reward characteristics and reduce the value of the Ordinary Shares and/or the New ZDP Shares.

The Ordinary Shares will rank behind the interests of the Company's creditors.

In the event of a winding-up of the Company, the New Ordinary Shares will rank behind any creditors of the Company and behind the capital entitlements of the ZDP Shareholders and New ZDP Shareholders and, therefore, any positive return for New ZDP Shareholders or Ordinary Shareholders will depend on the Company's assets being sufficient to meet such prior entitlements.

The Shares are subject to certain United States ownership and transfer restrictions.

There are restrictions on the purchase and resale of Shares by or to investors who are located in the United States or who are US Persons or who acquire Shares for the account or benefit of US Persons.

The forced sale of Ordinary Shares could lead to potential claims and related costs.

The Company has taken unilateral action for purposes of forcing the sale of certain of its Ordinary Shares which the Company believes to be held by a small number of shareholders in breach of restrictions imposed by its Articles. Although the Company is acting in accordance with the powers that it has under its Articles and does not believe that any claim in respect of the exercise of forced sale provisions in accordance with its Articles would be valid as a matter of Guernsey law, there can be no assurance that claims will not be asserted, or that the Company will not incur costs in defending against or settling any such claims.

If the Company loses its status as a ''foreign private issuer'', it may be subject to additional reporting and filing requirements and incur significant costs and expenses and may be in violation of the US Investment Company Act.

The Company believes that it is currently a ''foreign private issuer'' within the meaning of Rule 405 under the US Securities Act and Rule 3b-4 under the US Exchange Act. The Company will be considered a ''domestic issuer'' if more than 50 per cent. of its voting securities are held by US residents and any one of the following three criteria are satisfied:

(a) the majority of the executive officers and Directors of the Company are US citizens or residents;

(b) more than 50 per cent. of the assets (including any uninvested cash) in the Company's Investment Portfolio are invested in investments located in the United States; or

(c) the business of the Company is administered principally in the United States.

If the Company loses its status as a ''foreign private issuer,'' the Company is likely to be subject to extensive reporting requirements and periodic filing requirements under US securities laws, which the Company is currently not subject to, which will significantly increase the Company's regulatory and compliance costs under such US securities laws. Given the fact that the Company is incorporated outside the United States, it is unclear that it would be able to comply with the rules and regulations under the US securities laws that could apply to it if it were to lose its status as a foreign private issuer. In addition, if the Company were to lose its status as a ''foreign private issuer'', it may not be able to rely on the exemption from registration under the US Investment Company Act that it relies on, and in such a case would be in violation of the registration requirements of such Act. Any of the above could have a material adverse effect on the Company's business, prospects, financial condition, results of operations and the Share price.

If the Company believes that it is in danger of losing its ''foreign private issuer'' status, the Company may need to examine alternative organisational structures that would preclude this from happening. Any organisational restructuring could be time-consuming and expensive to investigate, develop and implement.

Although the Company has created the Limited Voting Ordinary Shares in order to remain a ''foreign private issuer'', the Company's ''foreign private issuer'' status would change if more than 50 per cent. of the Ordinary Shares were to be acquired by US residents. In the event that this were to happen, the Directors have the power to require the sale or transfer of Shares in order to prevent the Company from becoming required to register under the US Exchange Act, although there can be no assurances that the Directors will be able to exercise this power effectively so as to prevent the Company from losing its ''foreign private issuer'' status.

Given the Company's current shareholder base and organisational structure, it could be difficult for the Company to raise additional capital from investors in the United States. Any such investors may be precluded from holding Ordinary Shares, and the Limited Voting Ordinary Shares may not be an attractive investment to such investors given their limited voting rights and the fact that they are not listed on the London Stock Exchange.

Risks relating to admission of ERISA investors to the Company.

The Board intends to prohibit the investment by Benefit Plan Investors so that the assets of the Company will not be deemed to constitute ''plan assets'' of a ''Benefit Plan Investor''. The term ''Benefit Plan Investor'' shall have the meaning contained in Section 3(42) of the US Employee Retirement Income Security Act of 1974, as amended (''ERISA''), and includes (a) an ''employee benefit plan'' as defined in Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA; (b) a ''plan'' described in Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the ''Code'') that is subject to Section 4975 of the Code; and (c) an entity whose underlying assets include ''plan assets'' by reason of an employee benefit plan's or a plan's investment in such entity. For purposes of the foregoing, a ''Benefit Plan Investor'' does not include a governmental plan (as defined in Section 3(32) of ERISA), a non-US plan (as defined in Section 4(b)(4) of ERISA) or a church plan (as defined in Section 3(33) of ERISA) that has not elected to be subject to ERISA. Each investor and subsequent transferee of Shares will be required to represent, warrant and covenant, or will be deemed to have represented, warranted and covenanted that it is not, and is not acting on behalf of or with the assets of a, Benefit Plan Investor to acquire Shares. Under the Articles, the directors have the power to require the sale or transfer of Shares in order to avoid the assets of the Company being treated as ''plan assets'' for the purposes of ERISA.

Considerations for Non-ERISA investors in the Company.

The fiduciary provisions of pension codes applicable to governmental plans, non-US plans or other employee benefit plans or retirement arrangements that are not subject to ERISA (collectively, ''Non-ERISA Plans'') may impose limitations on investment in the Company. Fiduciaries of Non-ERISA Plans, in consultation with their advisors, should consider, to the extent applicable, the impact of such fiduciary rules and regulations on an investment in the Company. Among other considerations, the fiduciary of a Non-ERISA Plan should take into account the composition of the Non-ERISA Plan's portfolio with respect to diversification; the cash flow needs of the Non-ERISA Plan and the effects thereon of the illiquidity of the investment; the economic terms of the Non-ERISA Plan's investment in the Company; the Non-ERISA Plan's funding objectives; the tax effects of the investment and the tax and other risks described in the sections of this prospectus discussing tax considerations and risk factors; the fact that the Investors in the Company are expected to consist of a diverse group of investors (including taxable, tax-exempt, domestic and foreign entities) and the fact that the management of the Company will not take the particular objectives of any investors or class of investors into account.

Non-ERISA Plan fiduciaries should also take into account the fact that, while the Board and the Investment Advisor will have certain general fiduciary duties to the Company, the Board and the Investment Advisor will not have any direct fiduciary relationship with or duty to any investor, either with respect to its investment in Shares or with respect to the management and investment of the assets of the Company. Similarly, it is intended that the assets of the Company will not be considered plan assets of any Non-ERISA Plan or be subject to any fiduciary or investment restrictions that may exist under pension codes specifically applicable to such Non-ERISA Plans. Each Non-ERISA Plan will be required to acknowledge and agree in connection with its investment in Shares to the foregoing status of the Company, the Board and the Investment Advisor that there is no rule, regulation or requirement applicable to such investor that is inconsistent with the foregoing description of the Company, the Board and the Investment Advisor

7. Additional Risks Relating to the Limited Voting Ordinary Shares

The Limited Voting Ordinary Shares will only carry a limited entitlement to vote in respect of the appointment or removal of Directors and will not carry any entitlement to vote in respect of certain other matters.

The Limited Voting Ordinary Shares will be identical to, and rank *pari passu* in all respects with, the New Ordinary Shares except that the Limited Voting Ordinary Shares will only carry a limited entitlement to vote in respect of the appointment or removal of Directors and will not carry any entitlement to vote in respect of certain other matters, for example, the cancellation of the Company's listing, Class 1 Transactions and related party transactions under the Listing Rules. As a result, the ability of holders of Limited Voting Ordinary Shares to exercise influence over the Company is more limited than that of holders of Ordinary Shares and voting by holders of Ordinary Shares may not reflect the wishes or interests of the holders of Limited Voting Ordinary Shares.

The Limited Voting Ordinary Shares will not be listed on or traded through facilities of any stock exchange.

The Limited Voting Ordinary Shares will not be listed on the Official List or any other stock exchange, and will not be traded on or through the facilities of the London Stock Exchange or any other stock exchange. As a result, there can be no assurance that there will be any market for the Limited Voting Ordinary Shares or any way for a holder to dispose of its Limited Voting Ordinary Shares.

IMPORTANT INFORMATION

Investors should rely only on the information contained in this prospectus. No person has been authorised to give any information or to make any representations other than those contained in this prospectus in connection with the Proposals and the Company and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company or the Investment Advisor. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of FSMA, neither the delivery of this prospectus nor any issue of New Ordinary Shares or Limited Voting Ordinary Shares made under this prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The contents of this prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own lawyer, financial advisor or tax advisor for legal, financial or tax advice in relation to an investment in the New Ordinary Shares or Limited Voting Ordinary Shares.

The Company is an authorised closed-ended investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Schemes Rules 2008 issued by the Commission. The Company is not regulated by any authority in a member state of the European Economic Area.

Forward-looking statements

This document includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, prospects, growth and strategies.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the factors discussed in ''Risk Factors'' on pages 10 to 26 of this prospectus.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this prospectus reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy. Investors should specifically consider the factors identified in this prospectus which could cause actual results to differ before making an investment decision. The information in this prospectus will be updated as required by the Prospectus Rules, the DTRs and the Listing Rules. Subject to the requirements of the Prospectus Rules, the DTRs and the Listing Rules, the Company undertakes no obligation to release publicly the result of any revisions to any forward-looking statements in this prospectus that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this prospectus. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 7 of Part 3 of this prospectus.

Times and dates

References to times and dates in this prospectus are, unless otherwise stated, to United Kingdom times and dates.

Exchange rate

The US$/GB sterling exchange rate adopted throughout this document is 1.54, being the exchange rate as at 19 May 2009, the last practicable date prior to the publication of this document.

Distribution

The distribution of this prospectus in certain jurisdictions may be restricted by law and, accordingly, persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of the jurisdiction concerned. This prospectus does not constitute or form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for New Ordinary Shares or Limited Voting Ordinary Shares in any jurisdiction in which such offer, invitation or solicitation is unlawful.

In particular, subject to certain exceptions, the New Ordinary Shares are only being offered and sold outside of the United States to non-US Persons in reliance on Regulation S under the US Securities Act and the Limited Voting Ordinary Shares are only being offered to certain Qualifying US Persons in reliance on an exemption from the registration requirements of the US Securities Act. None of the New Ordinary Shares or Limited Voting Ordinary Shares has been, or will be, registered under the US Securities Act or the state securities laws of the United States and none of them may be offered or sold in the United States. The Company has not been and will not be registered as an investment company under the US Investment Company Act, and investors will not be entitled to the benefits of the US Investment Company Act. Accordingly, subject to certain exceptions, neither this prospectus nor the accompanying Application Form is being or may be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent, in whole or in part, in or into the United States and persons receiving such documents (including brokers, custodians, trustees and other nominees) must not, directly or indirectly, mail, transmit or otherwise forward, distribute or send this prospectus or the Application Form in or into the United States.

In addition, neither the New Ordinary Shares nor the Limited Voting Ordinary Shares have been registered or approved under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa.

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a ''relevant member state'') (except for the United Kingdom), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the ''relevant implementation date'') no New Ordinary Shares, Limited Voting Ordinary Shares or Open Offer Entitlements have been offered or will be offered pursuant to the Ordinary Share Issue to the public in that relevant member state prior to the publication of a prospectus in relation to the New Ordinary Shares, the Limited Voting Ordinary Shares and Open Offer Entitlements which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that with effect from and including the relevant implementation date, offers of New Ordinary Shares, Limited Voting Ordinary Shares or Open Offer Entitlements may be made to the public in that relevant member state at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €50 million, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Ordinary Shares, Limited Voting Ordinary Shares or Open Offer Entitlements shall result in a requirement for the publication by the Company or Jefferies of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of the expression an ''offer of any New Ordinary Shares, Limited Voting Ordinary Shares or Open Offer Entitlements to the public'' in relation to any New Ordinary Shares, Limited Voting Ordinary Shares and Open Offer Entitlements in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Ordinary Share Issue and any New Ordinary Shares, Limited Voting Ordinary Shares and Open Offer Entitlements to be offered so as to enable an investor to decide to purchase any New Ordinary Shares, Limited Voting Ordinary Shares or Open Offer Entitlements as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

In the case of any New Ordinary Shares, Limited Voting Ordinary Shares or Open Offer Entitlements being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented acknowledged and agreed that the New Ordinary Shares, Limited Voting Ordinary Shares and Open Offer Entitlements acquired by it in the Ordinary Share Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any New Ordinary Shares, Limited Voting Ordinary Shares or Open Offer Entitlements to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company and Jefferies has been obtained to each such proposed offer or resale. Each of the Company and Jefferies and their respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person outside the UK who is not a qualified investor and who has notified the Company and Jefferies of such fact in writing may, with the consent of the Company and Jefferies, be permitted to subscribe for or purchase New Ordinary Shares, Limited Voting Ordinary Shares or Open Offer Entitlements in the Ordinary Share Issue.

General

No representation or warranty, express or implied, is made by Jefferies as to the accuracy, completeness or verification of the information set forth in this document, and nothing contained in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Subject to FSMA, Jefferies does not assume any responsibility for its accuracy, completeness or verification and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement.

None of the Company or Jefferies, or any of their respective representatives is making any representation to any offeree or purchaser of the New Ordinary Shares or Limited Voting Ordinary Shares regarding the legality of an investment in the New Ordinary Shares or the Limited Voting Ordinary Shares by such offeree or purchaser or acquirer under the laws applicable to such offeree or purchaser or acquirer.

No person has been authorised to give any information or to make any representations other than those contained in, or incorporated by reference into, this document and, if given or made, such information or representation must not be relied on as having been authorised by the Company or Jefferies. Subject to FSMA, the Listing Rules, the Prospectus Rules and the DTRs, neither the delivery of this document nor any subscription or acquisition made under it shall, in any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in or incorporated by reference into, this document is correct as of any subsequent date. No statement in this document is intended as a profit forecast.

Recipients of this document acknowledge that: (i) they have not relied on Jefferies or any person affiliated with it in connection with any investigation of the accuracy of any information contained in or incorporated by reference into this document or their investment decision; and (ii) they have relied only on the information contained in, or incorporated by reference into, this document, and that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries, or the New Ordinary Shares or the Limited Voting Ordinary Shares (other than as contained in, or incorporated by reference into, this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Jefferies.

In connection with the Ordinary Share Issue, Jefferies and any of its affiliates, acting as an investor for its own account, may take up New Ordinary Shares or Limited Voting Ordinary Shares in the Ordinary Share Issue and in that capacity may retain, purchase or sell for its own account such securities and any New Ordinary Shares or Limited Voting Ordinary Shares or related investments and may offer or sell such New Ordinary Shares, Limited Voting Ordinary Shares or other investments otherwise than in connection with the Ordinary Share Issue. Accordingly, references in this document to New Ordinary Shares or Limited Voting Ordinary Shares being offered or placed should be read as including any offering or placement of New Ordinary Shares or Limited Voting Ordinary Shares, as the case may be, to Jefferies or any of its affiliates acting in such capacity. Jefferies does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

DIRECTORS, INVESTMENT ADVISOR AND OTHER ADVISORS

Directors	David Macfarlane (Chairman) David Allison Patrick Firth James Jordan Tanja Tibaldi (all of P.O. Box 211, 2nd Floor, Regency Court, Glategny Esplanade, St Peter Port, Guernsey GY1 3NQ, Channel Islands)
Registered office of the Company	2nd Floor Regency Court Glategny Esplanade St Peter Port Guernsey GY1 3NQ Channel Islands
Investment Advisor and Manager	Jordan/Zalaznick Advisers, Inc 767 Fifth Avenue, Suite 4800 New York NY 10153 USA Tel: +1 212 572 0800
Administrator, Designated Manager, Registrar, Company Secretary and Receiving Agent for US Persons	Butterfield Fulcrum Group (Guernsey) Limited 2nd Floor Regency Court Glategny Esplanade St Peter Port Guernsey GY1 3NQ Channel Islands Tel: +44 (0)1481 720321
Financial Advisor, Sponsor and Broker in respect of the Ordinary Share Issue	Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ
Custodian	HSBC Bank USA, N.A. 452 Fifth Avenue New York NY 10018 USA
Auditors and Reporting Accountants	Ernst & Young LLP PO Box 9 14 New Street St Peter Port Guernsey GY1 4AF Channel Islands
UK Transfer Agent	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA UK Tel: 0871 384 2917 Overseas Tel: +44 121 415 7006

Solicitors to the Company as to English and United States Law	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
Advocates to the Company as to Guernsey Law	Mourant du Feu & Jeune First Floor Dorey Court Admiral Park St Peter Port Guernsey GY1 6HJ Channel Islands
Attorneys to the Company as to United States Tax Law	Winston & Strawn LLP 200 Park Avenue New York NY 10166-4193 USA
Solicitor to the Sponsor as to English and United States law	Norton Rose LLP 3 More London Riverside London SE1 2AQ
Principal Bankers	HSBC Bank USA, N.A. 452 Fifth Avenue New York NY 10018 USA

EXPECTED TIMETABLE

	2009[1]
Record Date for entitlement under the Open Offer	Close of business on 19 May
Posting of this Prospectus, the Circular and Application Forms	22 May
Ex-entitlement date for the Open Offer	8.00 a.m. on 26 May
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 26 May
Latest recommended time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 9 June
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 10 June
Latest time and date for splitting Application Forms (to satisfy *bona fide* market claims)	3.00 p.m. on 11 June
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 15 June
Announcement of results of the Ordinary Share Issue	16 June
Latest time and date for receipt of Forms of Proxy for the Ordinary Share Class Meeting	11.00 a.m. on 16 June
Latest time and date for receipt of Forms of Proxy for the EGM	11.10 a.m. on 16 June
Ordinary Share Class Meeting	11.00 a.m. on 18 June
EGM	11.00 a.m. on 18 June
Ordinary Share Admission and commencement of dealings in New Ordinary Shares	8.00 a.m. on 19 June
CREST accounts credited	19 June
Share Consolidation Record Date	6.00 p.m. on 22 June
Effective date of Share Consolidation	8.00 a.m. on 23 June
Despatch of definitive Ordinary Shares certificates (to reflect the Share Consolidation), New Ordinary Share certificates (where applicable) and Limited Voting Ordinary Share certificates	by 30 June

If you have any questions relating to the completion and return of the Application Form, please telephone Equiniti Limited between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (except UK public holidays) on 0871 384 2917 from within the UK or +44 121 415 7006 if calling from outside the UK. Calls to those numbers are charged at 8 pence per minute from a BT landline. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice in connection with the Ordinary Share Issue nor give any financial, legal or tax advice.

1 All times are UK times. Each of the times and dates above is subject to change.

ORDINARY SHARE ISSUE STATISTICS[2]

Issue Price per New Ordinary Share and per Limited Voting Ordinary Share	42p
Net Asset Value per Ordinary Share as at 31 March 2009	US$2.66 or 178p
Basis of Open Offer	7 New Ordinary Shares for every 3 existing Ordinary Shares
Basis of Share Consolidation	every 5 Ordinary Shares consolidated into one Ordinary Share
Maximum number of Ordinary Shares to be issued pursuant to the Ordinary Share Issue[(2)]	227,565,137
Maximum number of Ordinary Shares in issue immediately following Ordinary Share Admission[(2)]	325,093,053
Maximum number of Ordinary Shares in issue immediately following the Share Consolidation[(2)(3)]	65,018,610[3]
Maximum estimated net proceeds of the Ordinary Share Issue, after costs[(2)]	£92.3 million
Minimum estimated net proceeds of the Ordinary Share Issue, after costs[(4)]	£52.6 million

2 On the basis of the Ordinary Share Issue being fully subscribed.

3 Pursuant to the Share Consolidation, the number of Ordinary Shares in issue will decrease by a factor of five on the third dealing day following Ordinary Share Admission.

4 On the basis of the irrevocable commitments received by the Company to subscribe for Ordinary Shares pursuant to the terms of the Ordinary Share Issue of US$86.0 million.

PART 1 – THE PROPOSALS

1. Background to the Proposals

As at 30 April 2009, the Company had cash deposits of approximately US$103.7 million. The Company currently has 45,662,313 ZDP Shares in issue which have a redemption date of 24 June 2009 and a total redemption cost (including the cost of associated forward foreign exchange contracts) of US$185.9 million.

In order to meet potential redemptions of ZDP Shares and to take advantage of investment opportunities that the Investment Advisor has identified in the current market, the Directors intend to raise approximately up to US$147.2 million by means of a pre-emptive placing and open offer of Ordinary Shares (the ''Ordinary Share Issue'').

The Open Offer is not being underwritten. The Company has, however, received irrevocable commitments from John (Jay) W Jordan II and David W Zalznick to subscribe, under the Ordinary Share Issue, for an aggregate of 38,649,614 Ordinary Shares representing US$25.0 million in respect of the equivalent of their Open Offer Entitlements. In addition, the Company has received irrevocable commitments from other Ordinary Shareholders to subscribe for their Open Offer Entitlements (or their equivalent) under the Ordinary Share Issue in respect of 38,992,874 Ordinary Shares representing US$25.2 million. Existing Ordinary Shareholders who wish to subscribe for Ordinary Shares in excess of their *pro rata* entitlements (or their equivalent) under the Ordinary Share Issue and new investors who wish to participate in the Ordinary Share Issue, have been given the opportunity to subscribe for additional Ordinary Shares which will be subject to clawback to satisfy valid applications from Qualifying Shareholders under the Open Offer and Qualifying US Persons in respect of the equivalent of their *pro rata* entitlements under the Ordinary Share Placing. The Company has received such further irrevocable commitments from existing Ordinary Shareholders and a new investor in respect of 55,353,377 Ordinary Shares subject to clawback representing US$35.8 million. Accordingly, in total, the Company has received irrevocable commitments representing approximately US$86.0 million and the irrevocable commitments in respect of approximately US$86.0 million of Ordinary Shares represents the minimum level of gross proceeds expected to be raised under the Ordinary Share Issue. The actual amount of gross proceeds raised will depend on the level of take-up by Qualifying Shareholders under the Open Offer, although in any event will not exceed US$147.2 million.

In order to give ZDP Shareholders the opportunity to continue to invest in the Company and, for those that are subject to capital gains tax, to defer their capital gains tax liability, the Board has today announced details of its proposals that ZDP Shareholders be given the opportunity to convert all or part only of their holding of ZDP Shares into a new class of zero dividend redeemable preference shares (''New ZDP Shares'') on a tax efficient basis (the ''ZDP Rollover Offer'') on the basis of one New ZDP Share for every one ZDP Share held.

New ZDP Shares will also be available for subscription by new and existing investors under the New ZDP Offer for Subscription and the New ZDP Placing (together the ''New ZDP Issue''). The New ZDP Placing is subject to clawback to satisfy valid applications for New ZDP Shares under the ZDP Rollover Offer and New ZDP Offer for Subscription. In total, up to 45,662,313 New ZDP Shares are available pursuant to the ZDP Rollover Offer and New ZDP Issue.

Following implementation of the Ordinary Share Issue and the ZDP Proposals and subject to shareholder approval, the Ordinary Shares will be consolidated on the basis that every five Ordinary Shares will be consolidated into one Ordinary Share for Ordinary Shareholders on the register of members of the Company at 6.00 p.m. on the Share Consolidation Record Date.

The Board has, today, despatched a circular to Shareholders seeking the necessary authorisations required in order to implement the Ordinary Share Issue, the ZDP Rollover Offer, the New ZDP Issue and the Share Consolidation.

2. Principal Terms of the Proposals

Ordinary Share Issue

General

The Company is proposing to raise up to approximately US$147.2 million (£95.6 million) pursuant to the issue of up to 227,565,137 Ordinary Shares through a pre-emptive placing and open offer. The Open Offer is not being underwritten and accordingly the irrevocable commitments in respect of approximately US$86.0 million of Ordinary Shares represents the minimum level of gross

proceeds expected to be raised under the Ordinary Share Issue. The actual amount of gross proceeds raised will depend on the level of take-up by Qualifying Shareholders under the Open Offer, although in any event will not exceed US$147.2 million.

The New Ordinary Shares and the Limited Voting Ordinary Shares will be issued at 42p per Share (the "Issue Price"), representing a discount of 4.5 per cent. to the closing price of an Ordinary Share on 21 May 2009 and a discount of 75.7 per cent. to the Net Asset Value per Ordinary Share on 31 March 2009 (the last practicable date prior to the publication of this prospectus).

On the basis of the Ordinary Share Issue being fully subscribed, the Ordinary Share Issue will result in the issue of up to 227,565,137 Ordinary Shares representing approximately 233 per cent. of the existing issued ordinary share capital of the Company and 70 per cent. of the Enlarged Share Capital. If Qualifying Shareholders take up their full entitlement under the Open Offer and Qualifying US Persons, who are being given the opportunity to subscribe, take up the equivalent of their full entitlement under the Ordinary Share Placing, such Shareholders will not suffer any dilution of their percentage shareholding in the Company. On the basis of the Company receiving sufficient subscriptions pursuant to the terms of the Ordinary Share Issue, Shareholders who do not take up any of their entitlement under the Open Offer or the Ordinary Share Placing, as the case may be, will suffer an approximate 70 per cent. dilution.

Open Offer

Subject to the fulfilment of the conditions set out below and in Part 2 of this document, Qualifying Shareholders are being given the opportunity to subscribe for New Ordinary Shares *pro rata* to their existing shareholdings at the Issue Price in full on application and free of expenses, *pro rata* to their existing shareholdings on the basis of:

7 New Ordinary Shares for every 3 existing Ordinary Shares

held by Qualifying Shareholders on the Record Date and so on in proportion for any other number of existing Ordinary Shares then held.

Fractions of New Ordinary Shares will not be allotted, each Qualifying Shareholder's entitlement under the Open Offer being rounded down to the nearest whole number of New Ordinary Shares. The fractional entitlements will be aggregated and included in the Ordinary Share Placing, with the proceeds being retained for the benefit of the Company.

Qualifying Shareholders may apply for any number of New Ordinary Shares up to their maximum entitlement which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST. Qualifying Shareholders with holdings of existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their entitlements under the Open Offer.

No application in excess of a Qualifying Shareholder's maximum entitlement will be met, and any Qualifying Shareholder so applying will be deemed to have applied for his maximum entitlement only.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST on 26 May 2009. The Open Offer Entitlements will also be enabled for settlement in CREST on 26 May 2009. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will have received an Application Form with this document which sets out their maximum entitlement to New Ordinary Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 26 May 2009.

Shareholders should note that the Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be

traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any New Ordinary Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be placed under the Ordinary Share Placing for the benefit of the Company.

For Qualifying non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 15 June 2009. A pre-paid envelope is enclosed for use by Qualifying non-CREST Shareholders in connection with the Open Offer. For Qualifying CREST Shareholders the relevant CREST instructions must have settled as explained in this document by no later than 11.00 a.m. on 15 June 2009.

Ordinary Share Placing

Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States. Certain Ordinary Shareholders that are Qualifying US Persons are being given the opportunity to subscribe for such number of Ordinary Shares as they would have been entitled to subscribe for under the Open Offer had they not been US Persons (this is being effected under the Ordinary Share Placing and is not subject to clawback under the Open Offer from Qualifying Shareholders).

The Open Offer is not being underwritten. The Company has, however, received irrevocable commitments from John (Jay) W Jordan II and David W Zalznick to subscribe, under the Ordinary Share Issue, for an aggregate of 38,649,614 Ordinary Shares representing US$25.0 million in respect of the equivalent of their Open Offer Entitlements. In addition, the Company has received irrevocable commitments from other Ordinary Shareholders to subscribe for their Open Offer Entitlements (or their equivalent) under the Ordinary Share Issue in respect of 38,992,874 Ordinary Shares representing US$25.2 million. Existing Ordinary Shareholders who wish to subscribe for Ordinary Shares in excess of their *pro rata* entitlements (or their equivalent) under the Ordinary Share Issue and new investors who wish to participate in the Ordinary Share Issue, have been given the opportunity to subscribe for additional Ordinary Shares which will be subject to clawback to satisfy valid applications from Qualifying Shareholders under the Open Offer and Qualifying US Persons in respect of the equivalent of their *pro rata* entitlements under the Ordinary Share Placing. The Company has received such further irrevocable commitments from existing Ordinary Shareholders and a new investor in respect of 55,353,377 Ordinary Shares subject to clawback representing US$35.8 million. In aggregate, the Company has received irrevocable commitments to subscribe for Ordinary Shares totalling approximately US$86.0 million which represents the minimum level of gross proceeds expected to be raised by the Company pursuant to the Ordinary Share Issue. The actual amount of gross proceeds to be raised will depend on the level of Shares taken up by Qualifying Shareholders under the Open Offer, but will not exceed US$147.2 million. Pro rata entitlements to New Ordinary Shares under the Open Offer will be based on the maximum amount of gross proceeds to be raised by the Company of approximately US$147.2 million.

Qualifying US Persons have the option to subscribe for either New Ordinary Shares or Limited Voting Ordinary Shares under the Ordinary Share Placing.

New Ordinary Shares

On the basis of the Ordinary Share Issue being fully subscribed, the Ordinary Share Issue will result in the issue of up to 227,565,137 Ordinary Shares comprising up to 155,761,150 New Ordinary Shares and 71,803,987 Limited Voting Ordinary Shares (representing approximately 22.1 per cent. of the Enlarged Share Capital). The Board has not yet decided whether to declare a final dividend for the period to 28 February 2009. Following completion of the Proposals, the Board will evaluate the Company's financial and capital resources and consider whether or not to declare a final dividend in respect of such period. In the event that the Board decides to declare a final dividend to 28 February 2009, all existing Ordinary Shareholders on the register as at the record date for any such dividend will rank for the final dividend. Holders of New Ordinary Shares and, save for Limited Voting Ordinary Shares arising on conversion of existing Ordinary Shares pursuant to the Proposals, Limited Voting Ordinary Shares will not be entitled to the final dividend, if any, declared in respect of the period to 28 February 2009. The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the New

Ordinary Shares, save for the final dividend declared, if any, in respect of the period to 28 February 2009. No temporary documents of title will be issued.

Limited Voting Ordinary Shares

The Company believes that it is currently a ''foreign private issuer'' within the meaning of Rule 405 under the US Securities Act and Rule 3b-4 under the US Exchange Act. If, however, the Company loses its status as a ''foreign private issuer'' and is treated as a US domestic company, it is likely to be subject to extensive reporting requirements and periodic filing requirements under US securities laws, which the Company is currently not subject to and which would significantly increase the Company's regulatory and compliance costs under such US securities laws. Similarly, if the Company were to be treated as a controlled foreign corporation (''CFC'') within the meaning of the Code, certain US Holders would generally include in their gross income for US federal income tax purposes their *pro rata* share of the Company's ''subpart F income'' for the year even if the subpart F income is not distributed. Such US Holders may also be deemed to receive taxable distributions to the extent that the Company increases the amount of its earnings that are invested in certain types of US property. In addition, if the Company were to be treated as a CFC, a portion of any gain recognised by certain US Holders on the sale or exchange of the shares of the Company would generally be taxed as dividend income, rather than as capital gain income.

The Limited Voting Ordinary Shares are being created and made available so that certain of the Company's existing Shareholders and certain new investors that are Qualifying US Persons may participate in the Ordinary Share Issue without causing the Company to be treated as a US domestic company for the purposes of US securities laws and/or a CFC for US tax purposes.

David W Zalaznick and John (Jay) W Jordan II, the beneficial owners of the Investment Advisor, have elected, to the extent required to ensure that the Company continues to be treated as a foreign private issuer and is not treated as a CFC, to subscribe, under the Ordinary Share Issue, for Limited Voting Ordinary Shares in respect of the equivalent of their Open Offer Entitlements. They have also agreed to convert again, to the extent required to ensure that the Company continues to be treated as a foreign private issuer and is not treated as a CFC, their existing holding of Ordinary Shares into Limited Voting Ordinary Shares. See paragraph 5 of this Part 1 for further details.

The Limited Voting Ordinary Shares will be convertible at any time into the equivalent number of non-Limited Voting Ordinary Shares either (a) at the holder's request upon certification by the holder that it is not a, and is not holding for the account or benefit of any, US Person or (b) automatically in the event that (i) a takeover offer for the Company is declared unconditional in all respects or (ii) proposals for the liquidation or winding-up of the Company have been approved by the Shareholders in a general meeting or the Company is compulsorily wound up.

Shareholders that are not US Qualifying Shareholders are not being given the opportunity to convert their Shares into Limited Voting Ordinary Shares or to subscribe for Limited Voting Ordinary Shares pursuant to the Ordinary Share Issue. Following completion of the Ordinary Share Issue, in the event that a non-US Person acquires Limited Voting Ordinary Shares, such non-US Person will be able to convert the Limited Voting Ordinary Shares into non-Limited Voting Ordinary Shares upon certification that he/it is not a, and is not holding for the account or benefit of any, US Person.

Limited Voting Ordinary Shares will be issued fully paid at the Issue Price and will be identical to, and rank *pari passu* in all respects with, the New Ordinary Shares except that the Limited Voting Ordinary Shares will only carry a limited entitlement to vote in respect of the appointment or removal of Directors and will not carry any entitlement to vote in respect of certain other matters. Further details of the Limited Voting Ordinary Shares are set out in paragraph 5 of Part 3 of this prospectus.

The Limited Voting Ordinary Shares will not be listed on the Official List and will not be traded on or through the facilities of the London Stock Exchange.

On the basis of the irrevocable commitments received by the Company, and assuming the Ordinary Share Issue is fully subscribed, the Ordinary Share Issue will result in the issue of up to 71,803,987 Limited Voting Ordinary Shares representing approximately 22.1 per cent. of the Enlarged Share Capital.

Ordinary Share Issue Commissions

The Company has agreed to pay a commission to all existing Ordinary Shareholders and new investors who have provided an irrevocable commitment to subscribe for Ordinary Shares under the Ordinary Share Issue. The commission has been determined as follows: a commitment commission of 1.00 per cent. on the value, at the Issue Price, of the number of Ordinary Shares the subject of irrevocable commitments, and, subject to the Ordinary Share Issue becoming wholly unconditional, a further commission of 0.50 per cent. on the value, at the Issue Price, of the number of Ordinary Shares the subject of the irrevocable commitments.

The commission has been made available to existing Ordinary Shareholders irrevocably committing to subscribe for their entitlements to Ordinary Shares under the Open Offer (or their equivalent), existing Ordinary Shareholders irrevocably committing to subscribe for Ordinary Shares in excess of their *pro rata* entitlements under the Open Offer (or, for Qualifying US Persons, in excess of the equivalent of such entitlements) (such Ordinary Shares being subject to clawback to satisfy valid applications from Qualifying Shareholders under the Open Offer and Qualifying US Persons taking up the equivalent of their entitlements under the Ordinary Share Placing); and new investors irrevocably committing to subscribe for Ordinary Shares subject to the aforementioned clawback arrangements. The placing commissions have been made available to Ordinary Shareholders providing irrevocable commitments on the same terms, including Ordinary Shareholders both in the United Kingdom and the United States.

Share Consolidation

As at 21 May 2009, the last dealing day before the announcement of the Proposals, the closing price of an Ordinary Share was 44.5p. In order to enhance the marketability and decrease the volatility of the price of the Ordinary Shares, the Directors propose to implement the Share Consolidation following Ordinary Share Admission.

Pursuant to the proposed Share Consolidation, each Ordinary Share will be consolidated on a one for five basis on the third dealing day following Ordinary Share Admission. Accordingly, on implementation of the Share Consolidation, all holders of Ordinary Shares will hold one Ordinary Share for every five Ordinary Shares held immediately prior to the Share Consolidation. The Share Consolidation alone will have no impact on the proportionate holdings of Ordinary Shares, save for fractional share entitlements, however the overall number of Ordinary Shares in issue will be reduced by a factor of five. Following implementation of the Share Consolidation, it is estimated that the Ordinary Shares will trade at an opening price five times higher than they would have traded if the Share Consolidation had not been implemented and, accordingly, an Ordinary Share valued at 44.5p on 21 May 2009 (being the latest practicable date prior to publication of this document) would be valued at 222.5p immediately following the Share Consolidation. Following the Share Consolidation, the rights attaching to Ordinary Shares will remain unchanged.

Any fractional share entitlements arising on the Share Consolidation will be placed in the market on behalf of the Ordinary Shareholders so entitled save that, where the net proceeds are less than £5 per entitled Ordinary Shareholder, the net proceeds of such placing will be retained for the benefit of the Company.

Ordinary Share certificates reflecting the Share Consolidation are expected to be posted at the risk of holders of Ordinary Shares, within five dealing days following implementation of the Share Consolidation, expected to be 23 June 2009, to those holders of Ordinary Shares who at the Share Consolidation Record Date hold their Ordinary Shares in certificated form. These will replace existing Ordinary Share certificates, which should then be destroyed. Pending receipt of new certificates, transfers of Ordinary Shares held in certificated form will be certified against the register of members of the Company. All uncertificated Ordinary Shares will be credited to stock accounts in CREST at 8.00 a.m. on the third dealing day following Ordinary Share Admission.

A request will be made to the UK Listing Authority and to the London Stock Exchange to reflect the Share Consolidation on the Official List and the London Stock Exchange's main market for listed securities respectively.

The Share Consolidation is not conditional upon the implementation of the Ordinary Share Issue and the ZDP Proposals.

ZDP Rollover Offer and New ZDP Issue

Under the ZDP Rollover Offer, existing ZDP Shareholders are being given the opportunity to convert all or part only of their holding of ZDP Shares into New ZDP Shares. The rights attaching to the New ZDP Shares will be substantially similar to those attaching to the existing ZDP Shares but, subject to ZDP Admission occurring, the New ZDP Shares will have an illustrative initial capital entitlement on 22 June 2009 of 215.80p per New ZDP Share and will have a Final Capital Entitlement of 369.84p per New ZDP Share on 22 June 2016, the New ZDP Repayment Date, equivalent to a Redemption Yield of 8.0 per cent. per annum on the ZDP Issue Price and 8.0 per cent. per annum based on the illustrative initial capital entitlement[4].

Subject to completion of the ZDP Rollover Offer, each existing ZDP Share validly elected to be rolled over will convert, on 22 June 2009, into one New ZDP Share to be issued on the terms set out in the New Articles.

New ZDP Shares will also be available for subscription pursuant to the New ZDP Offer for Subscription which is being made by the Company at an issue price of 215.80p each to the public in the United Kingdom.

New ZDP Shares may also be placed at the ZDP Issue Price with placees procured by JPMC. The New ZDP Placing is subject to clawback to satisfy valid applications for New ZDP Shares under the ZDP Rollover Offer and New ZDP Offer for Subscription.

In total, up to 45,662,313 New ZDP Shares are available pursuant to the ZDP Rollover Offer and New ZDP Issue.

Further details on the New ZDP Issue are set out in the ZDP Prospectus.

3. Related Party Transactions

Each of the Investment Advisor and, as Shareholders of the Company, John (Jay) W Jordan II and David W Zalaznick is a related party of the Company for the purposes of the Listing Rules. Certain elements of the Proposals constitute related party transactions between each of John (Jay) W Jordan II and David W Zalaznick on the one hand and the Company on the other hand, as set out below.

(a) Purchase by John (Jay) W Jordan II and David W Zalaznick of Forced Sale Shares and Associated Indemnity

The Company has identified 1,722,129 Ordinary Shares (the ''Forced Sale Shares'') that are held by persons that appear to the Directors to be Non-Qualified Holders in breach of restrictions imposed by the Company in its Articles in order to comply with the US Investment Company Act.

In accordance with the Articles, on 22 May 2009 the Directors served a final written notice to the holders of the Forced Sale Shares requiring them within 14 days either (a) to make a required disposal of such shares within the meaning of the Company's Articles (a ''Required Disposal'') or (b) to show to the satisfaction of the Directors that they are not Non-Qualified Holders.

If one or more of such holders does not either make a Required Disposal or show that they are not Non-Qualified Holders (each such holder a ''Defaulting Holder''), the Directors intend to exercise their powers under the Articles to arrange for a Required Disposal to be made on their behalf in order for the Company to remain in compliance with applicable regulatory requirements.

The Company has considered the various options available to it to effect a Required Disposal, including a purchase of the Forced Sale Shares by the Company or a market sale of the shares. However, the Board has concluded that these options cannot be effected in compliance with applicable regulatory requirements or, due to the number of shares to be sold in the market at a time when the Company itself is offering new shares, are not in the best interests of the Company's shareholders, including the Defaulting Holders. Accordingly the Company has reached agreement with John (Jay) W Jordan II and David Zalaznick whereby each has conditionally and irrevocably undertaken to acquire free of any commissions or charges, at the Issue Price, such number of the Forced Sale Shares as are the subject of a Required Disposal and not disposed of by the Defaulting Holder within the time specified in the notice, the proceeds of any Required Disposal being for the account of the Defaulting Holder. The Company has also agreed to give an unlimited indemnity to John (Jay) W Jordan II and David Zalaznick against any claims which may

4 The redemption yield of a New ZDP Share is not and should not be taken as a forecast of profits and there can be no assurance that the New ZDP Shares will be repaid in full on the New ZDP Repayment Date.

be brought by any Defaulting Holder in relation to the Required Disposal. As the Company is acting in accordance with the powers that is has under its Articles, the Directors do not believe that any claim that might arise in respect of the exercise of the forced sale provisions in accordance with the Articles would be valid as a matter of Guernsey law.

The proposed unlimited indemnities associated with the acquisition of Forced Sale Shares by each of John (Jay) W Jordan II and David Zalaznick, by virtue of being uncapped, will each constitute a transaction of a sufficient size (classified as a Class 1 Transaction under the Listing Rules) and therefore must be approved by Ordinary Shareholders at the EGM. Neither John (Jay) W Jordan II nor David Zalaznick will vote on any Resolution in respect of the transactions to which he is a related party (for the purposes of the Listing Rules). The Listing Rules require that transactions between the Company and its related parties during a 12 month period must be aggregated for the purposes of shareholder approval and therefore the irrevocable commitments and the associated unlimited indemnities must be approved together at the EGM.

(b) Ordinary Share Issue Commissions

John (Jay) W Jordan II and David Zalaznick have provided irrevocable commitments to each subscribe, under the Ordinary Share Issue, for US$12.5 million of the equivalent of their Open Offer Entitlements. In connection with these commitments, the Company has agreed to pay each of David W Zalaznick and John (Jay) W Jordan II a placing commission of 1.50 per cent. of the value of their respective commitments. The payment of such commission constitutes a related party transaction under the Listing Rules. The Listing Rules require that transactions between the Company and its related parties during a 12 month period must be aggregated for the purposes of shareholder approval and therefore the payment of this commission must be approved at the EGM together with the purchase of the Forced Sale Shares and the associated indemnity referred to above. Neither John (Jay) W Jordan II nor David Zalaznick will vote on any Resolution in respect of the transactions to which he is a related party (for the purposes of the Listing Rules).

(c) Advisory Agreement

Subject to approval by Shareholders at the EGM, the Company and the Investment Advisor intend to enter into an amended and restated advisory agreement pursuant to which the Advisory Agreement shall be amended in the following respects:

(i) the period of notice either party must give to terminate the Advisory Agreement without cause be extended from two years to 30 months and the earliest date on which the Company may serve such notice shall be amended from 1 July 2010 to 30 months after the effective date of such amendment;

(ii) clause 15 (Other Managed Funds) of the Advisory Agreement be amended such that, where the Company co-invests with another fund managed by the Investment Advisor, such co-investment can be made either on the same terms as such other fund or on such other terms as the Company and the Investment Advisor shall agree;

(iii) upon termination of the agreement, JZAI be entitled to receive a close out capital gains incentive fee on all unrealised gains net of unrealised losses and carried forward losses (currently such fee is only payable in respect of realised gains net of realised losses upon termination).

The proposed close-out capital gains incentive fee on all unrealised gains described above will constitute, by virtue of being an uncapped fee, a transaction of a sufficient size (classified as a Class 1 Transaction under the Listing Rules) and therefore must be approved by Ordinary Shareholders at the EGM. Neither John (Jay) W Jordan II nor David Zalaznick, being the principals of the Investment Advisor, will vote on the Resolution in respect of this related party transaction. As mentioned above, the Listing Rules require that transactions between the Company and its related parties during a 12 month period must be aggregated for the purposes of shareholder approval and therefore the Close-Out Capital Gains Fee and the other amendments set out in the amended Advisory Agreement referred to above must be approved together at the EGM.

The Ordinary Share Issue (but not the ZDP Proposals) is conditional on the related party transactions described in paragraphs (a) and (b) above being approved by Ordinary Shareholders at the EGM. Neither the Ordinary Share Issue nor the ZDP Proposals is conditional on the changes to the Advisory Agreement described in paragraph (c) above being approved by Shareholders at the EGM.

Each of David W Zalaznick and John (Jay) W Jordan II will abstain, and will take all steps to ensure that their respective affiliates (as defined in the Listing Rules) will abstain, from voting at the EGM in relation to the Resolutions relating to the approval of the related party transactions in respect of which he is a related party (for the purposes of the Listing Rules) referred to above.

4. Conditions to the Proposals

The Ordinary Share Issue, the Share Consolidation, the ZDP Rollover Offer and the New ZDP Issue are subject to the approval of both Ordinary Shareholders and ZDP Shareholders. The Board has today despatched a circular to Shareholders seeking, amongst other things, the necessary authorisations required in order to implement these Proposals.

As well as certain Resolutions being passed by the Ordinary Shareholders at the EGM, the Ordinary Share Issue is conditional on, *inter alia*:

- the Ordinary Share Placing Agreement becoming unconditional and not being terminated in accordance with its terms at any time prior to Ordinary Share Admission; and
- Ordinary Share Admission having become effective on or before 8.00 a.m. on 19 June 2009 (or such later time and/or date as the Company and Jefferies may agree, being not later than 8.00 a.m. on 26 June 2009).

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Ordinary Share Issue will not proceed and any Open Offer Entitlements admitted to CREST will thereafter be disabled. The Ordinary Share Issue is not conditional on the ZDP Proposals becoming effective.

As well as certain Resolutions being passed by the Ordinary Shareholders and the ZDP Shareholders at the EGM, the ZDP Proposals are conditional on, *inter alia*:

- the New ZDP Placing Agreement becoming unconditional and not being terminated in accordance with their terms at any time prior to ZDP Admission; and
- ZDP Admission having become effective on or before 8.00 a.m. on 22 June 2009 (or such later time and/or date as the Company, Jefferies and JPMC may agree, being not later than 8.00 a.m. on 26 June 2009).

Accordingly, if any of such conditions are not satisfied or, if applicable, waived, the ZDP Proposals will not proceed. The ZDP Proposals are not conditional on the Ordinary Share Issue becoming effective.

5. Benefits of the Proposals

The Directors believe that:

- the Ordinary Share Issue and the New ZDP Issue will provide new capital which will enable the Company to take advantage of investment opportunities that the Investment Advisor has identified in the current market;
- the Ordinary Share Issue will provide the necessary cash balances to enable the Company to meet potential redemptions of ZDP Shares;
- the ZDP Rollover Offer offers greater choice for existing ZDP Shareholders than if all of the existing ZDP Shares were redeemed on 24 June 2009, by giving them the opportunity to continue to invest in the Company and, for those that are subject to capital gains tax, to defer their capital gains tax liability; and
- the Share Consolidation will enhance the marketability and decrease the volatility of the price of the Ordinary Shares.

6. Conversion from non-Limited Voting Ordinary Shares to Limited Voting Ordinary Shares

In the event that the control of the Company is deemed to be in the hands of US Persons, the Company may be treated as a US domestic company, in which case it would need to comply with US securities laws, and/or the Company may be treated as a CFC for US tax purposes.

In order to avoid being treated as either a US domestic company and/or a CFC, the Company is to put in place procedures to help ensure that, following completion of the Ordinary Share Issue, the ZDP Rollover Offer and the New ZDP Issue, at least 50 per cent. of the votes in respect of the appointment and/or removal of Directors remain held by Shareholders that are not US Persons.

Accordingly, certain US Persons that currently hold Ordinary Shares are being asked to convert their existing holding of non-Limited Voting Ordinary Shares into Limited Voting Ordinary Shares. The Company has received irrevocable commitments from certain existing Ordinary Shareholders that are US Persons to convert at least part of their non-Limited Voting Ordinary Shares into Limited Voting Ordinary Shares in order to help ensure compliance with the US requirements.

7. Dealings in New Ordinary Shares

Application has been made to the UK Listing Authority for the New Ordinary Shares to be issued pursuant to the Ordinary Share Issue to be admitted to the Official List. Application has also been made for such New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

It is expected that the results of the Ordinary Share Issue will be announced via a Regulatory Information Service on 16 June 2009. It is expected that allotment of New Ordinary Shares will take place on 19 June and that dealings will commence on 19 June 2009. Dealings in New Ordinary Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The ISIN number and SEDOL code for the Open Offer Entitlements are GG00B40JGY04 and B40JGY0 respectively. The ISIN number and SEDOL code for the New Ordinary Shares prior to the Share Consolidation are GG00B403HS35 and B403HS3 respectively.

It is expected that allotment of the Limited Voting Ordinary Shares will take place on 19 June 2009. The Limited Voting Ordinary Shares will not be listed on the Official List and will not be traded on or through the facilities of the London Stock Exchange.

It is expected that the Ordinary Shares will be consolidated at 8.00 a.m. on the third dealing day following Ordinary Share Admission.

The existing Ordinary Shares are in registered form, are capable of being held in certificated and uncertificated form and are admitted to the Official List and are traded only on the market for listed securities of the London Stock Exchange. Application for trading of the New Ordinary Shares resulting from the Ordinary Share Issue will be admitted, fully paid, with an ISIN GG00B403HS35 to a restricted dividend security. Following the Share Consolidation on 23 June 2009 the ISIN of the restricted dividend security is GG00B403JL06 and the SEDOL code is B403JL0.

Shareholders who, at the Share Consolidation Record Date, hold their entitlement to New Ordinary Shares in uncertificated form through CREST will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares on 26 May 2009. Following the Share Consolidation, expected to take effect on 23 June June 2009, the ISIN of the Ordinary Shares holding an entitlement to the final dividend, if any, for the period ended 28 February 2009 is GG00B403HK58 and the SEDOL Code is B403HK5.

8. CREST

The New Ordinary Shares and the Open Offer Entitlements will be enabled for settlement through CREST, a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument.

CREST is a voluntary system and New Ordinary Shareholders who wish to receive and retain share certificates in respect of the New Ordinary Shares will be able to do so. An investor, other than a US Person, receiving New Ordinary Shares pursuant to the Ordinary Share Issue may elect to receive New Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the Regulations) in relation to CREST.

It is expected that the Company will arrange for Euroclear to be instructed on 19 June 2009 to credit the appropriate Euroclear accounts of the subscribers concerned or their nominees with their respective entitlements to New Ordinary Shares and Open Offer Entitlements. The names of subscribers or their nominees that invest through their Euroclear accounts will be entered directly on to the share register of the Company.

9. Money laundering and Counter Terrorism Financing

Pursuant to the Anti Money Laundering Regulations with which the Company must comply, the Company and its agents, JZAI, the Administrator, the Receiving Agent or Jefferies may require

information and additional documentation in connection with any application for Ordinary Shares, concerning the applicant(s) before any Ordinary Shares are issued.

10. Taxation

Information concerning the tax status of the Company and the taxation of New Ordinary Shareholders is contained in paragraph 7 of Part 7 of this prospectus. If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of New Ordinary Shares, he should seek advice from his own independent professional advisor.

11. ISA, status of the New Ordinary Shares and Limited Voting Ordinary Shares

Subject to applicable subscription limits, the New Ordinary Shares should be a qualifying investment for the stocks and shares account of an ISA, including an ISA derived from a PEP held at 6 April 2008. An ISA manager may not acquire such Shares under the Open Offer or the Ordinary Share Placing. The Limited Voting Ordinary Shares will not be qualifying investments and will not be eligible for inclusion in the stocks and shares account of an ISA.

12. ERISA

A person may not acquire Shares, either as part of an initial distribution of Shares or subsequently, if such person is, or is acting on behalf of or with the assets of, a Benefit Plan Investor. Each purchaser and transferee of Shares will be required to represent, warrant and covenant, or will be deemed to have represented, warranted and covenanted that it is not, and is not acting on behalf of or with the assets of a, Benefit Plan Investor to acquire Shares. Under the Articles, the directors have the power to require the sale or transfer of Shares in order to avoid the assets of the Company being treated as ''plan assets'' for the purposes of ERISA.

13. Transfer of Shares

In order to prevent the Company from being treated as a CFC under the Code, no person may acquire Ordinary Shares if, immediately after such acquisition, a US Holder would beneficially own more than 9.9 per cent. of the voting power of the Ordinary Shares (determined, with respect to the Ordinary Shares, including Limited Voting Ordinary Shares, without regard to any voting rights of the New ZDP Shares). Any Ordinary Shares acquired in contravention of this provision shall be sold by such person within 29 days of the date of the acquisition. Any Ordinary Shares not sold by such person within 29 days of the date of the acquisition shall be deemed to be held by a trust on the thirtieth day following the date of the acquisition of such Ordinary Shares, and such person will acquire no rights in such Ordinary Shares except as the trustee for the benefit of such trust. Any person acquiring Ordinary Shares will be deemed to have represented and warranted by its acquisition that a US Holder will not, immediately after such acquisition, beneficially own more than 9.9 per cent. of the voting power of the Ordinary Shares (determined, with respect to the Ordinary Shares, including Limited Voting Ordinary Shares, without regard to any voting rights of the New ZDP Shares).

PART 2 – TERMS OF THE OPEN OFFER

1. Introduction

As explained in Part 1 of this prospectus and in the letter from the Chairman set out in Part 1 of the Circular, the Company is proposing to issue up to 227,565,137 Ordinary Shares to raise approximately US$147.2 million (£95.6 million), net of expenses. Qualifying Shareholders and Qualifying US Persons are being offered the opportunity under the Open Offer and the Ordinary Share Placing respectively to acquire Ordinary Shares at 42p per share. The Open Offer is not being underwritten. The Company has received irrevocable commitments to subscribe for Ordinary Shares totalling approximately US$86.0 million and accordingly represents the minimum level of gross proceeds expected to be raised under the Ordinary Share Issue. The actual amount of gross proceeds raised will depend on the level of take-up by Qualifying Shareholders under the Open Offer, although in any event will not exceed US$147.2 million. Pro rata entitlements to New Ordinary Shares under the Open Offer will be based on the maximum amount of gross proceeds to be raised by the Company of approximately US$147.2 million.

This document and, where relevant, the accompanying Application Form contain the formal terms and conditions of the Open Offer.

2. The Open Offer

Subject to the terms and conditions set out below and, where relevant, in the Application Form, the Company hereby invites Qualifying Shareholders to apply for New Ordinary Shares at a price of 42p per share, payable in full in cash on application, free of all expenses, on the basis of:

7 New Ordinary Shares for every 3 existing Ordinary Shares

held by them and registered in their names at the close of business on the Record Date and so in proportion for any other number of Ordinary Shares then held and registered.

The Open Offer is not being underwritten. The Company has received irrevocable commitments to subscribe for Ordinary Shares totalling approximately US$86.0 million and accordingly represents the minimum level of gross proceeds expected to be raised under the Ordinary Share Issue. The actual amount of gross proceeds raised will depend on the level of take-up by Qualifying Shareholders under the Open Offer, although in any event will not exceed US$147.2 million. Pro rata entitlements to New Ordinary Shares under the Open Offer will be based on the maximum amount of gross proceeds to be raised by the Company of approximately US$147.2 million.

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer as will holdings under different designations and different accounts.

Fractions of New Ordinary Shares will not be allocated to Qualifying Shareholders and entitlements to apply for New Ordinary Shares will be rounded down to the nearest whole number of New Ordinary Shares. New Ordinary Shares representing the aggregate of fractional entitlements will be taken up under the Ordinary Share Placing for the benefit of the Company.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares up to their maximum entitlement which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST. Multiple applications are not permitted and where multiple applications are received by Equiniti Limited, the first valid Application Form received from any applicant shall be deemed to be the only Application Form received, except as otherwise agreed between the applicant and the Company. No application in excess of a Qualifying Shareholder's maximum entitlement will be accepted and any Qualifying Shareholder so applying will be deemed to have applied only for his or her maximum entitlement. Any monies paid in excess of such entitlement will be returned to the applicant without interest within 14 days by way of cheque or CREST payment, as appropriate. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

If you have received an Application Form with this document please refer to paragraph 4(i) and paragraphs 5 to 9 of this Part 2.

If you hold your Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4(ii) and paragraphs 5 to 9 of this Part 2 and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any New Ordinary Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be placed under the Ordinary Share Placing for the benefit of the Company.

The existing Ordinary Shares are listed on the Official List and traded on the London Stock Exchange's main market for listed securities. Application has been made to the Financial Services Authority and to the London Stock Exchange for the New Ordinary Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Ordinary Share Admission will become effective on 19 June 2009 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on 19 June 2009.

The existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares; all of such Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Entitlements to be admitted to CREST. The conditions to such admission having already been met, the Open Offer Entitlements are expected to be admitted to CREST with effect from 26 May 2009.

The New Ordinary Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares, save for the final dividend, if any, declared in respect of the period to 28 February 2009. No temporary documents of title will be issued. Further details of the rights attaching to the existing Ordinary Shares and the New Ordinary Shares are set out in paragraph 5 of Part 3 of this prospectus.

3. Conditions of the Open Offer

The Open Offer is conditional upon the Ordinary Share Placing Agreement becoming or being declared unconditional in all respects by 8.00 a.m. on 19 June 2009 (or such later time and/or date as the Company and Jefferies may agree, being not later than 8.00 a.m. on 26 June 2009) and the Ordinary Share Placing Agreement not being terminated in accordance with its terms. The Ordinary Share Placing Agreement is conditional *inter alia* upon:

(a) the passing of certain Resolutions relating to the Ordinary Share Issue;

(b) Ordinary Share Admission becoming effective by not later than 8.00 a.m. on 19 June 2009 (or such later time and/or date as the Company and Jefferies may agree, being not later than 8.00 a.m. on 26 June 2009.

Further details of the Ordinary Share Placing Agreement are set out in paragraph 8.7 of Part 7 of this document.

Further terms of the Ordinary Share Issue are set out in paragraph 2 of Part 1 and in the Application Form.

If the Ordinary Share Placing Agreement is not declared or does not become unconditional in all respects by 8.00 a.m. on 19 June 2009, or if it is terminated in accordance with its terms, the Open Offer will be revoked and will not proceed. Revocation cannot occur after dealings have begun.

4. Procedure for Application and Payment

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

(a) ***If you have an Application Form in respect of your Entitlement under the Open Offer***

(i) *General*

Qualifying non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of existing Ordinary Shares registered in your name at the close of business on the Record Date. It also shows the maximum number of New Ordinary Shares for which you are entitled to apply under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to you. You may apply for less, but not more, than your maximum entitlement should you wish to do so. You may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

(ii) *Market Claims*

Applications for New Ordinary Shares may only be made on the Application Form and may only be made by the Qualifying Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of existing Ordinary Shares through the market prior to the date upon which the existing Ordinary Shares were marked ''ex'' the entitlement to the Open Offer by the London Stock Exchange, being 26 May 2009. Application Forms may be split up to 3.00 p.m. on 11 June 2009. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or transferred all or part of his holding of existing Ordinary Shares prior to 26 May 2009*,* being the date upon which the existing Ordinary Shares were marked ''ex'' the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire New Ordinary Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty pursuant to the rules of the London Stock Exchange. Qualifying Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST*,* complete Box 4 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, the Republic of South Africa or to US Persons.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph (b)(ii) below.

(iii) *Application Procedures*

If you are a Qualifying non-CREST Shareholder and wish to apply for all or some of your entitlement to New Ordinary Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post or by hand (during normal business hours only) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive no later than 11.00 a.m. on 15 June 2009. A pre-paid envelope is enclosed for use by Qualifying non-CREST Shareholders in connection with the Open Offer.

Please note that Equiniti Limited cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to New Ordinary Shares under the Open Offer. If any Application Form is sent by first class post within

the United Kingdom, Qualifying non-CREST Shareholders are recommended to allow at least three business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances after that date. It may also (in its sole discretion) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 15 June 2009 from an authorised person (as defined in the Financial Services and Markets Act 2000) specifying the number of New Ordinary Shares concerned, and undertaking to lodge the relevant Application Form in due course.

(iv) *Payments*

Completed Application Forms should be returned with a cheque or banker's draft drawn in GB sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or a member of either of the committees of the Scottish or Belfast Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application.

Cheques should be drawn on a personal account in respect of which the Qualifying Non-CREST Shareholder has sole or joint title to the funds and should be made payable to ''Equiniti Limited re Jetty PLC Open Offer'' and crossed ''A/C Payee Only''.

Payments must be made in GB sterling and the account name on the cheque must be the same as that shown on the Application Form. If this is not practicable and a Qualifying Non-CREST Shareholder wishes to pay by building society cheque or banker's draft, they must:

(A) write the name, address and date of birth of the person named on the Application Form (or one of such persons) on the back of the building society cheque or banker's draft; and

(B) ask the building society or bank (as the case may be) to endorse the name and account number of the person whose building society or bank account is being debited on the cheque or banker's draft.

Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Non-CREST Shareholder has title to the underlying funds) may be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted. Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker's drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Non-CREST Shareholders in respect of which cheques or banker's drafts are not so honoured.

If cheques or banker's drafts are presented for payment before the conditions of the Ordinary Share Issue are fulfilled, the application monies will be kept in a separate non-interest bearing bank account. Once sufficient funds have cleared, funds will be placed out every night on the money markets with any interest being retained for the Company until all conditions are met. If the Ordinary Share Issue does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Ordinary Share Issue.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept any application for Open Offer Shares if either:

(A) the Application Form together with cheques or other remittances for the full amount payable are received through the post after 11.00 a.m. on 15 June 2009 but not later than 11.00 a.m. on the next following Business Day (the cover bearing a legible postmark not later than 11.00 a.m. on the Business Day prior to 15 June 2009); or

(B) the required remittance is received prior to 11.00 a.m. on 15 June 2009 from an authorised person (as defined in FSMA) specifying the number of Open Offer Shares concerned and undertaking to lodge the relevant Application Form as soon as practicable and in any event within 2 Business Days following 15 June 2009.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

(v) *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company, through Equiniti Limited, reserves the right:

(A) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying non-CREST Shareholder in question; or

(B) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question, save that any sums of less than £1.00 will be retained for the benefit of the Company; or

(C) in the case of an excess sum is paid, to treat the application as a valid application for all of the New Ordinary Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying non-CREST Shareholder in question, save that any sums of less than £1.00 will be retained for the benefit of the Company.

(vi) *Effect of Valid Application*

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

(A) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

(B) confirm that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such information or representation not so contained;

(C) represent and warrant that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;

(D) request that the New Ordinary Shares to which you will become entitled be issued to you on the terms set out in this document and subject to the memorandum and articles of association of the Company; and

(E) represent and warrant that you are not a, and not applying on behalf of any, Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, the Republic of South Africa or Japan, or is otherwise a US Person, and you are not applying with a view to reoffering, reselling, transferring or delivering any of the New Ordinary Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, the Republic of South Africa or Japan, or to any other US Person, except where proof satisfactory to the Company has been provided to the Company and that you are able to accept the invitation by the

Company of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares under the Open Offer.

If you do not wish to apply for any of the New Ordinary Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt whether or not you should apply for any of the New Ordinary Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying non-CREST Shareholders under the Open Offer should be addressed to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA telephone number 0871 384 2917 or +44 121 415 7006 if calling from outside the United Kingdom. Please note that Equiniti Limited cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement.

(b) ***If you have Open Offer Entitlements Credited to your Stock Account in CREST in respect of your Entitlement under the Open Offer***

(i) *General*

Subject as provided in paragraph 8 of this Part 2 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of New Ordinary Shares for which he is entitled to apply under the Open Offer.

The CREST stock account to be credited will be an account under the Participant ID and Member Account ID that apply to the existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. or such later time as the Company may decide on 26 May 2009, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to New Ordinary Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Equiniti Limited on 0871 384 2917 or +44 121 415 7006 if calling from outside the United Kingdom. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for New Ordinary Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(ii) *Market Claims*

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as ''cum'' the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

(iii) *USE Instructions*

CREST members who wish to apply for New Ordinary Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (''USE'') instruction to Euroclear which, on its settlement, will have the following effect:

(A) the crediting of a stock account of Equiniti Limited under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of New Ordinary Shares applied for; and

(B) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Equiniti Limited in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of New Ordinary Shares referred to in (A) above.

(iv) *Content of USE Instructions*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(A) the number of New Ordinary Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Equiniti Limited);

(B) the ISIN of the Open Offer Entitlement. This is GG00B40JGY04;

(C) the Participant ID of the accepting CREST Member;

(D) the Member Account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

(E) the Participant ID of Equiniti Limited, in its capacity as a CREST receiving agent. This is 6RA58;

(F) the Member Account ID of Equiniti Limited, in its capacity as a CREST receiving agent. This is RA973701;

(G) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (A) above;

(H) the intended settlement date. This must be on or before 15 June 2009;

(I) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 June 2009.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(aa) a contact name and telephone number (in the free format shared note field); and

(bb) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 15 June 2009 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 19 June 2009 or such later time and date as the Company shall agree (being no later than 5.00 p.m. on 26 June 2009), the Ordinary Share Issue will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(v) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in this Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form.

Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 15 June 2009.

In particular, having regard to normal processing times in CREST and on the part of Equiniti Limited, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 10 June 2009, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 9 June 2009, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 15 June 2009.

Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Equiniti Limited by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed ''Instructions for Depositing Entitlements under the Open Offer into CREST'' on page 3 of the Application Form, and a declaration to the Company and Equiniti Limited from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of the United States, Australia, Canada, the Republic of South Africa or Japan and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(vi) *Validity of Application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 15 June 2009 will constitute a valid application under the Open Offer.

(vii) *CREST Procedures and Timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 15 June 2009. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(viii) *Incorrect or Incomplete Applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Equiniti Limited reserves the right:

(A) to reject the application in full and refund the payment to the CREST member in question;

(B) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;

(C) in the case that an excess sum is paid, to treat the application as a valid application for all the New Ordinary Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(ix) *Effect of Valid Application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

(A) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Equiniti Limited payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

(B) request that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the memorandum and articles of association of the Company;

(C) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

(D) represent and warrant that he is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, the Republic of South Africa or Japan, or is otherwise a US Person, and he is not applying with a view to reoffering, reselling, transferring or delivering any of the New Ordinary Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, the Republic of South Africa or Japan, or to any other US Person, except where proof satisfactory to the Company has been provided to the Company and that he is able to accept the invitation by the Company of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares under the Open Offer;

(E) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained therein; and

(F) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

(x) *The Company's Discretion as to Rejection and Validity of Applications*

The Company may in its sole discretion:

(A) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 2;

(B) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

(C) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Equiniti Limited receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Equiniti Limited

have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(D) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for New Ordinary Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Equiniti Limited in connection with CREST.

5. Anti Money Laundering Regulations

(a) *Holders of Application Forms*

It is a term of the Open Offer that to ensure compliance with the Anti Money Laundering Regulations, the Receiving Agent may be required to verify the identity of the applicant and the identity of the ultimate beneficial owner on whose behalf an Application Form is lodged with payment (the ''verification of identity requirements'').

The person(s) (the ''applicant'') who, by lodging an Application Form with payment, and in accordance with the other terms as described above, accept(s) the Open Offer in respect of the New Ordinary Shares (the ''relevant shares'') comprised in such Application Form shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.

If the applicant fails to comply with the verification of identity requirements identified by the Receiving Agent (which the Receiving Agent shall in its sole discretion determine), the Receiving Agent may return the proceeds paid and the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the application as invalid or confirm that the allotment of the relevant shares to the applicant but (notwithstanding any other term of the Open Offer) the relevant shares will not be issued.

If the application is not treated as invalid and the verification of identity requirements are not satisfied within a reasonable period after a request for evidence of identity is despatched to the applicant, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the applicant(s) or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the applicant, subject to the requirements of the Anti Money Laundering Regulations. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of any such discretion or as a result of any sale of relevant shares.

Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Anti Money Laundering Regulations will not be breached by application of such remittance.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in the applicant's application being treated as invalid or in delays in the despatch of share certificates or in crediting CREST stock accounts.

The following guidance is provided in order to assist in satisfying the verification of identity requirements and to reduce the likelihood of difficulties or delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above).

For UK Shareholders, satisfaction of the verification of identity requirements may be facilitated in the following ways:

(A) if payment is made by cheque or banker's draft in GB sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to ''Equiniti Limited re Jetty Capital Partners Limited Open Offer'' in respect of an application by a Qualifying Shareholder, and crossed ''A/C Payee Only''. Third party cheques may be accepted. The account name should be the same as that shown on the Application Form; or

(B) if the Application Form is lodged with payment by an agent which an organisation of the kind referred to in (A) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Australia, Brazil, Canada, Gibraltar, Hong Kong, Iceland, Japan, New Zealand, Norway, Singapore, South Africa, Switzerland and the United States of America and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Qatar and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and written assurance that it has obtained and recorded evidence of the identity of the person(s) for whom it acts and that it will on demand make such evidence available to Equiniti Limited. If the agent is not such an organisation, it should contact Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone number 0871 384 2917 or +44 121 415 7006 if calling from outside the United Kingdom.

For US Shareholders, satisfaction of the verification of identity requirements may be facilitated as follows:

(C) if the Application Form is lodged with payment by an agent which an organisation of the kind referred to in (A) above or which is subject to anti-money laundering regulation in Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Gilbraltar, Greece, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom and the United States of America, the agent should provide with the Application Form written confirmation that it has that status and written assurance that it has obtained and recorded evidence of the identity of the person(s) for whom it acts and that it will on demand make such evidence available to the Administrator and Receiving Agent.

To confirm the acceptability of any written assurance referred to in (B) above, or in any other case, the acceptor should contact Equiniti Limited. The telephone number of Equiniti Limited is 0871 384 2917 or +44 121 415 7006 if calling from outside the United Kingdom. Calls to those numbers are charged at 8 pence per minute from a BT landline. Other telephony providers' costs may vary. If the Application Form has in respect of New Ordinary Shares an aggregate subscription price of €15,000 (approximately £13,500) or more and is lodged by hand by the acceptor in person, or if the Application Form is lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and separate evidence of his address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 15 June 2009, Equiniti Limited has not received evidence satisfactory to it as aforesaid, Equiniti Limited may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to

the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

(b) *Open Offer Entitlements in CREST*

If you hold your Open Offer Entitlements in CREST and apply for New Ordinary Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then irrespective of the value of the application, Equiniti Limited is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Equiniti Limited before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to Equiniti Limited such information as may be specified by Equiniti Limited as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Equiniti Limited as to identity, Equiniti Limited may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Ordinary Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Ordinary Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. Overseas Shareholders

6.1 General

The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. Overseas Shareholders who are in any doubt in this respect should consult their professional advisers. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form or credit of Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any legislation or other local regulatory requirements. Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and in such circumstances this document and/or any Application Forms are sent for information only. It is the responsibility of any person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST outside the United Kingdom and wishing to make an application for any New Ordinary Shares to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory.

Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements into any jurisdiction when to do so would or might contravene local securities laws or regulations.

If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the agent or nominees of such person, he or she must not seek to take up the New Ordinary Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form or transfer the Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or

legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph. The Company and Jefferies reserve the right to reject an Application Form or transfer of Open Offer Entitlements from or in favour of Shareholders in any such jurisdiction or persons who are acquiring New Ordinary Shares for resale in any such jurisdiction.

The Company and Jefferies reserve the right in their absolute discretion to treat as invalid any application for New Ordinary Shares under the Open Offer if it appears to the Company and Jefferies and their agents that such application or acceptance thereof may involve a breach of the laws or regulations of any jurisdiction or if in respect of such application the Company and Jefferies have not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or in this document, as appropriate. All payments under the Open Offer must be made in GB sterling.

6.2 **North America**

None of the Application Form, the New Ordinary Shares, the Open Offer Entitlements or the Limited Voting Ordinary Shares have been or will be registered under the US Securities Act, or under any state securities laws of the United States, nor have they been, nor will they be, qualified for sale under the securities laws of any province or territory of Canada and the relevant exemptions are not being obtained from the securities commission of any province of Canada. Subject to certain exceptions, the New Ordinary Shares, the Open Offer Entitlements and the Limited Voting Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in North America, or to or for the benefit of a North American Person (as defined below). Subject to certain exceptions, Application Forms are not being sent to, and Open Offer Entitlements are not being credited to a stock account in CREST of, any Shareholder with a registered address in North America or who is known or believed by the Company to be a North American Person. Subject to certain exceptions, this document may not be sent in or into North America.

In this document ''North America'' means the United States as well as Canada, its territories and possessions and all areas subject to jurisdiction and any political subdivision thereof and ''North American Person'' means a US Person and any person who is in Canada, or any citizen or resident of Canada, who receives any Application Form in Canada or a credit of Open Offer Entitlements to a stock account in CREST or who executes, authorises the execution of or sends in any Application Form or effects any application under the Open Offer from within Canada and shall include the estate of any such person or any corporation, partnership or other entity created or organised under the laws of Canada. References in this document to ''in Canada'' shall mean at the time the Open Offer is received and at the time any relevant Application Form is executed or authorised to be executed and returned or Open Offer Entitlements are credited to a stock account in CREST.

6.3 **Australia**

Neither this prospectus nor the Application Form nor the New Ordinary Shares will be lodged or registered with the Australian Securities and Investments Commission under Australia's Corporations Law and New Ordinary Shares are not being offered for subscription or sale and may not be offered, sold or delivered in or into Australia or for the account or benefit of any person or corporation in Australia. No Application Form will be sent to, nor Open Offer Entitlements credited to a stock account in CREST of, any person or corporation in Australia, including any Shareholder with a registered address in Australia. This document is being sent to such Shareholders for information purposes only and does not constitute an offer or invitation to apply for New Ordinary Shares. Payment under an Application Form or the settlement of a USE instruction will constitute a representation or warranty that the person entitled to the same has not received, sent or forwarded the Application Form or effected the application or transferred the Open Offer Entitlements in or into Australia or to any person or corporation in Australia, and is not subscribing for any of the New Ordinary Shares for the account or benefit of any person or corporation in Australia or with a view to their offer, sale or delivery directly or indirectly in or into Australia or to or for the account of any person or corporation in Australia.

6.4 **Japan**

The relevant clearances have not been, and will not be, obtained from the Ministry of Finance of Japan and no document in relation to the Open Offer has been or will be lodged with or registered by the Ministry of Finance of Japan and no steps have been taken to enable the New Ordinary Shares to be offered, sold, accepted, or otherwise delivered in Japan, in compliance with applicable laws of Japan. The New Ordinary Shares may not therefore be offered, sold or accepted or otherwise delivered, directly or indirectly, in or into Japan. Accordingly, Application Forms are not being sent to, and Open Offer Entitlements are not being credited to a stock account in CREST of, Qualifying Shareholders who have registered addresses in Japan.

7. Withdrawal rights

Qualifying Shareholders wishing to exercise statutory withdrawal rights after publication by the Company of a prospectus supplementing this document must do so by lodging a written notice of withdrawal, which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST member, with Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to be posted no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by Equiniti Limited after expiry of such period will not constitute a valid withdrawal. Following the valid exercise of statutory withdrawal rights, application monies will be returned by post to Applicants at the Applicants' risk and without interest to the address set out in the Application Form and/or Equiniti Limited will refund the amount paid by a Qualifying Crest Shareholder by way of a CREST payment, without interest, as applicable within 14 days of such exercise of statutory withdrawal rights. Interest earned on such monies will be retained for the benefit of the Company. The provisions of this paragraph 7 of this Part 2 are without prejudice to the statutory rights of Qualifying Shareholders. In such event Shareholders are advised to see independent legal advice.

8. Taxation

Information regarding United Kingdom taxation in respect of the New Ordinary Shares and the Open Offer is set out in paragraph 7 of Part 7 of this document. **If you are in any doubt about your tax position or are subject to a tax in a jurisdiction other than the United Kingdom, Guernsey or the United States, you should consult your professional adviser without delay**.

9. Listing, Settlement, Dealings and Publication

Applications have been made to the UK Listing Authority for the New Ordinary Shares to be admitted to the Official List and to the London Stock Exchange for the same to be admitted to trading on its main market for listed securities subject to the fulfilment of the conditions of the Open Offer. It is expected that Ordinary Share Admission will become effective and that dealings therein for normal settlement will commence at 8.00 a.m. on 19 June 2009. Dealings in New Ordinary Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. In the case of Shareholders wishing to hold the New Ordinary Shares in certificated form, definitive certificates in respect of the New Ordinary Shares will be issued free of stamp duty and are expected to be despatched by post by 30 June 2009. No temporary documents of title will be issued and, pending such despatch, transfers will be certified against the share register.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 15 June 2009 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 19 June 2009). On this day, Equiniti Limited will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlement to New Ordinary Shares with effect from Ordinary Share Admission (expected to be 19 June 2009). The stock accounts to be credited will be accounts under the same Participant IDs and Member Account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Equiniti Limited in connection with CREST.

For Qualifying non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the New Ordinary Shares validly applied for are expected to be despatched by post by 30 June 2009. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register. All documents or remittances sent by or to Applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying non-CREST Shareholders are referred to the Application Form.

The completion and results of the Ordinary Share Issue will be announced and made public through an announcement on a Regulatory Information Service as soon as possible after the results are known following the Extraordinary General Meeting on 18 June 2009.

10. Other Information

The attention of Shareholders is drawn to the letter from the Chairman which is set out in Part 1 of the Circular, Part 1 of this prospectus which contains, *inter alia*, information on the reasons for the Ordinary Share Issue and to the information on the Company set out in Part 3 of this prospectus.

PART 3 – INFORMATION ON THE COMPANY

1. Background of the Company

The Company is a London listed, Guernsey authorised closed-ended investment scheme which acquired all of the assets and liabilities JZEP on 1 July 2008 pursuant to a scheme of reconstruction (the "Reconstruction"). As at 19 May 2009, the latest practicable date prior to the publication of this prospectus, the market capitalisation of the Company was approximately as follows:

	Market capitalisation
Ordinary Shares	£43.4 million
ZDP Shares	£95.2 million
Total	£138.6 million

2. Investment Policy

Corporate Objective

The Company's corporate objective is to create a portfolio of investments in businesses primarily in the United States, providing a superior overall return comprised of a current yield and significant capital appreciation.

Investment Strategy

The Company's investment strategy is to maintain and build its portfolio by investing primarily in four areas:

- Micro-Cap Buyouts, which historically have been the main driver of JZCP's and JZEP's capital growth;
- Mezzanine Investments comprising loans and high-yield securities, which are intended to provide current income with the potential for capital appreciation through equity participations;
- Listed Bank Debt, including both senior secured debt and second lien loans, which provide income and can provide capital appreciation when purchased below par value; and
- other debt and equity opportunities, including distressed debt and structured financings, derivatives and opportunistic purchases of publicly traded securities and investments in such opportunities indirectly through collective investment vehicles.

The Company intends to invest approximately 50 per cent. of its Gross Assets in Micro-Cap Buyouts in the form of debt and equity and preferred stock and approximately 50 per cent. of its Gross Assets in Mezzanine Investments and high-yield securities, senior secured debt and second lien loans and other debt and equity opportunities. These are non-binding targets, however, and the Company may, although there is no present intention to, invest a maximum of 100 per cent. of its Gross Assets in either type of investment. As non-core elements of the Company's investment strategy, it may consider the possibility of making certain real estate or real estate linked investments and natural resources investments, in aggregate not exceeding 20 per cent. of the Company's Gross Assets. Also, the Company may invest no more than 20 per cent. of its Gross Assets in distressed debt and structured and off-balance sheet financings, such as total return swaps where the debt is non-recourse to the Company and is not consolidated into the Company's balance sheet.

In addition to these targets, in accordance with the requirements of the UK Listing Authority and as a matter of policy the Company has adopted the following investment restrictions:

- it will not invest more than 10 per cent. in aggregate of the value of its Gross Assets at the time of a new investment in other investment companies or investment trusts which are listed on the Official List (except to the extent that those investment companies or investment trusts have stated policies to invest no more than 15 per cent. of their gross assets in other investment companies or investment trusts which are listed on the Official List);
- it will conduct any trading activity which is significant in the context of the Company's activities as a whole; and
- it will, at all times, invest and manage its assets:
  - in a way which is consistent with its object of spreading investment risk; and
  - in accordance with its published investment policy.

To the extent that the above restrictions are no longer imposed under the Listing Rules, those investment restrictions shall not apply to the Company.

In the event of any breach of the foregoing investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company by notice sent to the registered addresses of the Shareholders or otherwise in accordance with the Articles or by an announcement issued through a Regulatory Information Service.

In accordance with the requirements of the UK Listing Authority the Company will not materially alter its investment policy without the approval of its Shareholders by ordinary resolution; such an alteration would be announced by the Company through a Regulatory Information Service.

Borrowing Policy

The Company has the power to borrow money under its Articles and may employ gearing to enhance investment returns. Under the Articles, the Company may borrow up to 50 per cent. of net assets. In addition, the Company may utilise borrowings on a short term basis to meet investment commitments pending the realisation of assets.

3. Investment Highlights

Attractive current market opportunities

The Directors believe that there are attractive opportunities in the current market to:

- obtain improved lending terms and higher yields for mezzanine debt investors;
- invest in Micro-Cap Buyouts;
- invest in strong companies at attractive terms; and
- achieve significant capital appreciation, as well as income, from Listed Bank Debt, by taking advantage of the continued dislocation in the global credit markets.

The Investment Advisor has an extensive track record of performance and sources of deal opportunities

- JZEP, the assets of which were managed by JZAI and were transferred to the Company pursuant to the Reconstruction, had an attractive performance record as set out below:

	Total return for period until 26 June 2008 (dividends reinvested)(%)		
	1 year	**3 years**	**5 years**
JZEP[12]	3.9	22.5	87.3
Russell 1000 Price Index[13]	-11.4	15.7	47.3
S&P 500 Composite Total Return Index[13]	-12.3	14.1	42.8

- Since the Reconstruction, the Company has maintained this track record of relative out performance as follows:

	Performance for period from 26 June 2008 to 31 March 2009 (%)
JZCP[14]	-28.8
Russell 1000 Price Index[15]	-37.3
S&P 500 Composite Total Return Index[15]	-36.5

- JZAI is a leader in the US Micro-Cap Buyout market and John (Jay) W Jordan II and David W Zalaznick, who are primarily responsible for the investment decisions of JZAI, have a 30-year history of successfully executing over 100 Micro-Cap Buyouts.
- The Company is able to take advantage of JZAI's attractive proprietary deal flow and large network of deal-sourcing relationships. JZAI takes an active role in all facets of the due diligence process of a Micro-Cap Buyout Investment, usually becoming involved early on in the investment review process.

12 Source: www.FundData.com, net asset value total return in US Dollars to 26 June 2008, dividends re-invested

13 Source: www.FundData.com, total return to 26 June 2008, dividends re-invested

14 Source: www.FundData.com, net asset value total return in US Dollars to from 26 June 2008 to 31 March 2009, dividends re-invested

15 Source: www.FundData.com, total return to from 26 June 2008 to 31 March 2009, dividends re-invested

- Since 1986, John (Jay) W Jordan II and David W Zalaznick, the beneficial owners of the Investment Advisor, have had significant shareholdings in the Company and its predecessor companies, thereby aligning the interests of the Investment Advisor, the Company and the Shareholders. They currently hold an aggregate of 17,529,045 Ordinary Shares, representing 17.97 per cent. of the Company.

4. Performance and Details of the Company's Investment Portfolio

Current Investment Portfolio

Substantially all of the portfolio companies in the Investment Portfolio are based in the United States but the Company may also invest in securities issued by companies based elsewhere.

As at 31 March 2009 (the last practicable date prior to the publication of this prospectus), the Company's Investment Portfolio was comprised of the following investments:

Investment	**Directors' unaudited valuation *(US$'000)***	**Percentage of Portfolio Valuation of JZCP**
Unlisted investments		
ETL Holdings/Accutest	36,258	11
Apparel Ventures	12,085	4
BG Holdings	21,507	6
Continental Cement	23,864	7
Dantom Systems	18,368	5
Dekko Technologies	5,773	2
Dental Services	24,291	7
GHW Holdings	15,446	5
HAAS TCM	7,855	2
Harrington Holdings	10,171	3
Healthcare Products Holdings	13,467	4
Kinetek	5,584	2
Metpar Industries	4,000	1
Nationwide Studios	10,530	3
Petco Animal Supplies, Inc	19,326	6
Roofing Supply	11,700	3
Sechrist Industries	14,607	4
TTS	8,389	2
Woundcare Solutions	19,479	6
Other unlisted investments	11,430	3
Listed investments	294,130	86
Safety Insurance Group, Inc	35,929	11
TAL International Group, Inc	10,129	3
Universal Technical Institute	800	0
Total investments	US$340,988	100%

Investment	Directors' unaudited valuation *(US$'000)*	Percentage of net asset value of JZCP
Cash at bank	102,547	38
Zero dividend preference shares	(181,189)	(68)
Other net assets	345,877	129
Total net assets	US$267,235	**100%**

As at 31 March 2009 (the last practicable date prior to the publication of this prospectus), the Company's investment assets comprised 46 investments as follows:

Asset class	Number of investments	Percentage of Investment Portfolio
Investments in Micro-Cap Buyouts	8	36
Cash	—	23
Mezzanine Investments	12	17
Listed Equity	3	11
Listed Bank Debt	11	7
Legacy Portfolio	12	7
Total	**46**	**100%**

As at 31 March 2009 (the last practicable date prior to the publication of this prospectus), the Investment Portfolio was diversified across the following business sectors:

Business sector	Number of investments	Percentage of Investment Portfolio
Health Care Equipment & Services	7	29
Support Services	10	23
Financial General	4	11
Hotel, Leisure & Personal Goods	7	13
Industrial Engineering	8	8
Construction Materials	4	12
Other	6	5
Total	**46**	**100%**

As at 31 March 2009 (the last practicable date prior to the publication of this prospectus), the Company's ten largest investments by value were as follows:

Company	Business sector and description	Date of investment	Asset category and valuation basis	Valuation in US$000	% of portfolio valuation	Fully diluted common equity ownership (%)	Current JZAI board membership
Accutest (ETL Holdings)	Support services – Accutest Laboratories is a full service, independent testing laboratory successfully delivering legally defensive data for more than 50 years. Founded in 1956, they provide a full range of water, soil and air testing services to industrial, engineering/consulting and government clients throughout the United States.	May 2007	Micro-Cap Buyout; Estimated market multiple valuation basis	36,258	11	38	Yes
Safety Insurance Group, Inc.	Financial general – Through its subsidiaries it provides private passenger automobile insurance in Massachusetts and also offers property and casualty insurance products, including commercial automobile, homeowners, dwelling fire, umbrella and business owner policies.	October 2001	Listed Equity	35,929	11	7	No
Dental Holdings/&Dental Services Group	Health care equipment & services – DSG is an acquiror and operator of laboratories which manufacture fixed and oral appliances for dentists and dental centers. It runs both full service labs and "sale and delivery'' sites in the United States, Canada and Mexico, making it one of the largest companies of its kind.	December 2005	Micro-Cap Buyout; Estimated market multiple valuation basis	24,291	7	34	Yes
Continental Cement Company, LLC	Construction & materials – Continental Cement Company employs 240 people and mines, manufactures and processes limestone, clay and other materials into what is commonly known as Portland Cement. Continental Cement Company is located in Hannibal, Missouri, 3,500 acres adjacent to the Mississippi River. The Company operates from one production facility in Hannibal, Missouri, two distribution facilities, a clay mining operation and one sales office.	July 2006	Mezzanine Investment; Public Company Comparable	23,864	7	0	No
BG Holdings, Inc.	Industrial engineering – The Horsburgh & Scott Co. ("H&S" or the "Company") is a privately held manufacturer of highly engineered industrial gears and mechanical gear drives, with a market leading position in the large-diameter gear market. Founded in 1886, the company offers a wide array of large gear types and engineering services for new or replacement installations, as well as custom industrial gears, repair, spare parts, heat treatment and other technical solutions. The company also provides field service for its customers. H&S' products are used in a variety of applications in steel, mining, sugar, aluminium, and power generation among other industries.	November 2007	Micro-Cap Buyout; Estimated market multiple valuation basis	21,507	6	37	Yes

Company	Business sector and description	Date of investment	Asset category and valuation basis	Valuation in US$000	% of portfolio valuation	Fully diluted common equity ownership (%)	Current JZAI board membership
Wound Care Solutions, LLC	Health care equipment & services – WCS Clinics provides management services for the development, implementation and operation of Comprehensive Wound Healing Centers. These centers are designed as outpatient departments in hospitals and are committed to the successful treatment and prevention of chronic, non-healing wounds.	October 2006	Micro-Cap Buyout; Estimated market multiple valuation basis	19,479	6	23	Yes
Petco Animal Supplies, Inc.	House, leisure & personal goods – Petco is a specialty retailer that provides products, services and advice that make it easier for pet owners to care for their pets. Petco operates more than 950 stores in 50 states and the District of Columbia, as well as a leading pet products and information destination at PETCO.com.	October 2006	Listed Bank Debt/ Mezzanine Investment	19,326	6	Less than 1	No
Document Processing/Dantom Systems, Inc.	Support services - Document Processing Corporation is the owner of Dantom Systems, Inc., a data and printing supplier to the US$150 billion U.S. debt collection industry.	April 2005	Micro-Cap Buyout; Estimated market multiple valuation basis	18,368	5	39	Yes
GHW Holdings, Inc.	Health care equipment & services – G & H is a manufacturer of orthodontic archwires and elastics and a distributor of other orthodontic products. The company specialises in “ortho force” products that make teeth move, primarily wires and elastics (rubber bands) versus products that anchor teeth in the orthodontic process. G&H also distributes many of the necessary tools and accessories used in the orthodontic practice.	December 2006	Micro-Cap Buyout; Estimated market multiple valuation basis	15,446	5	42	Yes
Sechrist Industries	Health care equipment & services – Largest U.S. manufacturer of hyperbaric oxygen chambers, as well as related respiratory care products. Its products are sold primarily to hospitals and clinic management companies, and are primarily used to treat patients with chronic wounds.	November 2005	Micro-Cap Buyout; Estimated market multiple valuation basis	14,607	4	21	Yes

Performance

As at 31 March 2009 (the last practicable date prior to the publication of this prospectus), the aggregate unaudited NAV of the Company was US$267.2 million (source: Board of JZCP), representing a decline of 8.2 per cent. since the end of the previous quarter ending 31 December 2008. The Directors believe that the Company has delivered strong relative performance during a period characterised by unprecedented value declines across most asset classes, investment strategies, sectors and industries.

For the nine month period ending 31 March 2009 (the last practicable date prior to the publication of this prospectus), the NAV decreased by US$86.1 million or 24.4 per cent., outperforming both the S&P 500 Composite Index and the Russell 1000 Price Index, both of which decreased by 37.7 per cent. for the same period. The decrease in NAV was comprised as follows:

- Investments in Micro-Cap Buyouts decreased by US$12.7 million, a decrease of 7.3 per cent.;
- Mezzanine Investments decreased by US$11.5 million, a decrease of 13.5 per cent.;
- Listed Equity decreased by US$28.2 million, a decrease of 37.5 per cent.; and
- Listed Bank Debt decreased by US$21.7 million, a decrease of 41.3 per cent.

For the nine month period ending 31 March 2009 (the last practicable date prior to the publication of this prospectus), the value of the Company's investments in Micro-Cap Buyouts was affected by the fall in public comparable multiples and the Company's decision to increase the illiquidity discount applied to the unlisted portfolio of investments from 10 to 20 per cent. Micro-Cap Buyouts, however, continued to trade relatively well in the face of challenging US economic conditions, with the EBITDA of the Company's eight principal investments in Micro-Cap Buyouts for the 12 months to 31 December 2008 up 4.8 per cent. compared to the same period in 2007.

The price of Listed Bank Debt, has been affected by the collapse in the US credit markets; the S&P Leveraged Loan Flow Names Composite Index fell by 15.8 per cent. during the nine month period ending 31 March 2009 (the last practicable date prior to the publication of this prospectus).

JZCP's relative out-performance since the Reconstruction has built on the attractive track record of its predecessor company, JZEP. JZEP's total return for the five years ending 26 June 2008 was 87.3 per cent[18], compared to the S&P 500 Composite Index and the Russell 1000 Price Index which returned 42.8 per cent. and 47.3 per cent. respectively for the same period[19].

Investments made during the period to 31 March 2009

- On 21 November 2008, JZCP invested an additional US$2.1 million in Preferred Stock of BG Holdings, Inc for continued expansion of its wind turbine capability.
- On 30 December 2008, JZCP invested an additional US$4.5 million in Preferred Stock of Accutest (ETL Holdings) as part of a US$9.0 million laboratory acquisition.
- On 27 February 2009, JZCP invested an additional US$0.6 million in Preferred Stock of BG Holdings, Inc to help it make a small product add-on acquisition.
- On 10 February 2009, JZCP invested an additional US$2.9 million in Senior Subordinated Notes in Continental Cement Company to assist the Company's growth plans.

Realisations made during the period to 31 March 2009

- On 4 November 2008, JZCP received an escrow payment from Professional Paint for US$0.5 million.
- On 4 November 2008, JZCP received an escrow payment from Mid America Recycling for US$3.6 million.

Investment Process

JZAI sources Micro-Cap Buyout transactions through a variety of channels, including a multitude of business owners, business brokers, investment banks, and other industry executives. JZAI rarely takes part in auctions; it is more likely that JZAI will create a proprietary process with a seller, allowing for a more thorough industry and company due diligence process. For these Micro-Cap

18 Source: FundData.com, net asset value total return in US dollars to 26 June 2008, dividends re-invested

19 Source: FundData.com, total return to 26 June 2008, dividends re-invested

Buyout transactions, JZAI typically hires third parties to assist in financial, industry, management and legal diligence, in addition to work it does on its own.

Potential non-Micro-Cap Buyout Investments are sourced through a variety of channels, including contacts with other private equity groups and mezzanine funds.

Although it does not have set policies regarding diversification, the Directors believe that diversity among both portfolio company business sectors and assets classes is important.

Valuation of Investment Portfolio

The Net Asset Value per Ordinary Share is calculated monthly and announced through a Regulatory Information Service. The Net Asset Value of the Company is determined and calculated by the Administrator.

Unlisted investments are valued at least twice yearly as at 31 March and 30 September. The Board's policy is to value its unlisted investments held at the relevant month end based on the last preceding valuation date unless significant events require otherwise.

The Company's valuation of its private investments is derived from employing market comparable multiples and the Company recognises that the realisation of any of these investments in current markets would be challenging. The Company has, therefore, in respect of most private investments, applied a marketability discount (based on the amount of the relevant enterprise value less senior debt) of 20 per cent. to reflect the current lack of liquidity in the merger and acquisition market.

In valuing investments in accordance with IFRS, the Directors follow a number of general principles as detailed in the International Private Equity and Venture Capital Association guidelines. Investments are valued according to the methods described under the heading ''Valuation of Investments'' in paragraph 4 of Part 5 of this prospectus.

Co-investments

JZAI plans, indirectly through an affiliated entity, to launch a new limited partnership (''Fund A'') to co-invest up to US$150 million alongside the Company on a 50/50 basis in its equity investments in Micro-Cap Buyouts. By dividing Micro-Cap equity investment opportunities between the Company and Fund A, the Company believes that it will, over time, be able to diminish concentration risk in its portfolio. JZAI (or its advising affiliated entity) may, in certain Micro-Cap Buyouts, determine that Fund A should also co-invest alongside the Company in debt securities.

JZAI may, from time to time, launch additional funds for the purpose of co-investing with the Company on such terms as the Company and JZAI shall agree.

5. Capital Structure

The share capital of the Company currently consists of Ordinary Shares and ZDP Shares and, subject to the Proposals becoming effective, will also consist of Limited Voting Ordinary Shares, additional non-Limited Voting Ordinary Shares and New ZDP Shares. Shares in the Company are designed to appeal to institutional investors, investment funds, private client fund managers and private client brokers, to be held over the medium to long-term and may not be suitable as short term investments.

Ordinary Shares (including Limited Voting Ordinary Shares)

Ordinary Shareholders are entitled to the net assets of the Company on a winding up, after all liabilities have been settled and the entitlement of the ZDP Shares and, subject to the ZDP Proposals becoming effective, the New ZDP Shares have been met. In addition, Ordinary Shareholders will be entitled on a winding up to receive any accumulated but unpaid revenue reserves of the Company, subject to all creditors, including ZDP Shareholders and, subject to the ZDP Proposals becoming effective, New ZDP Shareholders, having been paid out in full. Any distribution of revenue reserves on a winding up is currently expected to be made by way of a final special dividend prior to the Company's eventual liquidation.

The non-Limited Voting Ordinary Shares carry the right to vote at general meetings of the Company in respect of all corporate matters. The Limited Voting Ordinary Shares will carry the right to vote at general meetings of the Company in respect of all corporate matters, except that Limited Voting Ordinary Shares will only carry a limited entitlement to vote in respect of the appointment or removal of Directors and will not carry any entitlement to vote in respect of certain other matters, all as described further in paragraph 5.3 of Part 7 of this prospectus.

All Ordinary Shares will vote together as a class on all matters (other than those matters affecting only the rights of the holders of either the non-Limited Voting Ordinary Shares or the Limited Voting Ordinary Shares alone, such matters being limited to the voting rights of each respective class).

Share Consolidation

Pursuant to the Share Consolidation, each Ordinary Share, including those issued pursuant to the Ordinary Share Issue, will be consolidated on the basis that every five Ordinary Shares will be conslidated into one Ordinary Share. Accordingly, on implementation of the Share Consolidation, all holders of Ordinary Shares will hold one Ordinary Share for every five Ordinary Shares held immediately prior to the Share Consolidation. The Share Consolidation alone will have no impact on the proportionate holdings of Ordinary Shares, save for fractional share entitlements, however the overall number of Ordinary Shares in issue will be reduced by a factor of five. Following the Share Consolidation, the rights attaching to Ordinary Shares (both non-Limited Voting Ordinary Shares and Limited Voting Ordinary Shares) will remain unchanged. Following approval by Ordinary Shareholders, the Share Consolidation will become effective on the third dealing day following Ordinary Share Admission, expected to be 23 June 2009.

Limited Voting Ordinary Shares

General

Limited Voting Ordinary Shares will be issued fully paid at the Issue Price and will be identical to, and rank *pari passu* in all respects with, the New Ordinary Shares except that the Limited Voting Ordinary Shares will only carry a limited entitlement to vote in respect of the appointment or removal of Directors and will not carry any entitlement to vote in respect of certain other matters. Further details of the Limited Voting Ordinary Shares are set out in paragraph 5.3 of Part 7 of this prospectus.

The Limited Voting Ordinary Shares will not be listed on the Official List and will not be traded on or through the facilities of the London Stock Exchange.

Weighted Voting Rights in Respect of the Appointment and Removal of Directors

Each Ordinary Share will be entitled to one vote per share, except that the voting rights of each Limited Voting Ordinary Share will be reduced in accordance with a weighting mechanism in respect of votes concerning the appointment and removal of Directors only. Further details of the weighting mechanism are set out in paragraph 5.3 of Part 7 of this prospectus

Conversion of Limited Voting Ordinary Shares into non-Limited Voting Ordinary Shares

The Limited Voting Ordinary Shares will be convertible at any time into the equivalent number of non-Limited Voting Ordinary Shares either (a) at the holder's request upon certification by the holder that it is not a, and is not holding for the account or benefit of any, US Person or (b) automatically in the event that (i) a takeover offer for the Company is declared unconditional in all respects or (ii) proposals for the liquidation or winding-up of the Company have been approved by the Shareholders in a general meeting or the Company is compulsorily wound up.

ZDP Shares

The ZDP Shares are designed to provide a pre-determined final capital entitlement of 215.89 pence per ZDP Share on 24 June 2009 which ranks behind the Company's creditors (if any) but in priority to the capital entitlements of the Ordinary Shares. ZDP Shares do not carry any entitlement to income and the whole of their return will therefore take the form of capital.

As is usual for securities of this type, the ZDP Shares do not carry the right to vote at all general meetings of the Company but they do carry the right to vote as a class on certain proposals which would be likely to affect materially their position and on any resolution concerning the appointment or removal of Directors.

New ZDP Shares

The New ZDP Shares are substantially similar to the existing ZDP Shares in that they are designed to provide a pre-determined final capital entitlement which ranks behind the Company's creditors (if any) but in priority to the capital entitlements of the Ordinary Shares. They will not carry any entitlement to income and the whole of their return will therefore take the form of capital except in the event of a winding up where ZDP Shareholders will be entitled to any accumulated but unpaid revenue reserves if, and to the extent that, any capital entitlements in relation to the ZDP Shares remain outstanding. The Final Capital Entitlement of New ZDP Shares will be 369.84

pence on 22 June 2016, being the New ZDP Repayment Date (subject to there being sufficient assets available). Based on the assumptions, including an assumed ZDP Issue Price of 215.80 pence per share as at 22 June 2009, this equates to a gross Redemption Yield of 8.0 per cent. per annum on the ZDP Issue Price[20] and 8.0 per cent. per annum on the illustrative initial capital entitlement. The minimum Cover over the Final Capital Entitlement is 3.0 times[21] as at the date of ZDP Admission.

As with the ZDP Shares, the New ZDP Shares will not carry the right to vote at all general meetings of the Company but they will carry the right to vote as a class on certain proposals which would be likely to affect materially their position. Unlike the ZDP Shares, the New ZDP Shares will not carry the right to vote on any resolution concerning the appointment or removal of Directors.

Further New ZDP Shares (or any shares or securities which rank *pari passu* with the New ZDP Shares) may be issued without the separate class approval of New ZDP Shareholders or ZDP Shareholders whether or not the cover for the New ZDP Shares or ZDP Shares at the time of issue would be decreased, if the Directors consider such issue to be in the best interests of the Company and its Shareholders as a whole.

Further details of the New ZDP Shares, including a summary of the proposed amendments to the Articles to include the rights attaching to the New ZDP Shares and to facilitate the conversion of ZDP Shares into New ZDP Shares under the ZDP Rollover Offer, are set out in Part 4 of the ZDP Prospectus.

6. Forced Sale of Shares

The Company has identified 1,722,129 Ordinary Shares (the ''Forced Sale Shares'') that are held by persons that appear to the Directors to be Non-Qualified Holders in breach of restrictions imposed by the Company in its Articles in order to comply with the US Investment Company Act.

In accordance with the Articles, on 21 May 2009 the Directors served a final written notice to the holders of the Forced Sale Shares requiring them within 14 days either (a) to make a required disposal of such shares within the meaning of the Company's Articles (a ''Required Disposal'') or (b) to show to the satisfaction of the Directors that they are not Non-Qualified Holders.

If one or more of such holders does not either make a Required Disposal or show that they are not Non-Qualified Holders (each such holder a ''Defaulting Holder''), the Directors intend to exercise their powers under the Articles to arrange for a Required Disposal to be made on their behalf in order for the Company to remain in compliance with applicable regulatory requirements.

The Company has considered the various options available to it to effect a Required Disposal, including a purchase of the Forced Sale Shares by the Company or a market sale of the shares. However, the Board has concluded that these options cannot be effected in compliance with applicable regulatory requirements or, due to the number of shares to be sold in the market at a time when the Company itself is offering new shares, are not in the best interests of the Company's shareholders, including the Defaulting Holders. Accordingly the Company has reached agreement with John (Jay) W Jordan II and David Zalaznick whereby each has conditionally and irrevocably undertaken to acquire free of any commissions or charges, at the Issue Price, such number of the Forced Sale Shares as are the subject of a Required Disposal and not disposed of by the Defaulting Holder within the time specified in the notice, the proceeds of any Required Disposal being for the account of the Defaulting Holder. The Company has also agreed to give an unlimited indemnity to John (Jay) W Jordan II and David Zalaznick against any claims which may be brought by any Defaulting Holder in relation to the Required Disposal. As the Company is acting in accordance with the powers that is has under its Articles, the Directors do not believe that any claim that might arise in respect of the exercise of the forced sale provisions in accordance with the Articles would be valid as a matter of Guernsey law.

The proposed unlimited indemnities associated with the acquisition of Forced Sale Shares by each of John (Jay) W Jordan II and David Zalaznick, by virtue of being uncapped, will each constitute a

20 The redemption yield of a New ZDP Share is not and should not be taken as a forecast of profits and there can be no assurance that the New ZDP Shares will be repaid in full on the New ZDP Repayment Date.

21 Calculated as gross asset value as at 28 February 2009 less (i) capitalised annual management fees and other costs through to the ZDP Repayment Date, (ii) the maximum ZDP Shares available for roll over as at 24 June 2009, each rolled over at 215.80 pence per share, and (iii) the final capital entitlement for ZDP Shares (adjusted for the maximum ZDP Shares available for roll over as at 24 June 2009), divided by the Final Capital Entitlement. The calculation does not factor in potential movements in foreign exchange through to the New ZDP Repayment Date.

transaction of a sufficient size (classified as a ''class 1'' transaction under the Listing Rules) and therefore must be approved by Ordinary Shareholders at the EGM. Neither John (Jay) W Jordan II nor David Zalaznick will vote on any Resolution in respect of the transactions to which he is a related party (for the purposes of the Listing Rules). The Listing Rules require that transactions between the Company and its related parties during a 12 month period must be aggregated for the purposes of shareholder approval and therefore the irrevocable commitments and the associated unlimited indemnities must be approved together at the EGM.

7. Working Capital

The Company is of the opinion that it does not have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

The Company currently has 45,662,313 ZDP Shares in issue which have a redemption date of 24 June 2009 and a total redemption cost (including the cost of an associated forward foreign exchange contract) of US$185.9 million. As at 30 April 2009, the Company had cash deposits of approximately US$103.7 million. The Directors believe that the Company would have a funding shortfall of US$82.2 million on 24 June 2009 and a maximum funding shortfall in the next 12 months following the date of this prospectus of US$83.8 million, as a result of the timing of receipts of income and expenses during this period.

The Board intends to use part of the net cash proceeds of the Ordinary Share Issue to meet the liability for the ZDP Share redemption. The Company has received irrevocable commitments from both existing and new investors to subscribe for US$86.0 million in the Ordinary Share Issue, which together with the existing cash deposits of US$103.7 million on 30 April 2009, would be sufficient to satisfy the liability for the ZDP Share redemption in full. The Ordinary Share Issue requires certain Resolutions to be approved by the Ordinary Shareholders, some of which require a majority of 75 per cent. of the votes cast by those Ordinary Shareholders voting at the EGM, which is expected to be held on 18 June 2009. **The Directors are confident, assuming that the Ordinary Share Issue proceeds (and commitments under the irrevocable commitments referred to above are forthcoming), that the Company would rectify the current shortfall in working capital for its present requirements, that is for at least the next 12 months from the date of this prospectus.**

In order to reduce the Company's liability in connection with the ZDP Share redemption, the Board has announced the ZDP Proposals at the same time as announcing the Ordinary Share Issue. The final outcome of the ZDP Proposals will not be known until the closing of the ZDP Proposals and is dependent upon approval by ZDP Shareholders at the ZDP Class Meeting expected to be held on 18 June 2009. The resolution to be proposed at the ZDP Class Meeting will require a majority of 75 per cent. of the votes cast at that meeting in order to be passed.

If the Ordinary Share Issue does not proceed and the Company has a funding shortfall as a consequence of either the ZDP Proposals not proceeding, or the ZDP Proposals proceeding, but not sufficiently to reduce the maximum funding shortfall in the next 12 months, the Company proposes to rectify the funding shortfall by 24 June 2009 through a number of other initiatives, including, not in order of priority:

- disposing of its listed equity and debt investments;
- disposing of its mezzanine debt investments;
- disposing of its other assets; and
- negotiating a loan facility.

The Board has commenced evaluating the above options, although remains confident that its proposals for both the Ordinary Share Issue and the ZDP Proposals will, if successful, be sufficient to meet the maximum funding shortfall.

To the extent that such actions are not successful and the Company is unable to secure other sources of finance, the Company would be unable to redeem the ZDP Shares and would not be able to trade as a going concern. If the Company is unable to redeem the ZDP Shares in accordance with their terms on 24 June 2009 and in the absence of any other proposal which would provide ZDP Shareholders within 21 days of an amount of cash not less than such holders would otherwise have been entitled to receive on a winding up of the Company, the Board, in accordance with the Articles, would be required to convene an extraordinary general meeting where a resolution requiring the Company to be voluntarily wound up would be proposed. At that

general meeting, in accordance with the Articles, if any ZDP shareholder votes in favour of the resolution, irrespective of the votes cast against the resolution, the resolution would be passed and the Company would be wound up.

8. Dividend Policy

The Company generally aims to distribute substantially all of the net revenues of the Company (after payment of expenses and taxation) to Ordinary Shareholders in the form of dividends paid in US dollars (with a right for Ordinary Shareholders to elect to receive dividends in GB sterling instead).

The Board has not yet decided whether to declare a final dividend for the period to 28 February 2009. Following completion of the Proposals, the Board will evaluate the Company's financial and capital resources and consider whether or not to declare a final dividend in respect of such period. In the event that the Board decides to declare a final dividend to 28 February 2009, all existing Ordinary Shareholders on the register as at the record date for any such dividend will rank for the final dividend. Holders of New Ordinary Shares and, save for Limited Voting Ordinary Shares arising on conversion of existing Ordinary Shares pursuant to the Proposals, Limited Voting Ordinary Shares will not be entitled to the final dividend, if any, declared in respect of the period to 28 February 2009.

The New Ordinary Shares will rank *pari passu* in all respects with the existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares, save for the final dividend declared, if any, in respect of the period to 28 February 2009.

9. Discount Control and Purchase of Own Shares by the Company

The Company currently has and it is the intention of the Directors to seek authority from Shareholders on a regular basis to allow the Company to repurchase Shares in the market to limit any significant discount on the Company's market price to the Company's Net Asset Value. The Listing Rules require that such authority is limited to less than 15 per cent. of the Company's issued share capital at the time of the shareholder vote. It is the intention of the Directors to seek additional authority should it become necessary to repurchase 15 per cent. or more of the Company's share capital in the course of any one financial year.

Purchases of Ordinary Shares will only be made through the market for cash at prices below the prevailing Net Asset Value per Ordinary Share and where the Directors believe such purchases will result in an increase in the Net Asset Value per Ordinary Share of the remaining Ordinary Shares. Such purchases will only be made in accordance with Guernsey law and the rules of the UK Listing Authority, which currently provide that the maximum price to be paid per share must not be more than five per cent. above the average of the mid-market values of the shares of the relevant class for the five business days before the purchase is made.

10. Use of Derivatives

The Company may use derivatives for the purposes of efficient portfolio management and risk mitigation, including for hedging purposes such as in relation to foreign currencies or interest rate risk. The Company may also use derivatives as part of its investment policy and may take a synthetic exposure to an investment position in circumstances where the derivative contract is more efficient or cost effective than a position would be in the underlying security.

In the case of derivatives used to take synthetic exposures, there may not be a reliable price correlation between price movements in the underlying securities and the derivative instrument. In addition, an active market may not exist for a particular derivative instrument at any particular time. The Company may also use derivatives that are highly geared to underlying price movements which may expose the Company to significant capital losses in extreme market circumstances.

The Company's policy to manage the risks associated with any derivatives investments is to employ a hedging strategy such that the maximum total loss on any single investment is restricted, via a hedge, to one per cent. of NAV from time to time and that the total loss across all derivative investments is restricted to five per cent, of NAV from time to time. As at the date of this prospectus, the proportion of the Company's portfolio dedicated to the derivatives investment strategy is zero per cent.

11. Currency and Hedging

The Company accounts for its activities and reports its results in US dollars and its investments are primarily made and realised in US dollars, whilst the Shares are and will continue to be quoted in GB sterling, the redemption value of the ZDP Shares is fixed in GB sterling and the redemption value of the New ZDP Shares will be fixed in GB sterling. The Company acquired the benefit of the ISDA Forward Contract in order to protect Shareholders against the GB sterling cost of the ZDP Share redemption on 24 June 2009 (thus replicating the historic currency hedging arrangement of JZEP). The Company may engage in other currency hedging arrangements as the Board sees fit.

12. Report and Accounts

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards. The annual accounts of the Company are made up to 28 February in each year. The first financial year end will be 28 February 2009 and will cover the period from 14 April 2008 (date of incorporation) to 28 February 2009.

The Company's annual report and accounts will be available for inspection at the Company's registered office.

The Company's auditors are Ernst & Young LLP, the majority of whose partners are members of the Institute of Chartered Accountants in England and Wales.

13. Fees and Expenses

Ongoing and annual expenses

The Investment Advisor provides and pays for the compensation and routine overhead expenses of the investment professionals of the Investment Advisor and the staff engaged in providing investment advisory and management services to the Company. The Company bears all other ongoing and annual costs and expenses of its operations and transactions. These costs and expenses will include the following:

- investment advisory and management fees (including the incentive fee);
- the organisation of the Company;
- fees and expenses payable to auditors, lawyers and other professional advisers;
- the costs of calculating the Company's Net Asset Value (including the cost and expenses of any independent valuation firm);
- expenses incurred by the Investment Advisor payable to third parties, including agents, consultants or other advisors, in monitoring the Company's financial and legal affairs and in initiating and monitoring the Company's investments (including the negotiating, closing, monitoring and maintaining of their documentation) and performing due diligence on its prospective portfolio companies;
- interest payable on debt, if any, incurred to finance the Company's investments;
- offerings of Shares and other securities;
- fees and out-of-pocket expenses of the Administrator under the Administration and Registrar Agreement;
- fees payable to third parties, including, the transfer agent, other agents, consultants or other advisors, relating to, or associated with, evaluating and making investments, and custodial fees;
- all registration fees;
- all fees payable in connection with the listing of Shares on any securities exchange;
- all taxes, directors' fees and expenses;
- costs of preparing and filing reports or other documents;
- costs of any reports, circulars or other notices to Shareholders, including printing costs; and
- directors and officers errors and omissions liability insurance, and any other insurance premiums.

Investment Advisor fees

Pursuant to the Advisory Agreement, the Company pays to the Investment Advisor a base management fee and an incentive fee, as set out below:

Base management fee

The base management fee is calculated at an annual rate of 1.5 per cent. of the Company's Gross Assets and is payable quarterly in advance. The base management fee is calculated based on the average value of the total assets under management of the Company by the Investment Advisor. The Investment Adviser's base fee is allocated 65 per cent. to revenue and 35 per cent. to realised capital reserve.

Incentive fee

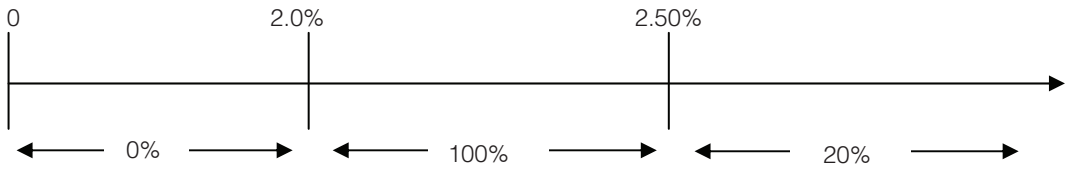
The incentive fee has two parts: an income incentive fee and a capital gains incentive fee.

The income incentive fee is calculated based on the Company's net investment income for each quarter and is payable quarterly in arrears. The income incentive fee is equal to up to 20 per cent. of such income provided that the net investment income for the quarter exceeds 2 per cent of the average of the Net Asset Value of the Company at the end of that quarter and the preceding quarter (the ''hurdle''). The fee is an amount equal to (a) 100 per cent of that proportion of the net investment income for the quarter as exceeds the hurdle, up to an amount equal to 25 per cent. of the hurdle, and (b) 20 per cent. of the net investment income of the Company above 125 per cent. of the hurdle. The following is a graphical representation of the calculation of the income-related portion of the incentive fee:

Quarterly Incentive Fee Based on Net Investment Income

Net Investment Income
(expressed as a percentage of the value of net assets)

Percentage of Net Investment Income
allocated to income-related portion of incentive fee



The fee is paid as follows:

- no incentive fee in any calendar quarter in which net investment income does not exceed the hurdle rate of 2.0 per cent. of net assets;
- 100 per cent. of net investment income with respect to that portion of net investment income, if any, as exceeds the hurdle rate but is less than 2.50 per cent. of net assets in any calendar quarter. This ''catch-up'' portion of net investment income (which exceeds the hurdle rate but is less than 2.50 per cent.) is intended to provide the Investment Advisor with an incentive fee of 20 per cent. on all net investment income as if a hurdle rate did not apply when net investment income exceeds 2.50 per cent. in any calendar quarter; and
- 20 per cent. of the amount of net investment income, if any, that exceeds 2.50 per cent. of the value of the Company's net assets in any calendar quarter.

The income incentive fee will be adjusted at the end of each financial year to ''true up'' quarterly payments against an annual hurdle of eight per cent. per annum, with any shortfall being paid by the Company and any excess payments being set off against future income incentive fees earned.

The capital gains incentive fee is payable for each financial year of the Company and equals 20.0 per cent. of all realised capital gains of the Company, if any, on a cumulative basis to the end of the relevant financial year, computed net of all realised capital losses of the Company, if any, again on a cumulative basis to the end of the relevant financial year, less the aggregate amount of all capital gains incentive fees previously paid by the Company to the Investment Advisor. Notwithstanding the foregoing, the Investment Advisor may structure investments by the Company in such ways that allows the capital gains incentive fee to be structured as a participation by the

Investment Advisor in the capital profits realised by the Company on its investments by the Investment Advisor purchasing, side-by-side with the Company, 20.0 per cent. of common equity investments available to the Company, such purchase to be at the same price and on the same terms as made available to the Company provided that, in connection with any such investment so structured, any capital gains profits realised therefrom by the Investment Advisor shall be subject to reimbursement to the Company if and to the extent that such profits would (had such investment not been so structured) have been offset by current year or prior realised capital losses in connection with the calculation of any capital gains incentive fee payable as provided above.

Subject to approval by Shareholders at the EGM, the Company and the Investment Advisor intend to enter into an amended and restated advisory agreement pursuant to which the Advisory Agreement shall be amended such that upon termination of the agreement, JZAI be entitled to receive a close out capital gains incentive fee on all unrealised gains net of unrealised losses and carried forward losses (currently such fee is only payable in respect of realised gains net of realised losses upon termination).

All investment professionals of the Investment Advisor and their staff, when and to the extent engaged in providing investment advisory and management services under the Advisory Agreement, and the compensation and routine overhead expenses of such personnel allocable to such services, will be provided and paid for by the Investment Advisor and not by the Company. The Investment Advisor, however, is entitled to reimbursement of all other costs and expenses properly incurred by it and directly necessitated by its dealings with the Company.

The Investment Advisor is authorised to enter into one or more sub-advisory agreements with other investment advisors provided that, save with the prior consent of the Board, no such sub-advisor who operates from the United Kingdom shall be appointed. The Investment Advisor, and not the Company, shall be responsible for any compensation payable to any sub-advisor, *excluding, however,* the fees of any sub-advisor up to an annual amount not to exceed 0.5 per cent. of the value of the assets subject to the management of such sub-advisor which, with the consent of the Board (such consent not to be unreasonably withheld), shall be payable by the Company provided that the aggregate amount so payable by the Company in any year to all sub-advisers shall not exceed an amount equal to 0.5 per cent. of the Company's Gross Assets.

If the Investment Advisor or any of its affiliates is retained by a company in which the Company has an investment (including a Micro-Cap Buyout) to provide services as a director, a financial advisor (including in connection with financings and refinancings, securities offerings and business acquisitions and disposals), a management consultant or in another capacity, the Investment Advisor or its affiliate (as applicable) may accept and retain fees for such services and expense reimbursements on terms which are customary for third parties performing such services. Such fees shall not exceed the rates or amounts set forth in a schedule to the Advisory Agreement unless otherwise agreed from time to time between the Board and the Investment Advisor.

Administrator's fees

The Administrator is entitled to a fee of US$400,000 for the first year from its appointment. Fees are payable quarterly in arrears, and subject to review one year after incorporation and annually thereafter.

Custodian's fees

The Custodian is entitled to a minimum annual safekeeping fee of US$2,500 and US$5,000 for domestic and global custody respectively.

UK Transfer Agent's fees

The UK Transfer Agent is entitled to fees for each action undertaken in respect of maintenance of the Company's register of members, transfers of Shares, annual general meetings, reports and analysis in respect of the Company's register of members and payment of dividends, subject to a minimum annual fee for the first year of £13,500 (retail price index linked in subsequent years).

Directors' fees

Each Director is paid a fee of US$60,000 per annum (US$85,000 for the chairman).

PART 4 – DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. Directors

The Board has overall responsibility for the Company's activities and the determination of its investment policy and strategy and accordingly the Board will supervise the Investment Advisor together with the other functionaries appointed by the Company.

The Directors, all of whom are non-executive, are David Macfarlane (Chairman), David Allison, Patrick Firth, James Jordan and Tanja Tibaldi. Each of the Directors is considered by the Board to be independent of the Investment Advisor.

David Macfarlane (aged 63)

David was appointed to the board of JZEP in November 2006 and also served as chairman of the nominations committee of JZEP. Until 2002 David was a senior corporate partner at Ashurst. He was a non-executive director of the Platinum Investment Trust Plc from 2002 until January 2007, and is presently senior independent director of an AIM quoted company and a director of three private companies.

David Allison (aged 55)

David was appointed to the Board of JZCP in April 2008. He is a lawyer qualified in both England and Guernsey and was managing director with full management responsibility for running Rothschild's trust operations in Guernsey and Bermuda. He is currently executive director of a fiduciary services group in which he is also a shareholder and a non-executive director of a number of listed and unlisted offshore investment companies, including funds in the property, energy, infrastructure and emerging markets sectors.

Patrick Firth (aged 47)

Patrick was appointed to the Board of JZCP in April 2008 and is Managing Director of Butterfield Fulcrum Group (Guernsey) Limited. He is based in Guernsey and holds a number of directorships for offshore funds and management companies. He qualified as a Chartered Accountant with KPMG in 1990 and is also a Member of The Securities Institute. He joined Rothschild Asset Management (C.I.) Limited in 1992, where he assumed responsibility for combined assets in excess of US$3 billion. He gained experience in funds of funds, direct investment funds and venture capital funds. On the acquisition of the company by BISYS Fund Services in February 1999, he became Head of Operations and subsequently Managing Director before moving to Butterfield in 2002.

James Jordan (aged 65)

James was appointed to the board of JZEP in December 1986. He is a private investor, who until 30 June 2005 was managing director of Arnhold and S. Bleichroeder Advisers, LLC, a New York based firm of asset managers. He is currently a non-executive director of Leucadia National Corporation and the First Eagle Funds.

James Jordan is not related to John (Jay) W Jordan II of Jordan/Zalaznick Advisers, Inc.

Tanja Tibaldi (aged 44)

Tanja was appointed to the board of JZEP in January 2005. Until 2004, Tanja was Managing Director at Fairway Investment Partners, a Swiss asset management company where she was responsible for the group's marketing and co-managed two funds of funds. Previously, she was an executive at SWX, the Swiss Stock Exchange. Currently, Tanja serves on the board of several private companies.

2. Investment Advisor

Jordan/Zalaznick Advisers, Inc. (the ''Investment Advisor'' or ''JZAI''), a private corporation incorporated in Delaware, is the investment advisor which manages the Company's investments and advises on the Company's investment strategies. Subject to the overall supervision of the Board, the Investment Advisor is responsible for the management of the Company's assets. JZAI was formed in 1986 for the purpose of advising the board of JZEP, then known as Mezzanine Capital and Income Trust 2001 plc, on investments in leveraged securities, primarily related to private equity transactions. JZAI also provides financial and strategic advisory services to portfolio

companies including providing strategic counsel, arranging capital for expansion and advising on mergers and acquisitions.

JZAI is a leader in the US Micro-Cap Buyout market sourcing investments in Micro-Cap Buyouts through a wide network of independent business brokers that has been built up over 30 years. John (Jay) W Jordan II and David W Zalaznick, who are primarily responsible for the investment decisions of JZAI, have a 30-year history of successfully executing over 100 Micro-Cap Buyouts. Four of the six other investment professionals of JZAI each have over ten years' experience in identifying, financing and consulting companies involved in middle market leveraged buyouts. JZAI is an affiliate of The Jordan Company, L.P. (''TJC'') a private investment limited partnership based in New York with US$5 billion under management, including the Resolute Fund I, LLP and the Resolute Fund II, LLP, as at 31 December 2008.

JZAI employs a conservative approach to leveraging the Company's investments, with the average senior debt multiple for the Company's eight principal investments in Micro-Cap Buyouts being 1.4 times EBITDA for the 12 months to 31 December 2008. JZAI takes an active role in all facets of the due diligence process in respect of a Micro-Cap Buyout Investment, usually becoming involved early on in the investment review process.

JZAI's affiliate, Bolder Capital, invests in Micro-Cap Buyouts in conjunction with the private equity funds managed by Edgewater Growth Capital Partners (the ''Edgewater Funds''). Bolder Capital is focused on proprietary sourcing, buying and building businesses in partnership with management. Micro-Cap Buyout Investments are funded through a 50/50 joint venture between the Company and the Edgewater Funds.

JZCP's investment in a Micro-Cap Buyout Investment typically includes non-voting equity stock representing between 30 and 45 per cent. of a company's fully diluted common equity. JZCP does not have any rights to board representation of Micro-Cap Buyout companies, however JZAI will usually hold a minority of board seats, enabling JZAI to be familiar with and involved in such companies' major business decisions.

Since 1986, John (Jay) W Jordan II and David W Zalaznick, the beneficial owners of the Investment Advisor, have had significant shareholdings in the Company and its predecessor companies, thereby aligning the interests of the Investment Advisor, the Company and the Shareholders. They currently hold an aggregate of 17,529,045 Ordinary Shares, representing 17.97 per cent. of the Ordinary Shares of the Company.

Details of key men at the Investment Advisor:

David W Zalaznick (aged 55)

David is Chairman of JZAI and a Managing Principal of TJC. Prior to founding TJC in January 1982 and JZAI in 1986, David was a partner in the Carl Marks Leveraged Buyout Group and formerly an investment banker with Merrill Lynch & Co. He serves on the board of directors of Cebridge Connections Holdings, LLC, Sensus Metering Systems Ltd., TAL International Group, Inc., TJCC Holdings, LLC, Wound Care Solutions, LLC and many other private companies. David is a Trustee and Vice Chairman of the board of Trustees of Cornell University and serves as Chairman of the board's Finance Committee and as a member of its Private Equity Committee. David holds a BA in Economics from Cornell University and an MBA from Columbia University's Graduate School of Business.

John (Jay) W Jordan II (aged 61)

Jay is President of JZAI and a Managing Principal of TJC. Prior to founding TJC in January 1982 and JZAI in 1986, Mr. Jordan spent nine years with Carl Marks & Co., Inc. He serves on the board of directors of Sensus Metering Systems Ltd., TAL International Group, Inc., TJCC Holdings, LLC, TTS, LLC, Wound Care Solutions, LLC, and many other private companies. Jay is a Trustee of the University of Notre Dame and serves as Chairman of the board's Investment Committee. Jay also received an AB in Business Administration from the University of Notre Dame and attended Columbia University's Graduate School of Business.

Gordon L. Nelson, Jr. (aged 51)

Gordon is a Senior Managing Director and the Chief Investment Officer of JZAI. Gordon joined Jordan Industries in 1996. He previously worked as an officer in the Financial Sponsors Coverage group at Bank of Boston and as a Consultant at Bain & Company. Gordon has a BA from Harvard College and an MBA from the Amos Tuck School of Business Administration at Dartmouth College.

Todd Lanscioni (aged 42)

Todd is a Managing Director at JZAI. Todd joined Jordan Industries in 1998 in Business Development and he previously worked in LaSalle Bank's Corporate Banking Department. He has a BS from Indiana University and an MBA from the University of Chicago's Graduate School of Business.

Emmett Mosley (aged 33)

Emmett is a Managing Director at JZAI. He joined Jordan Industries in 1997 in Business Development and has a BA from the University of Notre Dame.

Todd Hamilton (aged 38)

Todd is a Managing Director of JZAI and the founder of Bolder Capital. Before joining the JZAI team, he was the Chairman of Bear Holdings, CEO of CAMP Systems International and a Co-founder of Greyrock Capital Partners. Todd has a BS/BA from the University of Denver.

3. Advisory Agreement

The Company has entered into an investment advisory and management agreement with the Investment Advisor. Subject to the overall supervision of the Board, the Investment Advisor acts as the investment manager to the Company and manages the investment and reinvestment of the assets of the Company in pursuit of the investment objective of the Company and in accordance with the investment policies and investment guidelines from time to time of the Company and any investment limits and restrictions notified by the Board (following consultation with the Investment Advisor).

Pursuant to the Advisory Agreement, the Company pays to the Investment Advisor a base management fee and an incentive fee. Details of these fees are set out in paragraph 13 of Part 3 of this prospectus.

The Investment Advisor is authorised to enter into one or more sub-advisory agreements with other investment advisors provided that, save with the prior consent of the Board, no such sub-advisor who operates from the United Kingdom shall be appointed.

If the Investment Advisor or any of its affiliates is retained by a company in which the Company has an investment (including a Micro-Cap Buyout) to provide services as a director, a financial advisor (including in connection with financings and refinancings, securities offerings and business acquisitions and dispositions), a management consultant or in any other capacity, the Investment Advisor or its affiliate (as applicable) may accept and retain fees for such services and expense reimbursements on terms which are customary for third parties performing such services. Such fees shall not exceed the rates or amounts set forth in a schedule to the Advisory Agreement unless otherwise agreed from time to time between the Board and the Investment Advisor.

Either party may terminate the Advisory Agreement on not less than 24 months' prior notice (or such lesser period as may be agreed by the other) to the other, without cause provided that no such notice may be served until after 1 July 2010. Subject to approval by Shareholders at the EGM, the Company and the Investment Advisor propose to amend the term of the Advisory Agreement such that either party may terminate the Advisory Agreement on not less than 30 months' prior notice (or such lesser period as may be agreed by the other) to the other, without cause provided that no such notice may be served prior to the 30 months after the effective date of such amendment.

Either party may also terminate the Advisory Agreement (i) on not less than 60 days' prior notice to the other, if the other commits any material breach with respect to its obligations under the Advisory Agreement and fails (in the case of a breach capable of rectification) to make good such breach within 30 days of receipt of notice from the other requiring it to do so; (ii) forthwith upon written notice to the other if (w) the other is dissolved or goes into liquidation (other than solely for the purposes of a solvent amalgamation or reconstruction); (x) the other is unable to pay its debts as they fall due or makes any compromise with its creditors generally or any proposals with regard to such a compromise or otherwise commits any act of bankruptcy; (y) a receiver is appointed over all or a substantial portion of its assets; or (z) the other ceases to hold any license, permission, authorisation or consent necessary for the performance of its duties under the Advisory Agreement.

The Investment Advisor and its affiliates shall not be liable to the Company for any action taken or omitted to be taken by the Investment Advisor in connection with the performance of any of its

duties or obligations under the Advisory Agreement or otherwise as an investment advisor or manager of the Company, and the Company shall indemnify, defend and protect the Investment Advisor and its affiliates from and against all damages, liabilities, costs and expenses arising out of or otherwise based upon the performance of any of the investment advisor's duties or obligations under the Advisory Agreement or otherwise as an Investment Advisor or manager of the Company, save for any damages, liabilities, costs or expenses arising by reason of wilful misfeasance, bad faith or gross negligence in the performance of the Investment Advisor's duties or by reason of the reckless disregard of the Investment Advisor's duties and obligations under the Advisory Agreement.

4. Corporate Governance

The Board meets at least quarterly to direct and supervise the Company's affairs. This includes reviewing the investment strategy, risk profile and performance of the Company and the performance of the Company's functionaries.

The Directors recognise the importance of the Combined Code and the AIC Code (which establishes a framework of best practice specifically for boards of investment companies) and will continue to take measures considered appropriate for an investment company to ensure proper corporate governance and to enable the Company to comply with the recommendations of the Combined Code and the AIC Code, except for the establishment of a separate remuneration committee (referred to below) or as otherwise may be disclosed from time to time.

For the purposes of assessing compliance with the Combined Code, the Board considers that all of the Directors are independent of the Investment Advisor and, with the exception of Patrick Firth, are free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

In accordance with the Combined Code, the Board has established an audit committee and a nomination committee, in each case with formally delegated duties and responsibilities within written terms of reference.

The audit committee is chaired by Patrick Firth, and each of the other directors are also members. Members of the committee have no links with the Company's external auditors and are independent of the Investment Advisor. The audit committee meets not less than once a year and meets the external auditors at least once a year.

The audit committee is responsible for overseeing the Company's relationship with the external auditors, including making recommendations to the Board on the appointment of the external auditors and their remuneration. The committee considers the nature, scope and results of the auditors' work and reviews, develops and implements policy on the supply of any non-audit services that are to be provided by the external auditors. It receives and reviews reports from the Investment Advisor and the Company's external auditors relating to the Company's annual report and accounts. The audit committee focuses particularly on compliance with legal requirements, accounting standards and the Listing Rules and ensures that an effective system of internal financial and non-financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board.

The nomination committee is chaired by David Macfarlane, and each of the other directors are also members. The members of the committee are independent of the Investment Advisor. The nomination committee meets not less than once a year, has responsibility for considering the size, structure and composition of the Board, and retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board.

The Directors do not consider it necessary for the Company to have a separate remuneration committee. All of the matters recommended by the Combined Code to be delegated to such committee are considered by the Board as a whole.

The identity of each of the chairmen of the committees referred to above is reviewed on an annual basis. The membership of these committees and their terms of reference are kept under review.

The performance of the chairman is assessed by the other directors.

Save for the fact that a separate remuneration committee has not been established, the Company has put in place procedures to comply fully with all aspects of the Combined Code.

The Company includes in each annual report a statement as to whether, in the opinion of the Directors, the continuing appointment of the Investment Advisor on the terms agreed continues to be in the interests of Shareholders.

There is no applicable regime of corporate governance to which directors of a Guernsey company must adhere over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under Guernsey law. The Directors, however, recognise the importance of good corporate governance and have and will continue to comply with the Combined Code to the extent practicable and commensurate with the size and operations of the Company. The only intended departure from the Combined Code is that, as mentioned above, a separate remuneration committee has not been established. The Company has adopted the Model Code on dealings of directors and employees in securities as set out in Annex I, Chapter 9 of the Listing Rules for the Directors and has and will continue to take steps to ensure compliance by the Directors with the terms of this code.

5. Conflicts of Interest

The Investment Advisor and its affiliates serve as the investment advisor and manager to other clients. As a result, the Investment Advisor (and its affiliates) may have conflicts of interest in allocating investments among the Company and their other clients and in effecting transactions between the Company and other clients, including ones in which the Investment Advisor (and its affiliates) may have a greater financial interest. Where appropriate, the Investment Advisor and its affiliates may give advice or take action with respect to such other clients that differs from the advice given with respect to the Company.

The services of the Investment Advisor to the Company are not exclusive, and the Investment Advisor and its affiliates may engage in any other business or render similar or different services to others, including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, howsoever structured, having investment objectives similar or dissimilar to those of the Company (''other funds''), so long as the services to the Company under the Advisory Agreement are not impaired thereby.

In cases where it may be possible, in accordance with the terms of the relationship between the Investment Advisor or any of its affiliates with another fund (e.g. presently, Jordan Industries, Inc., JZ International, LLC, The Resolute Fund, L.P. or The Resolute Fund II, L.P.), for the Company from time to time (i) to co-invest with such other fund, the Company's co-investments will be made on the same terms as such other fund (without regard to the respectively allocated amounts of the investments and whether or not any third party investors also co-invest) and (ii) to participate in the mezzanine financings of companies (including equity participations, if available) controlled by such other fund, the Company's participations will be less than 50 per cent. thereof and will be on the same terms as negotiated by the majority participants. In cases where the Company invests directly from time to time in other funds, (x) such investments will be made on the same terms as the other investors in such other funds (or on such other terms to which the Investment Advisor and the Board shall otherwise agree) and (y) the Investment Advisor will consult with the Board appropriately to avoid duplications of management fees.

Subject to approval by Shareholders at the EGM, the Company and the Investment Advisor propose to amend the Advisory Agreement such that where the Company co-invests with another fund, such co-investment can be made either on the same terms as such other fund or on such other terms as the Company and the Investment Advisor shall agree.

The Investment Advisor has and will continue to have regard to its obligations under the Advisory Agreement with the Company or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients, when potential conflicts of interest arise.

6. Administrator

The Administrator provides company administrative, secretarial and registrar services pursuant to the Administration and Registrar Agreement. The Administrator is responsible for the Company's general administrative functions such as the calculation of Net Asset Value and the maintenance of accounting records. The Administrator holds a licence to act as administrator of the Company under the Protection of Investors (Bailiwick of Guernsey) Law 1987.

Butterfield Fulcrum Group (Guernsey) Limited (previously Butterfield Fund Services (Guernsey) Limited) was incorporated on 11th October 1991 in Guernsey for the purpose of supplying offshore

fund administration services and has its registered office at 2nd Floor, Regency Court, Glategny Esplanade, St. Peter Port, Guernsey, GY1 3NQ Channel Islands. The ultimate holding company of the Administrator is Butterfield Fulcrum Group (Holdings) Limited, a company incorporated in Bermuda. The Administrator is licensed to provide administrative and other services to collective investment schemes by the Guernsey Financial Services Commission. The Administration and Registrar Agreement may be terminated by either party giving 90 days' notice or earlier in the event of a breach. A summary of the main provisions of the Administration and Registrar Agreement is set out in paragraph 8.3 of Part 7 of this prospectus.

7. Custodian

HSBC Bank USA, National Association acts as custodian to the Company's assets and, in that capacity, is responsible for ensuring safe custody and dealing with settlement arrangements.

Under an umbrella relationship agreement and certain ancillary agreements, the Company holds various accounts with the Custodian including (i) a demand deposit account, and (ii) a custodial account whereby the Custodian provides for the safekeeping of assets deposited with the Custodian from time to time, the collection and disbursement of the income thereof, the receipt and remittance of funds and/or securities, and various other duties incidental thereto.

The Custodian's appointment as custodian may be terminated, *inter alia*, upon 30 days' notice given by either party. The Custodian receives fees for the provision of such services at rates depending on the number of trades effected. A summary of the main provisions of the Custodian Agreement is set out in paragraph 8.4 of Part 7 of this prospectus.

8. UK Transfer Agent

Equiniti Limited has been appointed as UK transfer agent to the Company. In return for providing such services, the UK Transfer Agent is entitled to a fixed annual fee. The UK Transfer Agent Agreement may be terminated on six months' notice by either party, such notice not to expire prior to the end of the first year of appointment. A summary of the main provisions of the UK Transfer Agent Agreement is set out in paragraph 8.5 of Part 7 of this prospectus.

PART 5 – OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the rest of this prospectus, including the financial statements and the related notes incorporated by reference in this prospectus. The financial information in this Operating and Financial Review has been extracted without material adjustment from the audited financial statements which cover the period from the Company's incorporation on 14 April 2008 to 28 February 2009. The Company acquired a portfolio of investment assets from JZEP on 1 July 2008. As a consequence, the audited financial statements cover the first eight months of the Company's trading from 1 July 2008 to 28 February 2009.

The Company's financial statements and related notes have been prepared in accordance with International Financial Reporting Standards (''IFRS'') as issued and adopted by the International Accounting Standards Board.

This discussion and analysis contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results and the timing of events could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in this prospectus, particularly under the headings ''Forward-Looking Statements'' and ''Risk Factors''. The Company does not undertake any obligation to revise or publicly release the results of any revision to these forward-looking statements (save where required by the Prospectus Rules, Listing Rules or DTRs).

1. Background

The Company is a London listed, Guernsey authorised, closed-ended investment scheme which was incorporated on 14 April 2008 in anticipation of a scheme of reconstruction whereby the assets and liabilities of JZEP were transferred in their entirety to the Company on 1 July 2008. The audited results of the Company are from the period of incorporation on 14 April 2008 to 28 February 2009, which covers the Company's first eight months of trading from 1 July 2008, when the Company acquired the portfolio of investment assets from JZEP, to 28 February 2009.

The Company's present investment strategy is to continue to maintain and build its Investment Portfolio of businesses primarily in the United States, aiming to provide a superior overall return comprised of a current yield and significant capital appreciation.

2. Current Trading and Prospects

Economic conditions in the United States continue to be challenging and the recent upheaval in the equity and debt markets has impacted certain segments of the Company's Investment Portfolio: the value of JZCP's portfolio of listed equity and bank debt has declined considerably in the eight months to 28 February 2009. The Company's private investments performed relatively well, especially given the current market turmoil.

The effect of the sometimes extreme periods of volatility in the credit markets has, in addition to reducing the valuation of the Company's bank debt portfolio, significantly reduced the access to financing for mergers and acquisitions. The Company has recognised this by increasing the ''marketability discount'' on many of the private investments from 10 per cent. to 20 per cent.

Whilst the Company continues to leverage its deal flow network, reviewing over 250 opportunities since 1 July 2008, it remains cautious about making new ''platform'' investments but has completed a number of new investments in existing portfolio companies: the Company invested US$2.1 million in preferred stock of BG Holdings, Inc. for continued expansion of its wind turbine capability and a further US$0.6 million in preferred stock to help it make a small product add-on acquisition; invested US$4.5 million in additional preferred stock of Accutest (ETL Holdings) as part of a US$9.0 million laboratory acquisition; and invested an additional US$2.9 million in senior subordinated notes in Continental Cement Company to assist the company's growth plans.

Although the underlying health of the Company's portfolio feels robust, some companies' future performance, especially those with exposure to the housing market and those to general manufacturing business, could be affected by the continuing economic downturn. Despite the current worldwide economic situation, however, the Directors believe that the Company is well positioned to potentially benefit from the opportunities that will inevitably emerge.

3. Financial Reporting

The Company's first financial year covered the period from incorporation on 14 April 2008 until 28 February 2009. The annual report and accounts in respect of the period to 28 February 2009 have been published on the same date as this document. The Company intends to report its annual results for its future financial years ending on 28 February. The Company's annual financial statements, which are the responsibility of its directors, consist of an income statement, balance sheet, statement of cash flows, statement of changes in shareholders' equity, related notes and any additional information that the Directors deem appropriate or that is required by applicable law. The Company prepares its annual report and accounts in accordance with International Financial Reporting Standards. The Company's reporting currency is the US dollar.

The Company's financial statements record the Company's portfolio company investments in its Investment Portfolio as investments in the consolidated financial statements and its portfolio companies are not consolidated. The Company's annual financial statements have been audited by Ernst & Young LLP using International Standards on Auditing (UK and Ireland).

4. Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires that management make estimates and assumptions that affect the amounts of assets, liabilities, income and expenses reported in the financial statements and related notes. Predicting future events is inherently an imprecise activity and as such requires the use of judgment. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to vary from estimates in amounts that may be material to the financial statements.

The Company's accounting policies are summarised in note 2 of the notes to the financial statements incorporated by reference in this prospectus. The estimates and associated assumptions in the application of the Company's accounting policies are based on the historical experience of JZEP and other factors that are considered by the Directors to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors have identified the following critical accounting policies as requiring them to make the most significant estimates and judgements in the preparation of the Company's financial statements in conformity with IFRS. The Directors consider an accounting policy to be critical if it requires them to make an accounting estimate based on assumptions about matters that are highly uncertain at the time the estimate is made, and if the reasonable use of different estimates in the current period or changes in the accounting estimate that are reasonably likely to occur from period to period would have a material impact on the Company's financial presentation. When reviewing the Company's financial statements, investors should consider the effect of estimates on its critical accounting policies, the judgments and other uncertainties affecting application of these policies and the sensitivity of its reported financial results to changes in conditions and assumptions. Actual results may differ materially from these estimates under different assumptions.

Valuation of Investments

The Company's valuation of its private investments is derived from employing market comparable multiples although the Company recognises that the realisation of any of these investments in current markets would be challenging. The Company has, therefore, in respect of most private investments, applied a marketability discount (based on the amount of the relevant enterprise value less senior debt) of 20 per cent. to reflect the current lack of liquidity in the merger and acquisition market. In valuing investments in accordance with IFRS, the Directors follow a number of general principles as detailed in the International Private Equity and Venture Capital Association ("IPEVCA") guidelines. Investments are valued according to one of the following methods:

Mezzanine loans: Investments are generally valued at amortised cost except where there is deemed to be impairment in value which indicates that a provision should be made. Mezzanine loans are classified in the balance sheet as loans and receivables and are accounted for at amortised cost using the effective interest method less accumulated impairment allowances in accordance with IFRS.

The Company assesses at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the net present value of expected cash flows discounted at the original effective interest rate.

Unquoted preferred shares, micro cap loans, unquoted equities and equity related securities: Investments are normally valued at cost for the first twelve months. Adjustments to fair value, however, will be made, if appropriate, in the light of adverse circumstances. An increase in value of investments will be effected in light of actual or expected third party transactions reflecting the risks associated with the transaction. These investments are classified in the balance sheet as investments at fair value through profit or loss.

Investments held for more than one year are typically valued by reference to their enterprise value, which is generally calculated by applying an appropriate multiple to the last twelve months' earnings before interest, tax, depreciation and amortisation. In determining the multiple, the Directors consider *inter alia*, where practical, the multiples used in recent transactions in comparable unquoted companies, previous valuation multiples used and, where appropriate, multiples of comparable publicly traded companies. In accordance with IPEVCA guidelines, a marketability discount is applied which reflects the discount that, in the opinion of the Directors, market participants would apply in a transaction in the investment in question. Unquoted equities are classified in the balance sheet as investments at fair value through profit or loss.

In respect of unquoted preferred shares and micro cap loans, the Company values these investments by reference to the attributable enterprise value as the exit strategy in respect to these investments would be a one tranche disposal together with the equity component. The fair value of the investments are determined by reference to the attributable enterprise value (this is calculated by a multiple of EBITDA reduced by senior debt and a marketability discount) covering the aggregate of the unquoted equity, unquoted preferred shares and debt instruments invested in the underlying company. The increase of the fair value of the aggregate investment is reflected through the unquoted equity component of the investment; a decrease in the fair value would be reflected across all financial instruments invested in an underlying company.

Traded loans: Traded loans including first and second lien term securities are valued by reference to the last indicative bid price from recognised market makers. These investments are classified in the balance sheet as investments at fair value through profit or loss.

Listed investments: Listed investments are valued at the last quoted bid price. These investments are classified in the balance sheet as investments at fair value through profit or loss.

Due to the uncertainty inherent in the valuation process, estimates of fair value of unquoted investments may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material. Additionally, for both quoted and unquoted investments, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realised on these investments to be different than the valuations currently assigned.

Fair Value of Investments at Fair Value Through Profit or Loss

The Company classifies its investments in listed investments, investments in first and second lien debt securities, other equity opportunities and other investments within its Micro Cap and Legacy portfolios as financial assets at fair value through profit or loss. These financial assets are designated by the Board as fair value through profit or loss at inception. Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of sale or repurchase in the short term. All derivatives are included in this category.

The fair value of investments at fair value through profit or loss is determined by using the valuation techniques described above. The key source of estimation uncertainty is on the valuation of unquoted equities and equity-related securities. The Directors use their judgement and make

estimates in respect of appropriate multiples and discounts to apply in determining enterprise values.

Loans and Receivables

The Company classifies unquoted senior subordinated debt within mezzanine investments as loans and receivables. Investments are generally accounted for at amortised cost using the effective interest method except where there is deemed to be impairment in value which indicates that a provision should be made.

Loans and receivables are valued using the effective interest method, which is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

5. Factors Affecting Operating Results

The Company is a recently formed entity and does not have any historical financial statements or other meaningful long-term indicators that may be used to evaluate its performance. The Company will be subject to all of the risks and uncertainties associated with any new business, including the risk that it will not achieve its corporate objectives. The Directors believe that there are a number of factors which could in the future affect the Company's operating results, including the following:

US Economic Recession and Market Volatility

The US, where the Company is active and where the entirety of the portfolio companies in its Investment Portfolio are currently situated, has been at the centre of the current global economic crisis. The debt, equity and private equity markets in the United States have been extremely volatile over the past six months, most recently showing significant deterioration. The gross domestic product for the United States has declined and indicates that the United States is in a state of economic recession. The International Monetary Fund (''IMF'') estimates that the US gross domestic product will contract by 2.8 per cent. in 2009. Although the Company seeks to diversify its Investment Portfolio in terms of sector and size, if the banking system or the fixed income, credit or equity markets or general economic conditions continue to deteriorate or remain volatile, the Company's Investment Portfolio may be impacted and the values, liquidity, default rates, interest income, gains on investments and/or the level of impairment provisions of the Company's investments could be adversely affected. The portfolio companies in the Investment Portfolio may have fewer resources than larger businesses and an economic downturn may thus be more likely to have a material adverse effect on them, as smaller companies are less likely to be able to withstand economic downturns than larger companies.

Exchange Rates

Although the Company's reporting currency is the US dollar, prevailing exchange rates, particularly between the US dollar and GB sterling, will impact the Company's NAV. While the GB sterling's strength against the US dollar could, among other things, increase the US dollar investing value of the Company's GB sterling cash surplus, the US dollar's strength against the GB sterling could, among other things, reduce significantly the prospective US dollar cost of the GB sterling obligation to redeem the ZDP Shares, resulting in a positive effect on NAV.

Interest Rates

Prevailing interest rates, including in respect of US dollar loans and deposits, will have an impact on the Company's results. The Company's investments that have returns based on floating rates of interest will periodically be reset based on the then-current rate of the reference index. Available interest rates in respect of US dollar deposits and instruments will help determine the rate of return on the Company's temporary investments. The Company may incur borrowings under credit facilities for the purpose of providing it with short-term liquidity, although the Company is not permitted to borrow more than 50 per cent. of net assets. To the extent that the Company enters

into any credit facilities and makes any such borrowings, changes in interest rates will affect its levels of interest expense. Changes in interest rates may also have an impact on the performance of the Company's portfolio companies. In particular, higher interest rates may discourage borrowing, leading to lower business volumes, or cause an increase in problem or defaulted loans. Changing interest rates will also have an impact on the returns from the Company's variable rate lending to its portfolio companies. The US Federal Reserve Bank has been pursuing a programme of significant interest rate cuts, with current rates close to zero, although these rate cuts have had a limited effect on the availability of credit to the private sector which has slowed sharply.

Inflation

The Company believes that inflation can influence the value of its investments through the impact it may have on interest rates, capital markets, valuations of business enterprises and the relationship of valuations to underlying earnings. Inflation, which has generally increased across all countries in the world, has also been on the rise in the US, although annual core inflation in the US and elsewhere has recently declined sharply with deteriorating global economic conditions. The IMF estimates that consumer price inflation in the US was 3.8 per cent. in 2008 and projects that it will be -0.9 per cent. in 2009.

Investment Levels

On the basis that the Ordinary Share Issue is fully subscribed and that the maximum number of ZDP Shares are rolled over, such that the cover is not less than 3.0 times, in full under the ZDP Rollover Offer, the Directors anticipate that upon completion of the New ZDP Issue and the Ordinary Share Issue, after deducting estimated fees and expenses of the New ZDP Issue and the Ordinary Share Issue payable by the Company, the Company will have US$149.8 million of cash available for future investments, based on an offer price of 215.80 pence per New ZDP Share and 42 pence per Ordinary Share and assuming that the Company issues 45,662,313 New ZDP Shares and 227,565,137 Ordinary Shares under the New ZDP Issue and the Ordinary Share Issue. The Directors expect that the Company's surplus cash will temporarily be invested in cash and cash equivalents pending investment. These temporary investments generally have rates of return that are lower than the returns that the Directors anticipate receiving from the Company's investments, and each of these temporary investments may have different rates of return at any given time. The Company's level of surplus cash resources and the choices of the Investment Advisor in respect of which of these temporary investments will be used will have an impact on the Company's interest income and the Company's overall rate of returns.

Liquidity Management

The Company plans to maintain available liquidity until the ZDP Shares are repaid or refinanced and is proposing the New ZDP Issue and Ordinary Share Issue to raise the additional funds needed to meet this obligation. Thereafter, the Company will need to maintain a certain level of liquidity to meet its ongoing operating expenses. The Company will need to generate sufficient dividend or interest income, or capital gains, from its Investment Portfolio to pay these operating expenses, or else the Company will need to resort to borrowings, cash resources, disposals of investments or additional equity financings. Increases in the Company's NAV, through appreciation of its investments or otherwise, will increase the Investment Advisor's fee and thus operating expenses.

Competition for suitable investment opportunities

The Company's ability to maintain a strong investment base and increase its NAV depends on the Investment Advisor's ability to identify and make investments that generate attractive returns and effectively invest the Company's assets. In particular, the Company's investment strategy is dependent to a significant extent on the Investment Advisor's ability to identify attractive opportunities to acquire future equity and debt interests. The failure of the Investment Advisor to identify and make appropriate investments on the Company's behalf as a result of competitive pressures would increase the amount of the Company's assets invested in temporary cash investments and, accordingly, reduce the otherwise anticipated rates of return. Competition for private equity-related investments may increase over time. The Company competes primarily with public and private investment funds, operating companies acting as strategic buyers, business development companies, commercial and investment banks and commercial finance companies.

6. Key Performance Indicators

The Directors believe that the primary measure of the Company's financial performance will be the change in net assets of its investments resulting from operating activities during an accounting period and the corresponding change in its NAV. The Company calculates NAV based on valuations of the Investment Portfolio, calculated in accordance with its accounting policies, which in turn are based on valuation information provided by the Investment Advisor.

7. Results of Operations

The following discussion and analysis of the Company's results of operations and financial condition is based on its audited financial statements. The presented results of operations for the Company encompass the period from its incorporation on 14 April 2008 to 28 February 2009.

The following table sets forth the Company's income statement for the period indicated.

	Period 14 April 2008 to 28 February 2009 US$'000
Income	
Net unrealised losses on investments at fair value through profit or loss	(83,920)
Impairments on loans and receivables	(18,053)
Realised gains on investments held in escrow accounts	4,102
Net foreign currency exchange losses	(3,849)
Investment Income	24,236
Bank and deposit interest	869
Total income	(76,615)
Expenses	
Formation costs	(267)
Investment Adviser's base fee	(4,977)
Administrative expenses	(1,524)
Total Expenses	(6,768)
Finance Costs	
Finance costs in respect of ZDP Shares	(7,851)
Net income/(loss) before taxation	(91,234)
Taxation	(758)
Net income/(loss) after taxation	(91,992)
Loss for the period	(91,922)

Net Unrealised Losses on Investments at Fair Value Through Profit or Loss

All investments at fair value through profit and loss are measured at fair value with gains and losses arising from changes in fair value being included in the income statement as a capital return and classified as unrealised gains or losses on investments held at fair value. The Company's net unrealised losses on investments at fair value through profit or loss for the period from its incorporation on 14 April 2008 to 28 February 2009 were US$83.9 million, driven primarily by a significant reduction in the value of listed and unlisted equities held in the Investment Portfolio.

Impairments on Loans and Receivables

Loans and receivables are generally valued at amortised cost except where there is deemed to be impairment in value which indicates that a provision should be made. Impairments to loans and receivables and the write back of impairments are included in the income statement as a capital return and classified as impairments on loans and receivables. The Company's impairments on loans and receivables for the period from its incorporation on 14 April 2008 to 28 February 2009 were US$18.1 million, driven primarily by a general reduction in values of unquoted preferred shares, micro cap and mezzanine loans held in the Investment Portfolio.

Realised Gains on Investments Held in Escrow Accounts

Where investments are disposed of, the consideration given may include contractual terms requiring that a percentage of the consideration is held in an escrow account pending resolution of any indemnifiable claims that may arise and as such the value of these escrow amounts is not immediately known. The Company's realised gains on investments held in escrow accounts for the period from its incorporation on 14 April 2008 to 28 February 2009 were US$4.1 million.

Net Foreign Currency Exchange Losses

Foreign currency exchange losses relate to the net movement in unrealised foreign exchange losses on the ISDA Forward Contract in place to hedge exposure to movement in foreign exchange rates in respect of liability on the ZDP Shares, and the Company's net unrealised gain arising as a result of its foreign currency translations. The net foreign currency exchange losses for the period from the Company's incorporation on 14 April 2008 to 28 February 2009 were US$3.8 million and are included as a capital return in the income statement. The strength of the US dollar against the GB sterling reduced significantly the prospective US dollar costs of the GB sterling obligation to the redeem the ZDP Shares, however, this was offset by losses in respect of the forward exchange contract that the Company entered into to cover that liability as a result of the decrease in value of the GB sterling to the US dollar.

Investment Income

Investment income relates to interest payments and dividend and other distributions from investments held in the Investment Portfolio. Investment income is recognised as it accrues and credited to revenue returns in the income statement. The Company's investment income for the period from its incorporation on 14 April 2008 to 28 February 2009 was US$24.2 million, the majority of which was comprised of interest payments in respect of the Company's debt investments and dividends in respect of its preference share and listed equity investments, although some was received in the form of payment in kind.

Bank and Deposit Interest

Bank and deposit interest relates to interest payments on cash and cash equivalents – namely interest on the Company's short term fixed deposits and bank interest. Bank and deposit interest is recognised as it accrues and is credited to revenue returns in the income statement. The Company's bank and deposit interest for the period from its incorporation on 14 April 2008 to 28 February 2009 was US$0.9 million.

Formation Costs

Formation costs are expenses directly attributable to the set up of the Company and the issue of share capital and are charged against capital. The Company's formation costs for the period from its incorporation on 14 April 2008 to 28 February 2009 were US$0.3 million.

Investment Advisor's Base Fee

In consideration of its services, the Investment Advisor is entitled to a base management fee and to an incentive fee. The Investment Advisor's base management fee is an amount equal to 1.5 per cent. per annum of the average total assets of the Company under management by the Investment Advisor, payable quarterly in advance to the Investment Advisor. The Investment Adviser's base fee is allocated 65 per cent. to revenue return and 35 per cent. to realised capital return, which represents the director's expectations of the long-term split between the Company's revenue and capital returns. The structure of the incentive fee is discussed below at section 10. A provision is recognised in respect of the incentive fee where the Company has a legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required in the future pursuant to the Advisory Agreement. The base fee paid to the Investment Advisor by the Company for the period from its incorporation on 14 April 2008 to 28 February 2009 was US$5.0 million. The Company expects the Investment Advisor's base fee will fluctuate in future periods primarily due to future increases or decreases in the NAV of the Investment Portfolio. Under the Advisory Agreement, the Company has no outstanding obligation to pay an incentive fee as at 28 February 2009.

Administrative Expenses

Administrative expenses relate to the Company's legal, accounting, audit, secretarial, administration, custodial and professional fees, as well as director's remuneration. Such expenses

are generally recognised in the period in which they accrue. The Company's administrative expenses for the period from its incorporation on 14 April 2008 to 28 February 2009 were US$1.5 million.

Finance Costs

Finance costs primarily relate to the pre-determined final capital entitlement of the ZDP Shares, representing an annual eight per cent. return compounding on a monthly basis. The Company's finance costs for the period from its incorporation on 14 April 2008 to 28 February 2009 were US$7.9 million.

Taxation

Taxation relates to the Company's United States withholding tax liability with respect to income from its listed investments. The Company's United States withholding tax liability for the period from its incorporation on 14 April 2008 to 28 February 2009 was US$0.8 million. The Company is exempt from taxation in Guernsey.

Net (Loss)/Profit Before and After Taxation

The Company's net loss before taxation was US$91.2 million, and net loss after taxation was US$92.0 million for the period from its incorporation on 14 April 2008 to 28 February 2009.

8. Liquidity and Capital Resources

Liquidity is a measurement of the Company's ability to meet potential cash requirements, including ongoing commitments to fund and maintain investments, pay any incentive fees to the Investment Advisor, repay any borrowings, and satisfy its other general business needs.

The Company currently has 45,662,313 ZDP Shares in issue which have a redemption date of 24 June 2009 and a total redemption cost (including the cost of an associated forward foreign exchange contract) of US$185.9 million.

As at 30 April 2009, the Company had total cash deposits of US$103.7 million. As a result, the Company would have a funding shortfall of US$82.2 million on 24 June 2009 and a maximum funding shortfall in the next 12 months following the date of this prospectus of US$83.8 million. In order to reduce the liability due in connection with the ZDP Share redemption, the Board has announced the ZDP Proposals at the same time as announcing the Ordinary Share Issue. The Board intends to use part of the net cash proceeds of the Ordinary Share Issue to meet the liability for the ZDP Share redemption. The Company has received irrevocable commitments from both existing and new investors to subscribe for US$86.0 million in the Ordinary Share Issue, which, together with the existing cash deposits of US$103.7 million on 30 April 2009, would be sufficient to meet the ZDP Share redemption in full if approved by Ordinary Shareholders. The Ordinary Share Issue requires certain Resolutions to be approved by the Ordinary Shareholders at the EGM, some of which require a 75 per cent. majority.

Following completion of the Proposals and the redemption of any outstanding ZDP Shares on 24 June 2009, the Company currently intends to use any surplus cash to make new investments, satisfy capital commitments in the Investment Portfolio and pay operating expenses. The Company may also in the future use cash to fund share redemptions and/or repurchases.

Since incorporation, the Company has relied principally on the proceeds of its issue of Ordinary Shares and ZDP Shares (used for the acquisition of the Company's Investment Portfolio, which was transferred from JZEP) and cash generated from investments to meet its liquidity needs. In the period from its incorporation on 14 April 2008 to 28 February 2009, the Company generated a net cash outflow of US$1.3 million from its operating activities, including proceeds of US$1.5 million on the sale of some of its investments.

The Company's principal uses of cash have been to grow the size of the Investment Portfolio. The Company's principal liability is the redemption of the 45,662,313 ZDP Shares on 24 June 2009 for the pre-determined final capital entitlement of 215.8926 pence each, or an aggregate amount of GBP 98.6 million.

The Directors expect that the Company's future liquidity will continue to depend primarily on returns generated by the Company from its investments and the proceeds of future sales, if any, of shares or other securities in the Investment Portfolio.

The Directors expect that the Company will continue to receive cash distributions from its investments from time to time in amounts that will allow the Company to pay its operating expenses as they become due and enable it to make cash distributions to its Ordinary Shareholders in accordance with the Company's dividend policy. This cash is expected to be primarily in the form of distributions and dividends on equity investments and cash consideration received in connection with the disposal of investments, as well as payments of interest and principal on fixed income investments. The sufficiency of these distributions will depend on a number of factors, including, among others, the actual results of operations and financial condition of the portfolio companies in which the Company invests, their interest rates and the dividend policy timing of scheduled interest payments, and the timing and amount of their dividend payments, and the timing and amount of proceeds realised by the Company on disposals of investments.

The Company may incur borrowings under credit facilities for the purpose of providing it with additional sources of liquidity, although the Company currently has not entered into any credit facility. Although, the Company is not permitted to borrow more than 50 per cent. of NAV for short-term liquidity purposes. Any credit facilities would give rise to costs, including debt issuance and servicing costs, and may subject the Company to financial and operating covenants or other restrictions, including restrictions that limit its ability to pay dividends to the Ordinary Shareholders.

9. Capitalisation and Indebtedness

The following table sets out the Company's total capitalisation and indebtedness as at 28 February 2009.

	As at 28 February 2009 US$'000
Shareholders Equity:	
Paid-in Capital	353,365
Legal Reserve	0
Other Reserves[(1)]	(111,580)
Total Shareholders Equity	**241,785**
Current Debt:	
Guaranteed	0
Secured	0
Unguaranteed/Unsecured[(2)]	183,224
Total Current Debt	183,224
Non-Current Debt (excluding current portion of long-term debt):	
Guaranteed and Secured	0
Unguaranteed/Unsecured	0
Total Non-Current Debt (excluding current position of long-term debt)	0
Total Current and Non-Current Debt	**183,224**

(1) In line with CESR guidance, ''Other Reserves'' excludes Profit and Loss Reserves for the period from incorporation on 14 April 2008 to 28 February 2009 (profit of US$15,199,000 excluded).

(2) Comprises ZDP shares (classified as current liabilities in the audited financial statements) and a forward currency derivative contract.

The following table sets out the Company's net indebtedness as at 28 February 2009.

A	Cash	74,909
B	Cash Equivalents	29,819
C	Trading Securities	42,933
D	Liquidity (A) + (B) + (C)	147,661
E	Current Financial Receivable	1,565
F	Current Bank Debt	0
G	Current portion of Non-Current Debt	0
H	Other Current Financial Debt[(2)]	183,224
I	Current Financial Debt (F) + (G) + (H)	183,224
J	Net Current Financial Indebtedness (I) - (E) - (D)	33,998
K	Non-Current Bank Loans	0
L	Bonds Issued	0
M	Other Non-Current Loans	0
N	Non-Current Financial Indebtedness (K) + (L) + (M)	0
O	**Net Financial Indebtedness (J) + (N)**	**33,998**

(2) Comprises ZDP shares (classified as current liabilities in the audited financial statements) and a forward currency derivative contract.

The information in the tables above has been extracted without material adjustment from the audited financial statements of the Company as at 28 February 2009.

There has been no significant change to the Company's capitalisation and indebtedness since 28 February 2009.

10. Cash Flows

The following table summarises the principal components of the Company's cash flows for the period indicated:

	Period 14 April 2008 to 28 February 2009 US$'000
Operating Activities	
Net cash from operating activities	3,385
Cash outflow from purchase of investments	(10,234)
Cash inflow from repayment of investments	1,472
Cash inflow from investments held in escrow accounts	4,102
Net cash inflow before financing activities	(1,275)
Financing Activities	
Cash received in consideration for Ordinary and ZDP Shares	110,392
Distributions paid to shareholders	(4,389)
Net cash inflow from financing activities	106,003
Increase in cash and cash equivalents	104,728

(1) Represents the net asset value of the assets and liabilities of JZEP transferred to the Company in consideration for the issue of the Ordinary Shares and the ZDP Shares.

Cash from operating activities

The Company's net cash inflow from operating activities was US$3.4 million, cash outflow from the purchase of investments was US$10.2 million, cash inflow from the repayment of investments was US$1.4 million, and cash inflow from investments held in escrow accounts was US$4.1 million, resulting in cash outflow before financing activity for the period from its incorporation on 14 April 2008 to 28 February 2009 of US$1.3 million.

Cash from financing activities

Cash generated from financing activities consists of the proceeds on issue of the Ordinary Shares and the ZDP Shares, which amounted to US$110.4 million and was satisfied through the transfer of the assets and liabilities (with a net asset value of that amount) of JZEP transferred to the Company upon the restructuring scheme becoming effective on 1 July 2008, and distributions paid to the Company's shareholders amounted to US$4.4 million, resulting in net cash inflow from financing activities of US$106.0 million.

11. Contractual Commitments and Off Balance Sheet Arrangements

Contractual Commitments

Debt Obligations

As of 28 February 2009, the Company did not have any contractual debt obligations.

ISDA Forward Contract

On 15 November 2006, JZEP entered into the ISDA Forward Contract, a collateralised foreign exchange forward contract, and related documentation with JP Morgan Chase Bank, N.A. (''JPM''), to hedge the currency risk associated with the repayment of the ZDP Shares on 24 June 2009 for approximately £99,000,000. Under the terms of the ISDA Forward Contract, JZEP agreed to (i) purchase £100,000,000 from JPM at a forward rate of US$1.8882, with a settlement date of 1 June 2009 and (ii) pledged US$25,000,000 in cash to JPM to secure the Company's payment obligation under the ISDA Forward Contract. By an agreement between JZEP, the Company and JPM, the ISDA Forward Contract was transferred on its existing terms to the Company on 27 June 2008. Accordingly, JZEP was released from its obligations under the ISDA Forward Contract and its rights thereunder cancelled, and the Company assumed the rights, liabilities and obligations of JZEP under the ISDA Forward Contract. JPM remains the counterparty of the Company under the ISDA Forward Contract.

Advisory Fees

The Company is party to the Advisory Agreement with the Investment Advisor pursuant to which the Investment Advisor has agreed, among other things, to the provision of investment management and advisory services to the Company. In consideration for its services, the Investment Advisor is entitled to a base management fee and to an incentive fee.

The base management fee is an amount equal to 1.5 per cent. per annum of the average total assets under management of the Company, payable quarterly in advance to the Investment Advisor.

The incentive fee has two parts. The first part is calculated by reference to the net investment income of the Company and is equal to up to 20 per cent. of such income, payable quarterly in arrears provided that the net investment income for the quarter exceeds 2 per cent. of the average of the net asset value of the Company for that quarter and the preceding quarter (8 per cent. annualised). The fee is an amount equal to (a) 100 per cent. of that proportion of the net investment income for the quarter as exceeds the hurdle, up to an amount equal to 25 per cent. of the hurdle, and (b) 20 per cent. of the net investment income of the Company above 125 per cent. of the above threshold. The second part of the incentive fee is calculated by reference to the net realised capital gains of the Company and is equal to: (a) 20 per cent. of (x) the realised capital gains of the Company for each financial year less (y) all realised capital losses on investments for the year less (b) the excess (for prior years since the effective date of the Advisory Agreement) (if any) of (i) the aggregate of all previous capital gains incentive fees paid by the Company to the Investment Advisor over (ii) 20 per cent. of (x) all realised capital gains of the Company less (y) all realised capital losses of the Company, payable annually in arrears.

Subject to approval by Shareholders at the EGM, the Company and the Investment Advisor intend to enter into an amended and restated advisory agreement pursuant to which the Advisory

Agreement shall be amended such that upon termination of the agreement, JZAI be entitled to receive a close out capital gains incentive fee on all unrealised gains net of unrealised losses and carried forward losses (currently such fee is only payable in respect of realised gains net of realised losses upon termination).

Off Balance Sheet Arrangements

The Directors believe that the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on the Company's financial condition, changes in financial condition, income or expenses, operating results, liquidity or capital resources.

12. Disclosures about Market Risk

The Company is exposed to a number of market risks due to the types of investments that it makes, including currency risk, credit risk and interest rate risk. The Directors believe that the Company's exposure to market risk primarily relates to changes in the values of publicly traded securities that are held for investment, movements in prevailing interest rates and changes in foreign currency exchange rates.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Investment Advisor, as the service provider under the Advisory Agreement, will be responsible for monitoring all market risk and for carrying out risk management activities relating to the Company's investments. The Company may seek to mitigate market risk through the use of hedging arrangements, which could subject the Company to additional market risk. Alternatively, the Company may not seek to mitigate this risk, thus maintaining full exposure to market risk.

Capital Risk

The capital structure of the Company consists of debt in the form of ZDP Shares, cash and cash equivalents and equity attributable to Ordinary Shareholders in the form of share premium, capital reserve and revenue reserve. The Company manages its capital by investing available cash whilst maintaining sufficient liquidity to meet ongoing expenses and dividend payments. The Company uses a foreign currency hedge to manage the capital risk exposure to the ZDP shares which are repayable in GB sterling on 24 June 2009.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk of the Company is affected by three main components: changes in market price, interest rates and foreign currency movements.

Market Price Risk

The Company's investments are subject to normal market fluctuations and there can be no assurance that no depreciation in the value of those investments will occur. The Company's market price risk is managed through diversification of the Investment Portfolio across various sectors. The Board considers each investment purchase to ensure that an acquisition will enable the Company to continue to have an appropriate spread of market risk and that an appropriate risk/reward profile is maintained. In accordance with the Listing Rules, the Company will not invest more than 10 per cent. in aggregate of the value of the gross assets of the Company, at the time of admission or at the time of a new investment, in other investment companies or investment trusts which are listed on the Official List (except to the extent that those investment companies or investment trusts have stated policies to invest no more than 15 per cent. of their gross assets in other investment companies or investment trusts which are listed on the Official List).

Interest Rate Risk

The majority of the Company's financial assets and liabilities are fixed-interest bearing. As a result, the income receivable by the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. However, whilst the income received from fixed rates securities is unaffected by changes in interest rates, the investments are subject to risk in the movement of fair value. The Company may not be able to secure equivalent rates when securities mature.

Of the Company's money held on deposit, US$75.0 million earns interest at variable rates and the income may rise and fall depending on changes to interest rates. US$30.0 million is held on fixed deposit and, whilst the return is guaranteed, future fixed term interest rates may fluctuate.

It is not the Company's policy to use derivative instruments to mitigate interest rate risk, as the Directors believe that the effectiveness of such instruments does not justify the costs involved.

Credit Risk

The Company takes on exposure to credit risk, which is the risk that a counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. These credit exposures exist within financing relationships, derivatives and other transactions. They may arise, for example, from a decline in the financial condition of a counterparty, from entering into derivative contracts under which counterparties have obligations to make payments to the Company. As the Company's credit exposure increases, it could have an adverse effect on the Company's business and profitability if material unexpected credit losses were to occur.

Credit risk on investments is managed by the Directors by the diversification of the portfolio and monitoring the credit ratings of investments and investment opportunities

Liquidity Risk

Many of the Company's investments are private equity, mezzanine loans and other unlisted investments. By their nature, these investments will generally be of a long-term and illiquid nature and there may be no readily available market for sale of these investments. The closed-ended nature of the Company enables the Investments Advisor to manage the risk of illiquid investments. The Directors review monthly liquidity reports and consider how best to utilise the funds generated to maximise income. The Directors endeavour to ensure there is enough cash and Liquid Investments to meet the demands of its creditors.

Currency Risk

A substantial portion of the net assets of the Company are denominated in US dollars, its functional currency. The ZDP Shares are denominated in GB sterling. However this exposure to foreign currency is hedged by the ISDA Forward Contract and therefore exposure to currency risk is considered to be minimal by the Directors.

PART 6 – 2009 AUDITED ANNUAL REPORT COMMENTARY

Set out below is the Chairman's Statement and the Investment Advisor's Report reproduced in full from the Company's published annual report covering the period from 14 April 2008 to 28 February 2009.

Chairman's Statement

As I said at the interim stage, this period under review has seen extraordinary and volatile conditions in the world's credit and stock markets. As these market conditions persisted, most of the world's economies have entered a period of recession, some severe in nature.

For JZ Capital Partners Limited ("JZCP"), in the current calendar year in particular, market sentiment towards our shares has been particularly fierce. The Directors believe that, apart from the general deterioration in the market, there may be two principal reasons why this has occurred. The first has been nervousness in the market about JZCP's ability to redeem its Zero Dividend Preference ("ZDP") shares; the proposals announced today should allay any concerns that the market might have had in that regard. The second is that the financial news being issued about the private equity investment industry has been almost all poor. The Directors believe that JZCP's core investments in the US small capitalisation private company buy out market have strength and are distinguishable in terms of performance, size of investment and in the security of their financing, the conservatism of their financing ratios, and in terms of the multiples at which they were acquired and are now valued beside market comparables. It is the task of the Directors to demonstrate the strength of the portfolio to the market and the Investment Adviser's Report addresses this in detail.

Proposed Fundraising and Going Concern

The proposals announced today (the "Proposals") will provide additional financial flexibility to meet potential redemptions of ZDP shares and to take advantage of investment opportunities that the Investment Advisor has identified in the current market. The Proposals include the raising of up to US$147.2 million of new equity and the opportunity for holders of existing ZDP shares to roll them over into new ZDP shares. Existing ZDP shares whose holders do not elect to roll over will be redeemed on 24 June 2009 in accordance with their terms.

The Company has received irrevocable commitments from existing shareholders and new investors to subscribe for $86.0 million of new equity. Shareholder approval of the Proposals is vital to giving the Company sufficient resources to meet the imminent ZDP liability without having to dispose of any of its assets on significantly worse terms than it would expect to achieve in a better financial and economic climate and with time to achieve a fair price. Without such approval the Company might not be able to continue as a going concern as described more fully in the report of the Directors. Documents setting out the details of the Proposals, which are subject to shareholder approval, are being posted to shareholders today.

Change of Accounting Period

The final results of JZCP are for the period from incorporation on 14 April 2008 until 28 February 2009. JZCP acquired the portfolio of investment assets of JZ Equity Partners PLC on 1 July 2008. Therefore this report covers the first eight months of trading from 1 July 2008 to 28 February 2009. The end of the period represents a change from the 31 March annual accounting period end that had been planned following the pattern set by JZEP. The change has been occasioned solely by the need to have up to date audited accounts for the purpose of the Proposals and the avoidance of the extra expense of a further audit at 31 March. To avoid further change the directors intend to maintain JZCP's annual accounting year-end at 28th February.

Net Asset Value ("NAV") and Valuation

At the end of the period under review, 28 February 2009, the NAV of JZCP was US$257.0 million, a 27.3% decline since 1 July 2008, versus the S&P 500 value decline of 42.8% and the Russell 1000 decline of 43.4%. The valuation and performance of the portfolio is discussed in more detail in the Investment Adviser's Report.

It should be noted that during the period we made a prudent, but important adjustment to the valuation policy in respect of the private investments. The valuation of the private investments is derived from employing market comparable multiples and we recognize that the realization of any of these investments in current markets would be challenging. Therefore, we have, in respect of

most private investments, increased the marketability discount (based on amount of the relevant enterprise value less senior debt) from 10% to 20% to reflect the current lack of liquidity in the merger and acquisition market.

There has been a widely held concern about the private equity investment market that valuations reported have predated the time when the most serious erosion of value has taken place. JZCP's investment portfolio has been subjected to a full valuation review as at 1 July 2008, 30 September 2008, 31 December 2008 and 28 February 2009. The valuations are proposed by the Investment Adviser based on the latest performance data from the portfolio investments and current market data available at the valuation point. The valuations are then considered and approved by the Board.

Income and Dividends

Income per share for the eight month period to 28 February was 20.1c per share. Whilst income is enhanced by the fact that the Revenue Return is not subject, as had been that of its predecessor, JZEP, to UK corporation tax, low interest rates continue to have a significant downward effect on income generated. The directors paid an interim dividend of 4.5c per share in respect of the three month period ended 30 September 2008. The Directors will not make a decision whether to recommend any final dividend in respect of the period to 28 February 2009 until the Proposals become unconditional and are completed.

Share Buybacks

Your Directors continue to keep under review opportunities to buy back Ordinary or Zero Dividend shares but their readiness to do so in respect of the Ordinary shares is tempered by the forthcoming redemption date of the Zero Dividend Preference shares and uncertainty as to the effect of such an exercise in recent market conditions and their ability to do so has been inhibited by the gestation of the Proposals.

Incentive Fee

It is the policy of the Directors to provide, where appropriate, for the capital and income incentive fees to which JZAI becomes entitled under the terms of the Advisory Agreement dated May 2008. At 28 February 2009, no provision was taken for either a capital or income incentive fee.

Outlook

The period under review has been extremely difficult. Whilst JZCP's micro-cap investments have performed more strongly than the market gives them credit for, the deteriorating stock and credit markets have adversely affected the quoted values of JZCP's listed investments and had raised uncertainty as to the Company's ability to meet it obligations in respect of the redemption of the existing ZDP's. We believe the Proposals announced today remove that uncertainty and leave the Company well positioned to take advantage of opportunities arising from the current climate on terms rarely available.

David Macfarlane
Chairman

22 May 2009

Investment Adviser's Report

Dear Fellow Shareholders,

We are pleased to report that JZCP has navigated through the current global economic crisis in relatively good shape. The recent upheaval in the credit and equity markets clearly impacts all sectors of the economy; JZCP's portfolio of publicly quoted bank debt and equities has declined considerably. Fortunately, our private portfolio has performed well relative to the market and overall our Net Asset Value ("NAV") has outperformed the public markets.

Over the past eight months from July 2008 to February 2009, JZCP's NAV has declined 27.3%, versus the S&P 500 value decline of 42.8% and the Russell 1000 decline of 43.4%. As you will see below, most of that decline is due to lower marks in the equity and bank markets, as opposed to the performance of the underlying companies in which we have invested.

	28/02/2009 US$'000	01/07/2008[1] US$'000
Investments	333,900	414,018
Cash and cash equivalents	104,728	110,392
Other net assets	1,580	490
Zero Dividend Preference shares	(137,858)	(182,214)
Forward currency derivative contract	(45,366)	10,690
Net asset value	256,984	353,376
Number of Ordinary Shares (000's)	97,528	97,528
Net asset value per Ordinary Share	US$ 2.63	US$ 3.62
Market price per Share	US$ 0.42[2]	US$ 2.22
NAV to market price discount	84%	39%

1 JZCP began operations on 1 July 2008 (Unaudited Information).

2 JZCP mid share price at 27 February 2009 was GBP0.29 this has been translated using the exchange rate at this date.

What is most apparent is the 84% discount our stock sells at from our NAV. In fact, 41% of our total assets is composed of cash (24%) and liquid securities (17%) which are priced at current market values by third parties. The other 59% is comprised of our micro-cap portfolio (36%) which is conservatively valued (5.9x EBITDA) and has performed well, only declining about 8.6% in the past eight months. The remaining investments are mezzanine debt (16%), along with our legacy portfolio investments (7%) which are valued at below market multiples against real earnings. So, we believe our NAV is very solid.

Below is a summary of our portfolio by asset category:

	28/02/2009 US$'000	01/07/2008 US$'000 (Unaudited)	Variance US$'000	
Micro-Cap portfolio	158,263	173,190	(14,927)	
Mezzanine investments	70,978	84,921	(13,943)	
Legacy portfolio	29,180	28,803	377	
Total private investments	258,421	286,914	(28,493)	-9.9%
Listed equity	47,264	75, 017	(27,753)	
Bank debt	28,215	52,574	(24,359)	
Cash	104,728	110,392	(5,664)	
Total listed investments (including cash)	180,207	237,983	(57,776)	-24.3%
Total investments	438,628	524,897	(86,269)	-16.4%
Other current assets	2,017	11,180	(9,163)	
Total assets	440,645	536,077	(95,432)	

We will discuss each of the segments on the following page.

Micro-cap Portfolio

Our micro-cap portfolio has always been the growth engine of JZCP's NAV, and we expect this to continue in the future. It consists of eight investments across a variety of industries. The largest investment is US$36.0 million in an environmental testing business. This portfolio is, if anything, under-levered, with debt senior to JZCP's positions at only 1.1x the last 12 months trailing EBITDA. The EBITDA for these eight investments grew 1.3% for the twelve months ended 31 December 2008, versus the twelve months ended 30 September 2008.

As always, we attribute this performance to choosing the right management/partners and the right businesses. We've always tried to buy businesses that are relatively less cyclical, and more importantly, we purchase these companies at reasonable multiples (generally 5-7x EBITDA).

Despite the positive performance of these businesses, the values for this portfolio has declined slightly as the weighted average multiple of EBITDA used for these valuations has declined from 7.0x on 1 July 2008 to 5.9x on 28 February 2009.

It is also important to note that companies in this portfolio do not face immediate refinancing risk, as the earliest maturity of third party debt in this portfolio is in late 2010.

Although we have reviewed over 250 investment opportunities since 1 July 2008, we have remained extremely cautious in this volatile world. We have not made any new ''platform'' investments, but have completed several new investments in our existing micro-cap companies as follows.

- On 21 November 2008, JZCP invested an additional US$2.1 million in Preferred Stock of BG Holdings, Inc. for continued expansion of its wind turbine capability.
- On 30 December 2008, JZCP invested an additional US$4.5 million in Preferred Stock of Accutest (ETL Holdings) as part of a US$9.0 million laboratory acquisition.
- On 27 February 2009, JZCP invested an additional US$0.6 million in Preferred Stock of BG Holdings, Inc. to help it make a small product add-on acquisition.

Mezzanine Portfolio

The mezzanine portfolio consists of six investments that have attributable value, with 95% of this portfolio's value in subordinated debt. The largest investment is US$21.0 million in Continental Cement Company, LLC., a large Midwestern cement plant. This portfolio has an average debt multiple of 4.8x.

Regarding these six companies, a small senior debt facility matures in September 2009. The next maturity of size is late 2010.

On 10 February 2009, JZCP invested an additional US$2.9 million in Senior Subordinated Notes in Continental Cement Company to assist the Company's growth plans. This is the first of two additional investments. We like this business and are confident as the US builds out its infrastructure, this new low cost producing plant will do very well.

Legacy Investments

The legacy investments are those that were in JZEP's portfolio prior to 2002 and transferred to JZCP upon the restructuring of JZEP. About 87% of this segment's portfolio is attributable to two investments: US$13.3 million in Healthcare Products Holdings, Inc. and US$12.1 million is common stock in Apparel Ventures, Inc. Both companies are performing well and we are confident they will be realized at their full value. The remaining US$3.8 million is scattered across nine companies.

Listed Equities

Listed equities consist of three investments in transactions in which JZCP had a significant position, which were redeemed via successful IPOs. Twenty-two percent is in TAL, an international container company while 77% is in Safety Insurance. Both companies did very well in 2008 and continue to perform solidly. These investments have been hit significantly by the equity market collapse and we hope their valuation recovers. As they are publicly listed, you can look at them and see if you agree with our assessment that they are undervalued.

Bank Debt

Ten of the eleven investments classified as bank debt are actively traded; the eleventh is in a smaller facility. Fifty percent of this bank portfolio is in first lien loans, while the remainder is in second lien facilities. The upheaval in the bank debt market has driven the quoted prices in this segment down significantly. Two large positions, Kinetek and Harrington, represent a portion of the bank debt of two portfolio companies of the Resolute Fund, our upper middle market private equity fund.

The value of this segment's portfolio is currently at 42% of par. Given the historical recovery rates of 65% to 70% in first lien loans, even in the worst of times, we feel these quoted values reflect more on poor bank market conditions than on the underlying performance and/or value of these businesses.

The earliest maturity of this bank portfolio is mid-2011.

Other Events

- On 4 November 2008, JZCP received an escrow payment from Professional Paint for US$0.5 million.
- On 4 November 2008, JZCP received an escrow payment from Mid America Recycling for US$3.6 million.

Since 28 February 2009, we have made two additional investments:

- On 27 March 2009, JZCP invested an additional US$1.5 million of Preferred Stock of BG Holdings, Inc. to help it complete its wind turbine cell.
- On 31 March 2009, JZCP invested an additional US$2.8 million of Senior Subordinated Notes in Continental Cement, the second funding of the afore-mentioned investment.

Despite the worldwide economic situation, we feel JZCP is well positioned to take advantage of the opportunities that will inevitably emerge. We will continue to invest your money in high quality businesses at reasonable multiples, to generate a total return (income and capital appreciation) of over 15%. As many of you know, we are the largest individual shareholders of JZCP. Since we ''eat our own cooking'', please be assured that we invest your money very carefully. For our team at JZAI, that means maintaining our discipline on quality and price.

Outlook

As we all know, the debt, equity and private equity markets have been extremely volatile over the past eight months. Related is the negative impact of the credit crunch, significantly reducing access to financing for acquisitions and dispositions. Finally, we feel the recession we are in currently will be a particularly deep one. All these factors have left a restricted market place in terms of buying or selling businesses.

Although the underlying health of our portfolio appears solid, some companies' future performance is at risk, especially those with exposure to the housing market and general manufacturing business.

In conclusion, JZCP will be well-positioned to take advantage of any opportunities coming out of the financial crisis if we are successful in the proposed placing of new equity money. We are committed to maintaining our discipline and adherence to the basic fundamentals of our investment strategy.

We appreciate your support and will endeavour to achieve superior returns and avoid losing money.

Yours faithfully,

David W. Zalaznick
John W. Jordan II

22 May 2009

PART 7 – ADDITIONAL INFORMATION

1. Responsibility

The Company and each of its directors (whose names appear on page 31 of this prospectus) accept responsibility for the information contained in this prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation, History and Conduct of Business

2.1 The Company was incorporated with limited liability in Guernsey on 14 April 2008 in anticipation of a scheme of reconstruction whereby the assets and liabilities of JZEP were transferred in their entirety to the Company on 1 July 2008. The Company was incorporated with the name JZ Capital Partners Limited under The Companies Law with registered number 48761 and is an authorised closed-ended investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Schemes Rules 2008 issued by the Commission. The Company, which is domiciled in Guernsey, operates under The Companies Law and ordinances and regulations made thereunder. The Company is not regulated by any authority in a member state of the European Economic Area.

2.2 The Company has been incorporated with an indefinite life, however, the rights attaching to the ZDP Shares (as set out in the Articles) provide that the ZDP Shares will be redeemed by the Company on 24 June 2009. The New ZDP Shares will be redeemed by the Company on 22 June 2016.

2.3 The Company has its registered office and principal place of business at Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3NQ, Channel Islands. The Company's telephone number at its registered office is +44 (0)1481 720321.

2.4 The accounting reference date of the Company is 28 February each year. Copies of the audited yearly and unaudited half yearly accounts will be sent to the Company's Shareholders. The annual report is required to be published within four months of the annual accounting date. The annual report and accounts in respect of the period to 28 February 2009 have been published on the same date as this document. The next unaudited half yearly accounts will be in respect of the period to 31 August 2009. The Company prepares its annual report and accounts in accordance with International Financial Reporting Standards.

2.5 The Company has no subsidiary or parent undertakings, associated companies or employees and neither owns nor leases any premises.

2.6 The Company has pledged approximately US$75 million in cash to JPMorgan Chase Bank, N.A. to secure the Company's payment obligation under the ISDA Forward Contract but otherwise there are no mortgages, charges or security interests attaching to any of the assets of the Company.

3. Share Capital

3.1 The authorised share capital of the Company is represented by an unlimited number of ordinary shares of no par value and an unlimited number of zero dividend redeemable preference shares of no par value, as permitted under Guernsey law. On the Company's incorporation, two Ordinary Shares were issued to the subscribers to the memorandum of association of the Company, Mourant Guernsey Nominees 1 Limited and Mourant Guernsey Nominees 2 Limited. On 8 May 2008 the subscriber shares were transferred to, respectively, Butterfield Corporate Nominees Limited and Rosebank Management Limited.

3.2 Upon the Reconstruction becoming effective, the Company had 97,527,916 Ordinary Shares and 45,662,313 ZDP Shares in issue all of which were fully paid.

3.3 It is expected that the New Ordinary Shares, the Limited Voting Ordinary Shares and the New ZDP Shares to be issued pursuant to the Proposals will be issued pursuant to a resolution of the Board (or a duly authorised committee thereof) on or about 18 June 2009. On the Proposals becoming effective, assuming that all ZDP Shareholders elect to roll over their entire holdings of ZDP Shares into New ZDP Shares, and assuming the issue of all of the New ZDP Shares pursuant to the New ZDP Issue and assuming the Ordinary Share Issue is

fully subscribed and based on the irrevocable commitments received by the Company pursuant to the Ordinary Share Issue, the Company will have 155,761,150 Ordinary Shares (excluding Limited Voting Ordinary Shares), 71,803,987 Limited Voting Ordinary Shares and 45,662,313 New ZDP Shares in issue all of which will be fully paid and no ZDP Shares in issue. Immediately following the Share Consolidation, which will take place on the third dealing day following Ordinary Share Admission, the number of Ordinary Shares in issue will be reduced by a factor of five.

3.4 Although The Companies Law does not require the Company to issue new equity securities on a pre-emptive basis, the Company's Articles provide that new equity securities must be offered to Shareholders *pro rata* to their existing holding in the Company, however, a members resolution was passed on 2 May 2008 disapplying those pre-emption rights until the conclusion of the AGM in 2009. In addition, any future issues of Shares will be carried out in accordance with the Listing Rules.

3.5 By special resolutions passed on 2 May 2008 the Company was authorised, in accordance with Guernsey Law, to make market purchases of Ordinary Shares and ZDP Shares, provided that the maximum number of Ordinary Shares and ZDP Shares authorised to be purchased is 14.99 per cent. of the issued shares of each respective class. The maximum price which may be paid for an Ordinary Share or a ZDP Share is determined by the rules of the UK Listing Authority at the time of purchase (which currently sets a maximum price equal to five per cent. above the average of the mid-market quotations for a share taken from the Official List for the five business days immediately preceding the day on which the share is purchased or, if higher, that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC No 2213/2003)) and such authority expires on the date which is the earlier of the conclusion of the first annual general meeting of the Company or 31 July 2009.

3.6 Save as disclosed in this paragraph 3 of this Part 7:

(a) there has been no change in the amount of the issued share or loan capital of the Company since 14 April 2008, the date of incorporation of the Company;

(b) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries since 14 April 2008, the date of incorporation of the Company; and

(c) no share or loan capital of the Company is under option or is agreed, conditionally or unconditionally, to be put under option.

3.7 Other than pursuant to the Proposals, there is no present intention to issue any of the authorised but unissued share capital of the Company.

3.8 The Shares are in registered form and, subject to the provisions of the Regulations and the Articles, the Directors may permit the holding of shares of any class in uncertificated form (excluding, however, shares held by US Persons) and title to such shares may be transferred by means of a relevant system (as defined in the Regulations). Where Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.

4. Directors' and Other Interests

4.1 In so far as is known to the Company, as at the date of this prospectus, the interests (all of which were beneficial) of each of the Directors and their respective connected persons, the existence of which is known to, or could with reasonable diligence be ascertained by, the relevant director, were as follows:

Director	No. of Ordinary Shares as at 19 May 2009	% of issued Ordinary Shares as at 19 May 2009	No. of Ordinary Shares following the Ordinary Share Issue becoming effective	% of issued Ordinary Shares following the Ordinary Share Issue becoming effective
David Macfarlane[1]	60,000	0.06	200,000	0.06[2]
David Allison	—	—	—	—
Patrick Firth	—	—	—	—
James Jordan	150,000	0.15	150,000	0.05
Tanja Tibaldi	10,000	0.01	10,000	0.00

4.2 Except as set out above, none of the Directors nor any persons connected with the Directors has an interest in Shares of the Company. None of the Investment Advisor, the Administrator, the Custodian or the Auditor has any interest in the Shares of the Company.

4.3 The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 28 February 2009 which will be payable out of the assets of the Company are not expected to exceed US$325,000. Each Director is also entitled to reimbursement of their reasonable expenses. There are no commission or profit-sharing arrangements between the Company and the Directors. Similarly, none of the Directors is entitled to pension, retirement or similar benefits.

4.4 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors were appointed as non-executive directors by letters dated 16 April 2008 which state that their appointment and any subsequent termination or retirement shall be subject to three months' notice from either party and otherwise to the Articles. Each Director's appointment letter provides that, upon the termination of his appointment, that Director must resign in writing and all records remain the property of the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of directors. The Articles provide that the office of director shall be terminated by, among other things: (a) written resignation; (b) unauthorised absences from board meetings for six months or more; (c) unanimous written request of the other directors; and (d) an ordinary resolution of the Company. Each Director is entitled to an annual fee of US$60,000 (US$85,000 for the chairman).

4.5 In connection with his work in respect of transtional matters in October and November 2008 and the Proposals since December 2008, the Board has agreed to pay the Chairman an additional monthly fee of US$12,500 until the Proposals are completed. As at 31 March 2009, the Chairman had received US$75,000 for such work.

4.6 No loan has been granted to, nor any guarantee provided for the benefit of, any director by the Company. None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

1 On the basis that David Macfarlane intends to take up his entitlement under the Open Offer in full.

2 On the basis that the Ordinary Share Issue is fully subscribed.

4.7 In addition to their directorships of the Company, the Directors hold or have held the following directorships, and are or were members of the following partnerships, over or within the past five years:

(a) David Macfarlane

Current directorships/partnerships

Mancal Energy (UK) Limited
Prospekt Medical Limited
Tasmanian Fine Wine Pty Limited
TurfTrax plc

Past directorships/partnerships

Allied Healthcare International Inc
Ashurst LLP
JZ Equity Partners Plc
Moss Financial Services Limited
Platinum Investment Trust plc

(b) David Allison

Current directorships/partnerships

Aeon Limited
Aegis Limited
Battaglia Holdings Limited
Carleton Advisors (Guernsey) Limited
Coldroy Trading Limited
Corestate German Residential Limited
Credo Limited
Da Vinci Cis Private Sector Growth Fund
Detroit Lakes Limited
Fulcrum UCITS III SICAV
Guinness Energy Fund Limited
Les Mielles Limited
Ondas Investments Pte. Ltd.
Rowan Limited
Rutley European Property Limited
Rutley Indian Property Limited
Rutley Indian Property Holdings Limited
Sage Bhartiya Infrastructure Fund IC Limited
Saulire Limited
Schobela Services Limited
Solent Capital (Guernsey) Limited
Spider Holdings Pte Limited
Sunburst Properties Pte Limited
Virtus Cayman Limited
Virtus Cayman 2 Limited
Virtus Directors Limited
Virtus Investment Services Limited
Virtus Management Limited
Virtus Trust NZ Limited
Virtus Trust Corporation Limited
Virtus Trust Limited
Vizelle Limited
Yakhouba Enterprises Limited

Past directorships/partnerships

Aberfoyle International Limited
Academia Limited
Alina Trade Limited
Anitra Limited
Bayard Trading Limited
Bisley Partners Limited
Blackpool Farm Inc
Bravura Trading Limited
Buckland Partners Limited
Casalev Corporation
Casquets Limited
Chedworth Partners Limited
Cockpole Investments Limited
Cromwell Participations Limited
Demoiselle Services Limited
Dragoon Assets limited
Effards Limited
Elberon Assets Limited
Elburghe Limited
Embarcadero Limited
Ensifer Trust Company (CI) Limited
Excel Capital Partners II Limited
First Board Limited
First Court Limited
Fornells Limited
Foxglove Inc
Gaspard Limited
Guernsey Global Trust Limited
JZ Equity Partners plc
Hobson Group Limited
Jaspelle Limited
Larkmead Properties Limited
Liros Holdings Limited
Lizard Limited
Lunven Limited
Manchester Whiteware Corporation Limited
Manitou Investments Limited
Melleby Limited
Mill Valley Limited
Monitor Securities Corp Inc
Nesry Investments Limited
New Leaf Inc
Orlenda Limited
Paimpol Investments Limited

Current directorships/partnerships	Past directorships/partnerships
	Parnassus Enterprises Limited
	Parnassus Maritime Limited
	Perron Trading Inc
	Rothschild Bank Switzerland (CI) Limited
	Rothschild Corporate Fiduciary Services
	Rothschild Private Trust Holdings AG
	Rothschild Switzerland (CI) Trustees Limited
	Rothschild Trust (Bermuda) Limited
	Rothschild Trust Canada Inc
	Rothschild Trust Corporation Limited
	Rothschild Trust Eastern Limited
	Rothschild Trustee Services Ireland Limited
	Rothschild Trust Financial Services Limited
	Rothschild Trust Guernsey Limited
	Rothschild Trust Jersey Limited
	Rothschild Trust New Zealand Limited
	Rothschild Ventures (Guernsey) Limited
	Scar Limited
	Second Board Limited
	Second Court Limited
	Street Family Group of Companies Limited
	Symons Family Group of Companies
	Third Board Limited
	Thrupp Partners Limited
	Veteran World Holdings Limited
	Vroon limited
	Wargrave Partners Limited

(c) Patrick Firth

Current directorships/partnerships	Past directorships/partnerships
Butterfield Fulcrum Corporate Nominees Limited	AHL Global Investments Limited
Butterfield Fulcrum Group (Guernsey) Limited	Belvedere Fund Limited
Cardona Lloyd Hedge Portfolio Limited	Bisys Fund Services (Guernsey) Limited
Cardona Lloyd Limited	Blackfish Capital Fund 1 SPC
Deephaven Event Fund Limited	Blackfish Capital (Master) Fund 1 SPC
Deephaven Global Convertibles Select Opportunities Fund Limited	Cardona Lloyd (Guernsey) Limited
	CBI Finance Limited
Deephaven Global Multi Strategy Fund Limited	Deephaven Credit Opportunities Fund Limited
EuroDekania Limited	Deephaven Global Multi Strategy Fund D Limited
FF&P Alternative Strategy Income Subsidiary Limited	Deephaven Global Value Partners Limited
FF&P Alternative Strategy Income Subsidiary No 2 Limited	Deephaven Long/Short Equity Fund Limited
FF&P Asset Management (Guernsey) Limited	ED&F Man Investment Products (Guernsey) Limited
FF&P Russia Real Estate Adviser Holdings Limited	FF&P Russia Real Estate Adviser Holdings Limited
FF&P Venture Funds Subsidiary Limited	FF&P Russia Real Estate Advisers Limited
Global Industrial Investments Limited	FF&P Russia Real Estate Development Limited
Grosvenor Short Selling Fund Limited	Halsfield Limited
Grosvenor US Hedged Equity Specialists Fund Limited	
Grosvenor Venture Firms Limited	
Grosvenor Venture Funds Limited	
Guernsey Portfolio PCC Limited	
JP Morgan Progressive Multi-Strategy Fund Limited	
L&S Leeds Limited	

Current directorships/partnerships	Past directorships/partnerships
London & Stamford Offices Limited	Investment Fund Services Limited
London & Stamford Offices Unitholder 2 Limited	JAH Real Estate Funds SPC
London & Stamford Property Limited	JP Morgan Global Convertibles
London & Stamford Property Subsidiary Limited	Investment Company Limited
London & Stamford Retail Limited	Linesey Limited
LSP Cavendish Management Limited	Liontrust Guernsey Fund Limited
Maple Leaf Canada Fund Limited	Liontrust International (Guernsey) Limited
Moneda Latin American Fund PCC Limited	Man Alternative Strategy Investments Limited
MRIF Guernsey GP Limited	Man-Drapeau Response Limited
Olivant Limited	Man-Fidex Diversified Limited
Porton Capital Technology Funds	Man-Fidex Global Investments Limited
Professional Investor Fund PCC Limited, The	Man-Vector Diversified Limited
Rosebank Management Limited	Man-Vector Global Investments Limited
Rufford & Raiston PCC Limited	Mango Tree India Fund Limited
Saltus (Channel Islands) Limited	Merchbanc Management (Guernsey) Limited
Sierra GP Limited	Peak Asia Properties Limited
Star Asia Finance Limited	RG Management Limited
Stratos Ventures General Partner 1 Limited	RG World Fund Limited
T2 Income Fund Limited	Royal London Property Investment Company Limited
Victoria Capital PCC Limited	Royal London Property Portfolio Limited
Waveland Partners Limited	Thornhill Premium Fund Limited

(d) James Jordan

Current directorships/partnerships	Past directorships/partnerships
First Eagle Global Fund	Consolidated-Tomoka Land Company
First Eagle Overseas Fund	Florida East Coast Industries
First Eagle US Value Fund	JZ Equity Partners Plc
First Eagle Gold Fund	
First Eagle Fund of America	
First Eagle Variable Overseas Fund	
Leucadia National Corporation	

(e) Tanja Tibaldi

Current directorships/partnerships	Past directorships/partnerships
Goldprima Limited	Fairway Investment Partners
Immobilier Balam du Maroc S.A.R.L.	JZ Equity Partners Plc
Inmobiliaria Balam de Argentina, S.A.	
Inmobiliaria Balam de Yucatan, S.A. de C.V	
Ryad Arena S.A.R.L.	
Triple Eight Limited	

4.8 At the date of this prospectus, none of the Directors:

(a) has any convictions relating to fraudulent offences within the previous five years;

(b) within the previous five years, has been a director or senior manager of any company at the time of any bankruptcy, receivership or liquidation;

(c) has, within the previous five years has received any official public recrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies), or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of a company; or

(d) has any potential conflicts of interest between their duties to the Company and their private interests or other duties.

4.9 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company and the Company has entered into indemnity arrangements with the Directors to the extent permitted by law.

4.10 As at 19 May 2009, the latest practicable date prior to the publication of this prospectus, in so far as is known to the Company, the following persons are, directly or indirectly, interested in three per cent. or more of the Company's share capital:

Shareholder	No of Ordinary Shares	% of issued Ordinary Shares
David W. Zalaznick	8,764,372	8.99
John W. Jordan as trustee	8,086,372	8.29
Leucadia Financial Corporation	6,791,346	6.96
National Financial Services	5,419,546	5.56
CIBC Wood Gundy	5,000,000	5.13
Massachusetts Mutual Life Insurance Company	4,299,817	4.41
Fairholme Capital Management LLC	4,289,439	4.40
Prudential Client HSBC GIS Nominee (UK)	4,281,464	4.39
Legal & General	4,269,355	4.38
Deutsche Bank AG London	3,910,084	4.01
Third Avenue Management	3,111,000	3.19

Shareholder	No. of ZDP Shares	% of issued ZDP Shares
Rensburg Sheppards plc	7,189,355	15.74
Brewin Dolphin Investment Managers Ltd	4,324,008	9.47
Best Investment Brokers	2,633,035	5.77
New Star Asset Management	2,400,000	5.26
Premier Asset Management Ltd	2,260,426	4.95
Duncan Lawrie Investment Company	1,392,008	3.05
Miton Asset Management Ltd	1,180,000	2.58
N W Brown Investment Management	1,086,905	2.38
Brooks MacDonald Asset Management	1,052,426	2.30
Lloyds TSB Share Dealing	1,007,246	2.21

4.11 None of the Company's Shareholders has voting rights attached to the Shares they hold different to the voting rights attached to other shares of the same class of Shares in the Company.

4.12 The Company is not aware of any person who directly or indirectly, jointly or severally, exercises or, immediately following the Proposals becoming effective, could exercise control over the Company.

4.13 Immediately following the Share Consolidation, which will take place on the third dealing day following Ordinary Share Admission, the number of Ordinary Shares set out in paragraphs 4.1 and 4.10 above will all be reduced by a factor of five. The proportional distribution of Ordinary Shares between the Shareholders listed above (and all other Ordinary Shareholders of the Company) will be unaffected, save for fractional share entitlements.

5. Summary of the Memorandum and Articles of Association

5.1 The Company's objects are as set out in paragraph 3 of the memorandum of association of the Company. The memorandum of association and the New Articles of the Company are available for inspection at the address specified in paragraph 11.1 of this Part 7.

5.2 The Articles contain provisions, *inter alia*, to the following effect:

(a) ***Rights attaching to the Ordinary Shares***

Income

(i) The Ordinary Shares carry a right to receive the profits of the Company available for distribution by dividend and resolved to be distributed by way of dividend to be made at such time as determined by the Directors.

Capital

(ii) On the winding-up or other return of capital of the Company, the liquidator may divide amongst the members the whole or any part of the assets of the Company and may determine how such division shall be carried out as between the members or different classes of members. This distribution shall be made after payments of all debts in satisfaction of all liabilities of the Company (including the cost of winding-up if applicable).

Voting rights

(iii) The holders of the Ordinary Shares shall have the right to receive notice of, to attend and to vote at all general meetings of the Company; provided that no member shall be entitled to vote at any general meeting if any call or other sum immediately payable by him in respect of shares in the Company remains unpaid or if a member has been served by the Directors with a direction notice in the manner described in paragraph 5.2(c) below.

(b) ***Rights attaching to the ZDP Shares***

Income

(i) The ZDP Shares carry no right to receive dividends out of revenue or any other profits of the Company.

Capital

(ii) On a return of capital, on a winding up or otherwise, the assets of the Company available for distribution to members in accordance with The Companies Law shall be applied as follows:

(A) first, there shall be paid to holders of the ZDP Shares an amount equal to 100p per ZDP Share as increased on the twenty-fourth day of each month at such rate compounded each month as will give an entitlement to 215.8925p at 24 June 2009, the first such increase to be deemed to have occurred on 24 July 1999 and the last to occur on 24 June 2009; and

(B) secondly, there shall be paid to the holders of the Ordinary Shares the balance of the assets of the Company available for distribution in accordance with The Companies Law and the Articles.

Voting rights

(iii) The holders of the ZDP Shares shall have the right to receive notice of, but shall not have the right to attend or vote at, any general meeting of the Company except:

(A) upon any resolution concerning the appointment or removal of directors;

(B) upon any resolution to alter, modify or abrogate the special rights or privileges attached to the ZDP Shares; and

(C) upon any Liquidation Resolution, Recommended Resolution, or Reconstruction Resolution,

and, save as otherwise provided in paragraphs 5.2(b)(iv) or (v) below, on a show of hands each holder of ZDP Shares present in person and entitled to vote shall have one vote and upon a poll each such holder who is present in person or by proxy and entitled to vote shall have one vote in respect of every ZDP Share held by him.

(iv) Notwithstanding any other provision of the Articles, on any vote on the Liquidation Resolution, each holder of ZDP Shares present in person or by proxy who votes in favour of such resolution shall, on a poll, have such number of votes in respect of

each ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of such shares in respect of which votes are cast against the resolution and each member present in person or by proxy and entitled to vote who votes against such resolution shall on a poll have one vote for each share held by him. Any vote on any Liquidation Resolution shall be by means of a poll.

(v) Notwithstanding any other provision of the Articles, on any vote on a Recommended Resolution or a Reconstruction Resolution, each holder of ZDP Shares present in person or by proxy shall, on a poll, have such number of votes in respect of each ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of votes cast against the resolution and each member present in person or by proxy and entitled to vote who votes against such resolution shall on a poll have one vote for each share held by him; provided that, if any term of any offer referred to in paragraph 5.2(b)(xiii) below or any arrangement referred to in paragraphs 5.2(b)(xi) or (xv) below (as the case may be) shall (as regards any one or more members) have been breached in any material respect of which the chairman of the relevant meeting has written notice prior to the commencement of such meeting then, notwithstanding anything in the Articles to the contrary, each member shall, at any such meeting at which such shareholder is present in person or by proxy, and entitled to vote, on a poll have one vote for every such share held by him. Any vote on any Reconstruction Resolution or Recommended Resolution shall be by means of a poll.

Class rights

(vi) The Company shall not without the previous sanction of an extraordinary resolution of the holders of the ZDP Shares passed at separate meetings of such holders convened and held in accordance with the provisions of the Articles:

(A) issue any further shares or rights to subscribe or convert any securities into shares or reclassify issued share capital into shares of a particular class where such shares rank, or would on issue, conversion or reclassification rank, as to capital in priority to or *pari passu* with the ZDP Shares (taking account for this purpose of any intra-group liabilities corresponding to and supporting such shares or securities), save that the Company may, subject to the provisions of its existing articles of association, issue further shares, rights or securities provided that the Directors shall have calculated and the auditors of the Company shall have reported to the Directors on such calculations within 60 days prior to the proposed issue or reclassification that, were the further shares to be issued or the shares to be reclassified or rights of subscription or conversion to be issued and immediately exercised at the date of the report, those ZDP Shares in issue immediately thereafter would have a cover of not less than 2.1 times. For this purpose, the cover of the ZDP Shares shall represent a fraction where the numerator is equal to the total net assets of the Company at the end of the immediately preceding financial year and the denominator is equal to the amount which would be paid on the ZDP Shares as a class (and on all shares ranking as to capital in priority thereto or *pari passu* therewith, save to the extent already taken into account in the calculation of the total of share capital and reserves) in a winding up of the Company on the relevant repayment date. In calculating such cover, the Directors shall:

(aa) use the figures set out in the most recently filed audited accounts of the Company;

(bb) assume that the share capital or rights proposed to be issued or arising on reclassification had been issued and/or exercised and/or reclassified at the end of the financial period dealt with in such accounts;

(cc) adjust the total net assets of the Company at the end of the said financial period by adding the minimum gross consideration (if any) which would be received upon such issue, reclassification or exercise;

(dd) take account of the entitlements to be attached to the new shares or securities or rights to be issued;

(ee) aggregate the final capital entitlements of the existing ZDP Shares derived from the said accounts and the capital entitlements of the new shares or securities or rights to be issued as aforesaid;

(ff) make such other adjustments as they consider appropriate; or

(B) pass any resolution, other than any Recommended Resolution or Reconstruction Resolution, releasing the Directors from their obligations to convene an extraordinary general meeting at which the Liquidation Resolution is to be proposed or otherwise vary the effect of paragraphs 5.2(b)(xi) to (xvi) (inclusive) below; or

(C) pass a resolution to reduce the capital of the Company (including undistributable reserves and uncalled capital) in any manner, or any resolution authorising the Directors to purchase shares in the Company, other than the Liquidation Resolution, the Reconstruction Resolution or a Recommended Resolution; or

(D) pass any resolution to wind up the Company, other than the Liquidation Resolution, a Reconstruction Resolution or a Recommended Resolution; or

(E) alter any object set out in the memorandum; or

(F) pass any resolution which authorises the Directors to pay a dividend out of the Capital Reserve (as defined in paragraph 5.2(l)) below); or

(G) pass any resolution authorising or permitting any increase in the borrowing limit referred to in paragraph 5.2(k) below.

(vii) Notwithstanding anything to the contrary in the Company's existing articles of association, one of the rights attaching to the Ordinary Shares and the ZDP Shares shall be that the passing and implementation of any Liquidation Resolution, Reconstruction Resolution or Recommended Resolution shall be in accordance with the rights attached to the Ordinary Shares and the ZDP Shares, with the result that neither the passing nor the implementation of any such resolution shall be treated as varying, modifying or abrogating such rights and so that the consent or sanction of any such class of shares as a separate class shall not be required thereto.

Redemption

(viii) The Company shall redeem all, and not some only, of the ZDP Shares at 215.8925p per share on the ZDP Repayment Date. The ZDP Shares shall not be redeemed other than in accordance with this paragraph 5.2(b)(viii).

(ix) Redemption of the ZDP Shares is subject to any restrictions imposed by law.

(x) If the Company is unable to redeem all of the ZDP Shares on 24 June 2009 then, subject to paragraphs 5.2(b)(xi), (xiii) and (xv) below, the Directors shall convene an extraordinary general meeting of the Company to be held as soon as reasonably practicable following the ZDP Repayment Date at which a special resolution (the "Liquidation Resolution") shall be proposed requiring the Company to be forthwith wound up voluntarily pursuant to section 391 of The Companies Law.

Recommended resolutions, offers and reconstruction resolutions

(xi) Notwithstanding the provisions of the Articles described in paragraph 5.2(b)(x) above in the event that at any general meeting(s) held after 30 April 2009 but on or prior to the twenty-first day following the ZDP Repayment Date (and before the passing of the Liquidation Resolution) there is proposed any resolution or resolutions recommended by the Directors and complying with the provisions of paragraph 5.2(b)(xii) below (a "Recommended Resolution") the effect of which would be that the holders of the ZDP Shares would, in consideration or in consequence of the repurchase or other repayment in respect of their ZDP Shares, receive by not later than 21 days after the ZDP Repayment Date an amount in cash equal to not less than such holders would otherwise have been entitled on the winding-up of the Company as a result of the passing of the Liquidation

Resolution (ignoring any option any holders of ZDP Shares may be given to elect to receive their entitlement otherwise than in cash), then paragraph 5.2(b)(x) above shall not apply.

(xii) No Recommended Resolution shall involve the winding-up of the Company or other return of capital in respect of the Ordinary Shares or any variation, modification or abrogation of any of the rights or privileges attaching to the Ordinary Shares.

(xiii) Notwithstanding the provisions of paragraph 5.2(b)(x) above if all the holders of the ZDP Shares receive an offer recommended by the Directors and complying with the provisions of paragraph 5.2(b)(xiv) below (whether from the Company or any other person) which becomes or is declared unconditional after 30 April 2009 but on or prior to the twenty-first day following the ZDP Repayment Date (and before the passing of the Liquidation Resolution), under which such holders (or holders other than the offeror and/or persons acting in concert with the offeror) would receive not later than 21 days after the ZDP Repayment Date an amount in cash equal to not less than such holders would otherwise have been entitled on the winding-up of the Company as a result of the passing of the Liquidation Resolution (ignoring any option any holders of ZDP Shares may be given to elect to receive alternative consideration pursuant to the offer), then paragraph 5.2(b)(x) above shall not apply.

(xiv) Any such offer as is referred to in paragraphs 5.2(b)(xiii) above must be stated to be, in the opinion of a financial advisor appointed by the Directors, fair and reasonable and in the interests of the members as a whole.

(xv) Notwithstanding the provisions of paragraph 5.2(b)(x) above in the event that at any general meeting(s) held after 30 April 2009 but on or prior to the twenty-first day following the ZDP Repayment Date (and before the passing of the Liquidation Resolution) there is proposed any resolution or resolutions recommended by the Directors and complying with the provisions of paragraph 5.2(b)(xvi) below (a ''Reconstruction Resolution'') to (aa) wind up the Company voluntarily or any other arrangement which the Directors consider to be of substantially similar effect or (bb) effect any other arrangement by means of a reduction of capital, distribution in specie or any other lawful procedure or arrangement whatsoever whether or not involving the winding-up of the Company in either case such that the holders of the Ordinary Shares and the ZDP Shares shall receive not later than 21 days after the ZDP Repayment Date an amount in cash estimated by the Directors to be not less than that to which the Directors estimate that such holders would respectively otherwise be entitled on a winding-up as a result of the passing of the relevant Liquidation Resolution on the ZDP Repayment Date in accordance with paragraph 5.2(b)(x) above (ignoring any option any of them may be given to elect to receive their entitlements otherwise than in cash pursuant to the arrangement), then paragraph 5.2(b)(x) above shall not apply.

(xvi) Any Reconstruction Resolution must be stated to be, in the opinion of a financial advisor appointed by the Directors, fair and reasonable and in the interests of the members as a whole.

(c) ***Restrictions on Shares***

If a member has been duly served with a notice pursuant to Article 8(1) of the Articles and is in default in supplying to the Company information thereby required for more than 14 days the Directors may serve on such member a notice (a ''direction notice'') in respect of the shares in relation to which the default occurred (''default shares'') and any other shares held by such member directing that the member shall not be entitled to vote at any general meeting or class meeting of the Company. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may in addition direct that, *inter alia*, any dividend which would otherwise be payable on such shares shall be retained by the Company without liability to pay interest and no transfer other than an approved transfer of any such shares shall be registered unless the member is not himself in default in supplying the information requested and the transfer is in respect of part only of the member's holding and is accompanied by a

certificate given by the member in a form satisfactory to the Directors to the effect that, after due and careful enquiry, the member is satisfied that no person in default as regards supplying the information requested is interested in the shares to be transferred.

(d) ***Variation of class rights***

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class of shares may be modified, abrogated or varied in such manner as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-fourths of the total number of the issued shares of the relevant class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of Part XIII of The Companies Law and the provisions of the Articles relating to general meetings shall apply, *mutatis mutandis*, but so that the necessary quorum at any such meeting other than an adjourned meeting shall be two persons holding or representing by proxy at least one-third of the total number of the issued shares of the relevant class and at an adjourned meeting one person holding shares of the relevant class or his proxy. Any holder of shares of the relevant class present in person or by proxy may demand a poll upon which every holder of shares of that class present in person or by proxy shall be entitled to one vote for every such share held by him. Subject to the provisions of the Articles, the rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of such shares or by the terms upon which such shares are for the time being held, be deemed not to be modified, abrogated or varied by the creation or issue of further shares ranking *pari passu* therewith, or the purchase or redemption by the Company of any of its own shares.

(e) ***Alteration of capital***

(i) Without prejudice to any special rights conferred by the Articles on the holders of any class of shares, the Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amount, sub-divide its shares into shares of smaller amount and cancel any shares not taken or agreed to be taken by any person.

(ii) Subject to the provisions of The Companies Law and without prejudice to any special rights conferred by the Articles on the holders of any class of shares or the other provisions of the Articles, the Company may by special resolution reduce its share capital, any capital redemption reserve and fund any share premium account.

(f) ***Rights of pre-emption***

(i) Subject to the provisions of The Companies Law and of the Articles and without prejudice to any special rights conferred by the Articles on the holders of any class of shares, all unissued shares of the Company are at the disposal of the Directors provided that the Board shall not allot (or, as applicable, grant) equity securities for cash to any person (otherwise that in connection with or pursuant to a rights issue or open offer or any other pre-emptive offer in favour of holders of ordinary shares (and holders of any other class of securities entitled to participate therein) in proportion (as nearly as practicable) to the respective number of equity securities held by them on the record date for such allotment but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, treasury shares, record dates or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever) unless:

(A) (i) the Board has first made an offer to each person who holds relevant shares to allot to him on the same or more favourable terms a proportion of those equity securities which is as nearly as practicable equal to the proportion in nominal value held by him of the aggregate relevant shares; and (ii) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made; or

(B) the Board is authorised to do so by ordinary resolution provided that any such authority shall lapse (if not renewed) on the expiry of two years from the date of grant of the same.

(ii) Notwithstanding the foregoing, any allotment in breach of the above shall not invalidate the relevant allotment or grant. For the purposes of the above:

(A) "**equity securities**" means any shares in the capital of the Company (save for shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution) and any right to subscribe for or to convert security into, shares in the capital of the Company (but not any shares allotted pursuant to any such rights and excluding shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution); and

(B) as regards any such offer as is referred to above:

(aa) the offer shall be in writing and shall be made to a holder of shares either personally or by sending it by post (that is to say, prepaying and posting a letter containing the offer) to him or to his registered address or, if he has no registered address in Guernsey or the United Kingdom, to the address in Guernsey or the United Kingdom supplied by him to the Company for the giving of notice to him;

(bb) if sent by post, the offer shall be deemed to be made at the time at which the letter would be delivered in the ordinary course of post;

(cc) where shares are held by two or more persons jointly, the offer may be made to the joint holder first named in the register of members in respect of the shares;

(dd) in the case of a holder's death or bankruptcy, the offer may be made:

(I) by sending it by post in a prepaid letter addressed to the persons claiming to be entitled to the shares in consequence of the death or bankruptcy by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address in Guernsey or the United Kingdom supplied for the purpose by those so claiming, or

(II) (until such an address has been so supplied) by giving the notice in any manner in which it might have been given if the death or bankruptcy had not occurred;

(ee) if the holder:

(I) has no registered address in Guernsey or the United Kingdom and has not given to the company an address in Guernsey or the United Kingdom for the service of notices on him, or

(II) is the holder of a share warrant,

then the offer may be made by causing it, or a notice specifying where a copy of it can be obtained or inspected, to be published in the London Gazette;

(ff) the offer must state a period of not less than 21 days during which it may be accepted; and the offer shall not be withdrawn before the end of that period;

(gg) a reference to a class of shares is to shares to which the same rights are attached as to voting and as to participation, both as respects dividends and as respects capital, in a distribution;

(hh) a reference (however expressed) to the holder of shares of any description is to whoever was at the close of business on a date, to be specified in the offer and to fall in the period of 28 days immediately before the date of the offer, the holder of shares of that description; and

(ii) the obligation to make any such offer is without prejudice to any enactment by virtue of which the Company is prohibited (whether generally or in specified circumstances) from offering or allotting equity securities to any person; where the Company cannot by virtue of such an enactment offer or allot equity securities to a holder of relevant shares, the above provisions shall have effect as if the shares held by that holder were not relevant shares.

(g) ***Redeemable shares***

Subject to the provisions of The Companies Law, any shares may be issued on terms that they are, or at the option of the Company or the Shareholders they are, liable to be redeemed on the terms and in the manner provided for by the Articles.

(h) ***Purchase of own shares***

Subject to the provisions of The Companies Law and any special rights conferred by the Articles on the holders of any class of shares and in accordance with guidelines from time to time established by the Board, the Company may purchase its own shares (including any redeemable preference shares) provided that the Company shall not purchase its own shares if there are outstanding any convertible shares which remain capable of being converted into equity share capital of the Company, unless such purchase has been sanctioned by an extraordinary resolution passed at a separate meeting of the holders of each class of such convertible shares in accordance with the Articles.

(i) ***Transfer of Shares***

(i) This paragraph (i) should be read in conjunction with paragraph 5.2(o) below in respect of uncertificated shares. The instrument of transfer of a certificated Share shall be signed by or on behalf of the transferor (and, in the case of a share which is not fully paid, by or on behalf of the transferee) and the transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register in respect thereof. All transfers of certificated shares shall be effected by instrument in writing in any usual or common form or any other form which the Directors may approve. Subject to regulations of the Listing Rules and the CREST Rules the Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a Share which is not fully paid provided that, where such shares are admitted to the Official List and to trading on the London Stock Exchange's market for listed securities, such discretion may not be exercised in such a way as, in the opinion of the London Stock Exchange, prevents dealings in the Shares of that class from taking place on an open and proper basis. The directors may likewise refuse to register any transfer in favour of more than four persons jointly. The directors may decline to recognise any instrument of transfer unless it is left at the registered office accompanied by the relevant certificate(s), including in the case of transfers to or from persons in the United States, a duly completed certification letter in the form requested by the Board, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and unless the instrument is in respect of only one class of share. The registration of transfers may be suspended by the Directors for any period (not exceeding 30 days in any year).

(ii) The Directors shall be entitled to decline to register a person as, or to require such person to cease to be, a holder of any Shares or other equity securities of the Company if they believe that (A) such person is a US Person and not a Qualified Purchaser (as defined in the US Investment Company Act), or (B) such person is a Benefit Plan Investor or (C) such person is, or is related to, a citizen or resident of the United States, a US partnership, a US corporation or a certain type of estate or trust and, in the case of (C), that ownership of any Ordinary Shares or any other equity securities of the Company by such person would materially increase the risk that the Company could be or become a ''controlled foreign corporation'' within the meaning of the Code. In addition, the Directors may require any holder of Shares or other securities of the Company to show to their satisfaction whether or not

such holder is a person described in paragraphs (A), (B) or (C) in the previous sentence and shall be authorised to effect the disposal of any beneficial interest held by persons who are so described.

(j) ***Directors***

(i) The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by The Companies Law or by the Articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Articles and of Guernsey law, and to such directions, being not inconsistent with any provisions of the Articles and of Guernsey law, as may be given by the Company in general meeting.

(ii) Unless and until the Company in general meeting shall otherwise determine, the number of directors shall be not more than ten and not less than two. A director shall not be required to hold any shares in the capital of the Company.

(iii) A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall, at a meeting of the Directors, declare in accordance with the provisions of the Articles the nature of his interest and the interest of any person who is connected with him within the meaning provided in the Articles.

(iv) No director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with regard to his tenure of any other office or place of profit or acting in a professional capacity for the Company or as a vendor, purchaser or otherwise. Subject to the provisions of The Companies Law and save as therein provided, no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any director or person connected with him is in any way interested, whether directly or indirectly, shall be liable to be avoided, nor shall any director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit or other benefit realised by any such contract, arrangement, transaction or proposal by reason of such director holding that office or of the fiduciary relationship thereby established, but such director shall declare the nature of his interest in accordance with the provisions referred to in paragraph (iii) above.

(v) A director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

(A) the giving of any guarantee, security or indemnity in respect of money lent to or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(B) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(C) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(D) any contract, arrangement, transaction or other proposal concerning any other body corporate in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he does not hold an interest in one per cent. or more of any class of the equity share capital of such body corporate or the voting rights available to members of the relevant body corporate;

(E) any contract, arrangement, transaction or other proposal for the benefit of the employees of the Company or any of its subsidiary undertakings which does not accord to that director any privilege or advantage not generally accorded to the employees to whom such contract, arrangement, transaction or other proposal relates; and

(F) any proposal concerning any insurance which the Company is to purchase and/or maintain for or for the benefit of any directors or for the benefit of persons who include directors.

(vi) If any question shall arise at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other director shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed.

(vii) Save as provided in the Articles, a director shall not vote or be counted in the quorum on any motion in respect of any contract, arrangement, transaction or any other proposal in which he has any material interest.

(viii) The directors shall be paid out of the funds of the Company by way of fees for their services as directors such sums (if any) as the Directors may from time to time determine (not exceeding in the aggregate an annual sum of US$650,000 or such larger amount as the Company may by ordinary resolution determine). Such remuneration shall be deemed to accrue from day to day.

(ix) A director may be or continue to be or become a director or other officer or member of, or otherwise interested in, any body corporate promoted by the Company or in which the Company may be interested as a shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received or receivable by him as a director or other officer, employee or member of, or from his interest in, such other body corporate.

(x) The directors may be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings or otherwise in connection with the business of the Company.

(xi) Subject to the provision of The Companies Law, a director may hold any other office or place of profit under the Company, except that of auditor, in conjunction with the office of director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Such remuneration shall be in addition to any remuneration otherwise provided by the Articles.

(xii) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment of two or more directors) to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the Directors concerned (subject to the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(xiii) the Articles contain no age restrictions in relation to the Directors.

(xiv) Each director shall have the power at any time by notice in writing to the Company to appoint as an alternate director either (A) another director or (B) any other person and, at any time by notice to the Company, to terminate such appointment.

(xv) Any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a director, may be paid such extra remuneration as the Directors may determine.

(xvi) Without prejudice to any other provisions of the Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company, or of any other body (whether or not incorporated) which is or was its parent undertaking or subsidiary undertaking or another subsidiary undertaking of any such parent undertaking (together "Group Companies") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, or who are or were at any time trustees of (or directors of trustees of) any pension, superannuation or similar fund, trust or scheme or any employees' share scheme or other scheme or arrangement in which any employees of the Company or of any such other body are interested, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body, fund, trust, scheme or arrangement.

(xvii) Each director shall retire from office at the third annual general meeting after his appointment or (as the case may be) the general meeting at which he was last re-appointed.

(xviii) A director retiring at a meeting shall be eligible for reappointment. A director retiring at a meeting shall, if he is not reappointed at such meeting, retain office until the meeting appoints someone in his place, or if it does not do so, until the dissolution of such meeting.

(xix) The Company, at the meeting at which a director retires as referred to above, may fill the vacated office by appointing a person by ordinary resolution provided notice of the proposal of such person and notice of such person's willingness to act has been given in accordance with the Articles.

(k) ***Borrowing powers***

Save as otherwise provided in the Articles, the Board may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage or otherwise charge all or any part of its undertaking, property or assets (present and future) and uncalled capital and, subject to the provisions of Guernsey law, to issue debentures, loan stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any of its subsidiaries or any third party provided that, without the previous sanction of an ordinary resolution of the Company in general meeting, the Board shall not exercise such powers (and shall exercise all voting and other rights or powers of control exercisable by the Company with a view to ensuring that no subsidiary of the Company shall borrow) where to do so would result in the aggregate amount of all monies borrowed by the Company and its subsidiaries and owing, at the time the relevant borrowing is incurred, to persons other than Group Companies exceeding an amount equal to 50 per cent. of the net assets of the Company as reported in the last audited balance sheet of the Company (or, pending the first audited balance sheet of the Company, US$180 million). No lender or other person dealing with the Company or any of its subsidiaries shall be concerned to see or inquire whether the said limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the said limit has been or would thereby be exceeded.

(l) ***Capital reserve***

The directors may establish a reserve to be called the "Capital Reserve". All surpluses arising from the realisation or revaluation of investments and all other capital profits and accretions of capital shall be credited to the Capital Reserve. Any loss realised on the sale, repayment or payment of any investments or other capital assets and any

expenses, loss or liability (or provision therefor) properly chargeable to capital may be carried to the debit of the Capital Reserve. Any determination of the Directors that any amount received or receivable by the Company or any expenses, loss or liability incurred by or on behalf of the Company is to be dealt with as income or capital or partly one way and partly the other shall be conclusive. Sums carried and standing to the Capital Reserve shall not be regarded or treated as profits of the Company available for distribution by way of dividend but may be applied for any of the other purposes to which sums standing to any revenue reserve of the Company are applicable, including but not limited to redeeming or purchasing any of the shares issued by the Company, and may be applied for the purposes of making any other distribution.

(m) ***Dividends and distributions to Shareholders***

(i) The Company in general meeting may declare dividends, but no dividend shall exceed the amounts recommended by the Directors, subject to the provisions of paragraph 5.2(c) above. All dividends shall be declared and paid according to the amounts paid up on the shares and shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid. Subject to the provisions of The Companies Law, the Directors may pay such interim dividends as they think fit.

(ii) Subject to the provisions referred to above in relation to the Capital Reserve and to The Companies Law, the Directors may set aside out of the Company's profits such sums as they think proper as a reserve or reserves which will be applicable for any purpose to which the Company's profits may be properly applied and may in the meantime either be employed in the Company's business or invested in such investments as the Directors think fit.

(iii) On a liquidation, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by The Companies Law, divide amongst the members in specie the assets of the Company and may, for such purpose, set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out, subject to the provisions of paragraph 5.2(b)(ii) above.

(n) ***Unclaimed dividend***

Any dividend unclaimed for a period of 12 years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

(o) ***Uncertificated shares***

The Articles are consistent with CREST membership and, among other things, allow for the holding and transfer of shares by persons, other than US Persons, in uncertificated form. US Persons may only hold Ordinary Shares and ZDP Shares in certificated form and not through CREST.

(p) ***Meetings of Shareholders (''general meetings'')***

(i) The first general meeting (being an annual general meeting) of the Company shall be held as required by The Companies Law, being within 18 months of 14 April 2008 (being the date of incorporation of the Company) and thereafter annual general meetings shall be held at least once in each subsequent calendar year.

(ii) The board may convene an extraordinary general meeting whenever it thinks fit. General meetings shall be held in Guernsey or such other place as may be determined by the Directors from time to time. The board must on the requisition in writing of one or more Shareholders holding not less than one-tenth of the issued share capital of the Company forthwith proceed to convene an extraordinary general meeting.

(iii) A general meeting shall be called by not less than 14 days' notice provided that with the consent in writing of all the Shareholders entitled to receive notice of such meeting, a meeting may be convened by a shorter notice or at no notice.

5.3 In order to implement the Proposals, the Company is proposing a resolution to amend the Articles at the EGM in order to reflect the creation of the Limited Voting Ordinary Shares and New ZDP Shares and the conversion of ZDP Shares into New ZDP Shares under the ZDP

Rollover Offer. The rights attaching to the Ordinary Shares will not be affected by the Share Consolidation. Further details of the provisions of the New Articles relating to the New ZDP Shares are set out in the ZDP Prospectus. Subject to the relevant Resolutions being passed, the New Articles will also contain the following provisions relating to the Limited Voting Ordinary Shares:

(a) ***Voting Rights Attaching to Ordinary Shares and Limited Voting Ordinary Shares***

(i) All Ordinary Shares will vote together as a class on all matters (other than those matters affecting only the rights of the holders of either the non-Limited Voting Ordinary Shares or the Limited Voting Ordinary Shares alone, such matters being limited to the voting rights of each respective class).

(ii) Each Ordinary Share and Limited Voting Ordinary Share will be entitled to one vote per Share, except that the voting rights of each Limited Voting Ordinary Share will be reduced in accordance with a weighting mechanism in respect of votes concerning the appointment and removal of directors only as further described in sub-paragraph (iv) below.

(iii) Limited Voting Ordinary Shares are Ordinary Shares which will be identical to, and, save as provided in sub-paragraph (ii) above, rank *pari passu* in all respects with, the New Ordinary Shares except that the holders of Limited Voting Ordinary Shares will not be entitled to vote on any matters requiring shareholder approval under the Listing Rules, from time to time, including any of the matters set out below:

(A) subject to any exemption set out in the Listing Rules, a cancellation of a primary listing of equity shares;

(B) subject to any exemption set out in the Listing Rules, a cancellation of a secondary listing of equity shares if the shares have previously been converted from being primary listed to secondary listed and the conversion has taken place within two years before the proposed cancellation of the secondary listing of shares;

(C) any employees' share scheme (if the scheme involves or may involve the issue of new shares or the transfer of treasury shares) and long-term incentive scheme in which one or more directors is entitled to participate;

(D) the grant of an option, warrant or other right if the price per share payable on the exercise of the option, warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:

(aa) the market value of the share on the date when the exercise price is determined; or

(bb) the market value of the share on the business day before that date; or

(cc) the average of the market values for a number of dealing days within a period not exceeding 30 days immediately before that date;

(E) Class 1 Transactions;

(F) related party transactions as defined in the Listing Rules;

(G) unless the trust deed or terms of issue of the relevant securities authorise the company to purchase its own equity shares, the proposed purchase of equity shares where the company has listed securities convertible into, or exchangeable for, or carrying a right to subscribe for equity shares of the class proposed to be purchased;

(H) any material change to the published investment policy;

(I) conversion of an existing class of listed equity securities into a new class or an unlisted class; and

(J) further issues of shares of the same class as existing shares for cash at a price below the net asset value per share of those shares unless the shares are first offered *pro rata* to existing holders of shares of that class.

(iv) the weighting mechanism provides that the total votes of all of the holders of the Limited Voting Ordinary Shares, together with the total votes of all of the holders of the non-Limited Voting Ordinary Shares that are US residents, may not be more

than the total votes of all of the holders of the non-Limited Voting Ordinary Shares that are non-US residents (i.e. the total votes of all of the holders of the Limited Voting Ordinary Shares, together with the total votes of all of the holders of the non-Limited Voting Ordinary Shares that are US residents may not be greater than 49.99 per cent. of the total potential votes). This applies even where not all shareholders exercise their right to vote. The weighting is based on total potential votes of the holders of all of the Ordinary Shares, and the total number of non-Limited Voting Ordinary Shares held by US residents (which will change from time to time). The votes of the non-Limited Voting Ordinary Shares held by US residents are counted as votes of non-Limited Voting Ordinary Shares (i.e. not Limited Voting Ordinary Shares), and are weighted accordingly always carrying one vote per Ordinary Share.

(v) The formula for calculating the weighting accorded to each vote of the Limited Voting Ordinary Shares is thus:

$$(((A - B) / 0.5001) - A) / C$$

where:

A = the number of non-Limited Voting Ordinary Shares outstanding;

B = the number of non-Limited Voting Ordinary Shares held by residents of the United States (as used in Rule 3b-4 under the US Exchange Act); and

C = the number of Limited Voting Ordinary Shares outstanding.

The resulting figure is the fraction of one vote accorded to each Limited Voting Ordinary Share for the appointment and removal of directors, provided, however, that each Limited Voting Ordinary Share may never be given more than one vote per share in the event that the resulting figure is greater than 1.00.

(vi) Subject to the foregoing, the holders of non-Limited Voting Ordinary Shares and Limited Voting Ordinary Shares shall have the right to receive notice of, to attend and to vote at all general meetings of the Company; provided that no Shareholder shall be entitled to vote at any general meeting if any call or other sum immediately payable by him in respect of his Shares in the Company remains unpaid or if a Shareholder has been served by the Directors with a direction notice in the prescribed manner.

(b) ***Other Rights Attaching to the Limited Voting Ordinary Shares***

(i) Income

As with the non-Limited Voting Ordinary Shares, Limited Voting Ordinary Shares shall carry the right to receive the profits of the Company available for distribution by dividend and resolved to be distributed by way of dividend, to be made at such time as determined by the directors and will rank in full for all dividends and other distributions declared, paid or made and, subject to paragraph (iii) below, will rank *pari passu* with the non-Limited Voting Ordinary Shares in all other respects.

(ii) Capital

On the winding-up or other return of capital of the Company, the liquidator may divide amongst the Shareholders the whole or any part of the assets of the Company and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders, subject to the rights and entitlements to the return of capital under the New Articles of the holders of ZDP Shares and New ZDP Shares provided that the non-Limited Voting Ordinary Shares and the Limited Voting Ordinary Shares shall rank *pari passu* in all respects. This distribution shall be made after payments of all debts in satisfaction of all liabilities of the Company (including the cost of winding-up if applicable). On any distribution of capital profits or reserves, or other return of capital, the non-Limited Voting Ordinary Shares and the Limited Voting Ordinary Shares shall rank *pari passu* in all respects.

(iii) Conversion of Ordinary Shares into Limited Voting Ordinary Shares

(A) An Ordinary Shareholder who is a US Person or is holding non-Limited Voting Ordinary Shares on behalf or for the benefit of a US Person shall have the right to convert at any time all or any part of such Ordinary Shares into Limited Voting Ordinary Shares on the basis of one Limited Voting Ordinary Share for every non-Limited Voting Ordinary Share so converted by complying with paragraph (B) below. The Limited Voting Ordinary Shares registered in a holder's name will be evidenced by a share certificate issued by the Company.

(B) In order to exercise the conversion right set out in paragraph (A):

(aa) in respect of any non-Limited Voting Ordinary Shares in certificated form, the holder must lodge the relevant Ordinary Share certificate(s) (or such other document as the Company may, in its discretion, accept) at the registered office of the Company accompanied by a notice of exercise of conversion rights in such form as the Company may, in its discretion, accept and which shall include (without limitation) a certification by the holder that it is a US Person or is holding such Ordinary Shares on behalf or for the benefit of a US Person (an ''Ordinary Share Conversion Notice''). Once lodged, an Ordinary Share Conversion Notice shall be irrevocable save with the consent of the directors. Compliance must also be made with any statutory and regulatory requirements for the time being applicable; and

(bb) in respect of any non-Limited Voting Ordinary Shares that are in uncertificated form, the holder must procure that a properly authenticated rematerialised instruction and/or other instruction or notification (together, a ''Rematerialised Instruction'') is received by the Company or by such person as it may require in such form and subject to such terms and conditions as may from time to time be prescribed by the directors (subject always to the facilities and requirements of the relevant system concerned) and that an Ordinary Share Conversion Notice corresponding to the Rematerialised Instruction is lodged at the registered office of the Company. The directors may in addition determine when any such Rematerialised Instruction is to be treated as received by the Company or by such person as it may require for these purposes (subject always to the facilities and requirements of the relevant system concerned). Without prejudice to the generality of the foregoing, the effect of the Rematerialised Instruction referred to above may be such as to divest the holder of non-Limited Voting Ordinary Shares concerned of the power to transfer such non-Limited Voting Ordinary Shares to another person. In either case compliance must also be made with any statutory requirements then applicable. Whether any non-Limited Voting Ordinary Shares are in certificated form or uncertificated form on the date of any Ordinary Share Conversion Notice shall be determined by reference to the register of holders of non-Limited Voting Ordinary Shares as at 12.01 a.m. on the lodgement date of the Ordinary Share Conversion Notice or such other time as the directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.

(C) Without prejudice to the conversion rights set out in paragraph (A) above and subject to paragraph (D) below:

(aa) in the event that in excess of 50 per cent. of the Ordinary Shares then in issue are held by US Persons or persons holding such Ordinary Shares on behalf or for the benefit of US Persons, the Company may by written notice require the holders of non-Limited Voting Ordinary Shares who are US Persons or are holding non-Limited Voting Ordinary Shares on behalf or for the benefit of US Persons to convert such number of non-Limited Voting Ordinary Shares into Limited Voting Ordinary Shares *pro rata* to their holdings of Ordinary Shares so as to ensure that 50 per

cent. or less of the Ordinary Shares then in issue are held by US Persons or persons holding such Ordinary Shares on behalf or for the benefit of US Persons (any such written notice by the Company being a ''Required Conversion Notice''); and

(bb) no person may acquire Ordinary Shares if, immediately after such acquisition, a US Holder would beneficially own more than 9.9 per cent. of the voting power of the Ordinary Shares (determined, with respect to the Ordinary Shares, including Limited Voting Ordinary Shares, without regard to any voting rights of the New ZDP Shares). Any Ordinary Shares acquired in contravention of this provision shall be sold by such person within 29 days of the date of the acquisition. Any Ordinary Shares not sold by such person within 29 days of the date of the acquisition shall be deemed to be held by a trust on the thirtieth day following the date of the acquisition of such Ordinary Shares, and such person will acquire no rights in such Ordinary Shares except as the trustee for the benefit of such trust. Any person acquiring Ordinary Shares will be deemed to have represented and warranted by its acquisition that a US Holder will not, immediately after such acquisition, beneficially own more than 9.9 per cent. of the voting power of the Ordinary Shares (determined, with respect to the Ordinary Shares, including Limited Voting Ordinary Shares, without regard to any voting rights of the New ZDP Shares).

(D) Upon receipt of a Required Conversion Notice:

(aa) in respect of any non-Limited Voting Ordinary Shares that are in certificated form, the holder of non-Limited Voting Ordinary Shares shall lodge the relevant non-Limited Voting Ordinary Share certificate(s) (or such other document as the Company may, in its discretion, accept) at the registered office of the Company and compliance must also be made with any statutory and regulatory requirements for the time being applicable;

(bb) in respect of any non-Limited Voting Ordinary Shares that are in uncertificated form, the holder of non-Limited Voting Ordinary Shares must procure that a Rematerialised Instruction is received by the Company or by such person as it may require in such form and subject to such terms and conditions as may from time to time be prescribed by the directors (subject always to the facilities and requirements of the relevant system concerned). The directors may in addition determine when any such Rematerialised Instruction is to be treated as received by the Company or by such person as it may require for these purposes (subject always to the facilities and requirements of the relevant system concerned). Without prejudice to the generality of the foregoing, the effect of the Rematerialised Instruction referred to above may be such as to divest the holder of non-Limited Voting Ordinary Shares concerned of the power to transfer such non-Limited Voting Ordinary Shares to another person. In either case compliance must also be made with any statutory requirements then applicable. Whether any non-Limited Voting Ordinary Shares are in certificated form or uncertificated form on the date of any Required Conversion Notice shall be determined by reference to the register of holders of Ordinary Shares as at 12.01 a.m. on the date of the Required Conversion Notice or such other time as the directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.

(E) Limited Voting Ordinary Shares arising pursuant to any elected or required conversion will be redesignated not later than 21 days after and with effect from the date of, in the case of an elected conversion, the lodgement of the Ordinary Share Conversion Notice or, in the case of a required conversion, the issue of the Required Conversion Notice (in each case the ''Conversion Notice Date'') and certificates in respect of such Limited Voting Ordinary

Shares will be despatched (at the risk of the person(s) entitled thereto) not later than 3 business days after delisting of the relevant non-Limited Voting Ordinary Shares pursuant to paragraph (F) below to the person(s) in whose name(s) the non-Limited Voting Ordinary Shares are registered at the Conversion Notice Date (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any like tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Company (and, if more than one, to the first-named, which shall be sufficient despatch for all). In the event of a partial conversion of a holding of non-Limited Voting Ordinary Shares evidenced by a non-Limited Voting Ordinary Share certificate, the Company shall at the same time issue a fresh non-Limited Voting Ordinary Share certificate in the name of the holder for any balance of his non-Limited Voting Ordinary Shares, in relation to any non-Limited Voting Ordinary Shares that are in certificated form. Unless the directors otherwise determine, or unless the Regulations and/or the rules of the relevant system concerned otherwise require, the Limited Voting Ordinary Shares arising on any conversion shall be or shall be redesignated (as appropriate) in certificated form.

(F) No application will be made to the Financial Services Authority or the London Stock Exchange for the Limited Voting Ordinary Shares arising pursuant to any elected or required conversion to be admitted to the Official List and to trading on the London Stock Exchange and any non-Limited Voting Ordinary Shares converted to Limited Voting Ordinary Shares shall be delisted upon such conversion.

(iv) Conversion of Limited Voting Ordinary Shares into Ordinary Shares

(A) Subject to paragraph (B) below, a holder of Limited Voting Ordinary Shares shall have the right to convert at any time all or any of his Limited Voting Ordinary Shares into non-Limited Voting Ordinary Shares on the basis of one non-Limited Voting Ordinary Share for every Limited Voting Ordinary Share so converted by complying with paragraph (B) below. The Limited Voting Ordinary Shares registered in a holder's name will be evidenced by a share certificate issued by the Company.

(B) In order to exercise the conversion right set out in paragraph (A) above in whole or in part, the holder must lodge the relevant Limited Voting Ordinary Share certificate(s) (or such other document as the Company may, in its discretion, accept) at the registered office of the Company accompanied by a notice of exercise of conversion rights which:

(aa) includes (without limitation) a certification by the holder that it is neither a US Person nor holding such Limited Voting Ordinary Shares on behalf or for the benefit of a US Person; or

(bb) relates solely to Limited Voting Ordinary Shares the conversion of which will not cause the Company to be treated as other than a foreign private issuer as defined in Rule 3b-4 under the US Exchange Act and/or treated as a controlled foreign corporation for US tax purposes,

and is in such form as the Company may, in its discretion, accept (a "Limited Voting Ordinary Share Conversion Notice"). Once lodged, a Limited Voting Ordinary Share Conversion Notice shall be irrevocable save with the consent of the directors. Compliance must also be made with any statutory and regulatory requirements for the time being applicable;

(C) Without prejudice to the conversion rights set out in (A) above, all Limited Voting Ordinary Shares in issue at the relevant time shall automatically convert into non-Limited Voting Ordinary Shares on the basis of one non-Limited Voting Ordinary Share for every Limited Voting Ordinary Share so converted in the event that:

(aa) a takeover offer (within the meaning of the Takeover Code) in respect of the Company has been declared unconditional in all respects;

(bb) proposals for the liquidation or winding-up of the Company have been approved by the holders of Shares in a general meeting; or

(cc) the Company is compulsorily wound up.

(D) Non-Limited Voting Ordinary Shares arising pursuant to the exercise of conversion rights will be redesignated not later than 21 days after and with effect from the lodgement date of the Limited Voting Ordinary Shares Conversion Notice, certificates in respect of such non-Limited Voting Ordinary Shares will be despatched (at the risk of the person(s) entitled thereto) not later than 3 business days after admission of the relevant non-Limited Voting Ordinary Shares pursuant to paragraph (E) below to the person(s) in whose name(s) the Limited Voting Ordinary Shares are registered at the date of such exercise (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any like tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Company (and, if more than one, to the first-named, which shall be sufficient despatch for all). In the event of a partial exercise of the conversion rights, the Company shall at the same time issue a fresh Limited Voting Ordinary Share certificate in the name of the holder for any balance of his Limited Voting Ordinary Shares. Unless the Directors otherwise determine, or unless the Regulations and/or the rules of the relevant system concerned otherwise require, the non-Limited Voting Ordinary Shares arising on exercise of any conversion rights shall be or shall be redesignated (as appropriate) in certificated form.

(E) Applications will be made to the Financial Services Authority and the London Stock Exchange for the Ordinary Shares arising pursuant to any exercise of conversion rights to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities and the Company will use all reasonable endeavours to obtain the admission thereof not later than 27 days after the relevant lodgement date.

(v) *Variation of rights attaching to Ordinary Shares*

For the avoidance of doubt any variation or abrogation of the rights attaching to the non-Limited Voting Ordinary Shares (save as may arise on conversion of Ordinary Shares into Limited Voting Ordinary Shares or *vice versa* pursuant to sections (iii) or (iv) above) or a subdivision of the non-Limited Voting Ordinary Shares shall be a variation of the rights attaching to the Limited Voting Ordinary Shares.

6. Mandatory Bid Rules and Squeeze Out Rules

The City Code is issued and administered by the Panel. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Takeovers Directive. Following the implementation of the Takeovers Directive, the rules set out in the City Code which are derived from the Directive now have a statutory basis.

The City Code applies to all takeover and merger transactions, however effected, where the offeree company has its registered office in the UK, the Isle of Man or the Channel Islands if the Company has its securities admitted to trading on a regulated market in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man. The City Code therefore applies to the Company.

Under Rule 9 of the City Code, where (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which

persons acting in concert with him are interested) carries 30 per cent. or more of the voting rights of a company subject to the City Code, or (b) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, if such person, or any person acting in concert with him acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Panel, he, and any person acting in concert with him, must make a general offer in cash to the other shareholders to acquire the balance of the shares not held by him and his concert party.

An offer under Rule 9 of the City Code must be in cash and at the highest price paid within the preceding 12 months for any shares in the Company by the person required to make the offer or any person acting in concert with him.

Under The Companies Law, where an offer to acquire Shares has been made by a person (the "offeror"), if within four months after the date of making the offer the offer is approved by Shareholders comprising 90 per cent. in value of the Shares affected, the offeror may, within two months after the expiration of those four months, give notice to any dissenting Shareholder to compulsorily acquire his Shares (a "notice to acquire"). Subject to any order of the Court, the offeror is entitled and bound to acquire the Shares of any dissenting Shareholder on the terms (including as to consideration) on which the Shares of the approving Shareholders are to be transferred to the offeror. The offeror would do this (on the expiration of one month from the date of the notice to acquire) by paying the consideration required and being registered as the holder of those Shares. Any sums paid as consideration would be held on trust for the Shareholders entitled to it. A dissenting Shareholder who receives a notice to acquire has the right, within one month after the date of the notice, to apply to the Court to cancel the notice. The Court may cancel the notice or make such order as it thinks fit.

7. Taxation

7.1 General

The following comments are intended only as a general guide to the position under current tax law and what is understood to be the current practice of the relevant tax and revenue authorities and may not apply to certain classes of investors. Any person who is in doubt as to his tax position is strongly recommended to consult his own professional tax advisor in relation to his own circumstances.

Investors and prospective investors should consult their professional advisors on the tax consequences of acquiring, holding, disposing of, transferring or redeeming Shares, which will depend upon their country of citizenship, residence, ordinary residence or domicile.

7.2 Guernsey taxation

The information below, which relates only to Guernsey taxation, summarises the advice received by the Directors. It is applicable to the Company and to persons who are resident in Guernsey for taxation purposes and who hold shares in the Company as an investment. It is based on current Guernsey tax law and published practice, which law or practice is, in principle, subject to any subsequent changes. The following information does not deal with certain types of person, such as persons holding or acquiring Shares in the course of trade, collective investment schemes or insurance companies and Shareholders who have acquired their Shares by reason of, or in connection with, an office or employment.

(a) The Company

In response to the review carried out by the European Union Code of Conduct Group, the State of Guernsey has now abolished exempt status for the majority of companies with effect from January 2008 and has introduced a general zero rate of tax for companies, except for regulated utility companies, certain types of banking activities (to include financing and lending businesses) and income from Guernsey land and property. However, collective investment schemes, including closed-ended investment vehicles can continue to apply for exempt status for Guernsey tax purposes after 31 December 2007. The Company will therefore be able to continue to apply for exempt status.

The Company has obtained exempt status from the Income Tax Office in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (the "Ordinance"). Exemption must be applied for annually and will be granted, subject to the payment of

an annual fee which is currently fixed at £600, provided that the Company continues to qualify for exemption per the Ordinance. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify.

As an exempt company, the Company will not be resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising in Guernsey, other than bank deposit interest. Generally this would be chargeable to income tax at the zero per cent. rate, unless it is derived from Guernsey land and property which would be chargeable at 20 per cent.

It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company will not incur any additional liability to Guernsey tax. No capital gains or similar taxes are levied in Guernsey on realised or unrealised gains resulting from the Company's investment activities.

The Treasury and Resources Department has stated that it will be considering further revenue raising measures to come into effect by March 2010, including possibly the introduction of a goods and services tax. Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax which has now been suspended), gifts, sales or turnover, nor are there any estate duties, save for an *ad valorem* fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares.

(b) **EU Savings Tax Directive**

Although not a member state of the European Union, Guernsey in common with certain other jurisdictions has agreed to apply equivalent measures to those contained in the EU Savings Tax Directive (2003/48/EC), with the exception that the EU resident individual to whom interest is paid will suffer a retention tax on such payment, currently set at 20 per cent., where they have not agreed to exchange certain information about their identity, residence and savings income with the tax authorities in their member state of residence.

No retentions or exchanges of information under the EU Savings Tax Directive as implemented in Guernsey, however, are expected to apply to holdings of shares where payments in respect of such holdings are made by a Guernsey paying agent.

Guernsey has implemented measures equivalent to those of the European Union (EU) Directive on the Taxation of Savings Income. In accordance with these measures, the Company will not be regarded as an undertaking that is equivalent to a UCITS (that is, equivalent to an undertaking for collective investment in transferable securities authorised in accordance with EC Directive 85/611/EEC).

(c) **Shareholders**

Guernsey does not levy capital gains tax (with the exception of a dwellings profit tax which has now been suspended) and, therefore, neither the Company nor any of its Shareholders will suffer any tax in Guernsey on capital gains. Payments made by the Company to non-Guernsey resident Shareholders, whether made during the life of the Company or by distribution on the liquidation of the Company, will not be subject to Guernsey tax.

Whilst the Company is not required to deduct Guernsey income tax from dividends on any Share (if applicable) paid to Guernsey residents, the Company is required to make a return to the Guernsey Income Tax Office of the names, addresses and gross amounts of income distributions paid to Guernsey resident Shareholders during the previous year, on an annual basis, when renewing the Company's exempt tax status, as described above.

Shareholders will not be subject to Guernsey tax on the redemption or disposal of their holding of Shares.

No withholding tax or deduction will be made on dividend payments made by the Company in respect of any Shares issued by the Company to Shareholders.

7.3 **UK Taxation**

The 2009 Finance Bill (the ''Finance Bill'') was printed on 30 April 2009 and the proposals contained in it may be amended before they become law. Investors and prospective investors should be aware that the comments made below are based on the Finance Bill as originally printed and that the Company will not update them to take into account any amendments or any statements of the prospective practice of HM Revenue & Customs (''HMRC'') published after 12 May 2009, the date on which these comments were finalised. Accordingly, investors and prospective investors should take their own advice on the effect of any amendments or statements of prospective HMRC practice which may be published after that date.

The information below deals only with certain Shareholders who hold their interest in the Company as investors and not to dealers in securities and who have not acquired those shares by reason of or in connection with an office or employment. Where reference is made to Shareholders who are not resident in the UK, it is assumed (save where otherwise indicated) that such Shareholders do not carry on a trade in the UK through a branch, agency or permanent establishment with which their shareholding is connected and, in the case of individual Shareholders, that those Shareholders are neither ordinarily resident in, nor temporarily absent from, the UK.

(a) **The Company**

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the United Kingdom. On this basis the Company should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment, the Company should not be subject to United Kingdom income tax or corporation tax other than in respect of certain income deriving from a United Kingdom source.

(b) **The Open Offer**

As a matter of UK law, the acquisition of New Ordinary Shares under the Open Offer may not strictly speaking be a reorganisation of the share capital of the Company for the purposes of the taxation of chargeable gains. However, HMRC's published practice to date has been to treat an open offer as a reorganisation, notwithstanding the strict legal analysis, although it is unclear whether HMRC are obliged to follow this practice in circumstances where an open offer is not made to all shareholders.

If the acquisition of the New Ordinary Shares under the Open Offer is regarded as a reorganisation, the New Ordinary Shares acquired by each Qualifying Shareholder under the Open Offer and the Ordinary Shares in respect of which the entitlement to subscribe arises will, for the purposes of the taxation of chargeable gains, be treated as the same asset and as having been acquired at the same time as such Ordinary Shares. The amount paid for the New Ordinary Shares will be added to the base cost of those Ordinary Shares when computing any gain or loss on a subsequent disposal.

If, or to the extent that, the acquisition of the New Ordinary Shares under the Open Offer is not regarded as a reorganisation, the New Ordinary Shares acquired by each Qualifying Shareholder under the Open Offer will, for the purposes of the taxation of chargeable gains, be treated as acquired as part of a separate acquisition of New Ordinary Shares.

Shares acquired in the Ordinary Share Placing will not be acquired as part of a reorganisation.

(c) **Acquisition of Limited Voting Ordinary Shares**

The acquisition of Limited Voting Ordinary Shares under the Ordinary Share Issue is not expected to be treated as a reorganisation of the share capital of the Company, and the Limited Voting Ordinary Shares so acquired are expected, therefore, to be treated as acquired as part of a separate acquisition of Limited Voting Ordinary Shares.

(d) **The Conversion of Ordinary Shares to Limited Voting Ordinary Shares**

The conversion of Ordinary Shares to Limited Voting Ordinary Shares should not involve the disposal of the Ordinary Shares for the purposes of the taxation of chargeable gains. For such purposes the Limited Voting Ordinary Shares should be treated as the same asset and as having been acquired at the same time as the Ordinary Shares from which they derive.

(e) **Consolidation of Ordinary Shares and Limited Voting Ordinary Shares**

The consolidation of the Ordinary Shares and the Limited Voting Ordinary Shares should be regarded as a reorganisation of share capital for the purposes of taxation of chargeable gains. Accordingly, it should involve no disposal of the original holdings and the consolidated holdings will for such purposes be regarded as the same asset and having been acquired at the same time as the original holdings from which they derive.

(f) **UK-resident Shareholders**

(i) Dividends

(A) UK resident individual Shareholders who receive tax credits

Under current legislation as prospectively amended by the Finance Bill, a non-payable tax credit equal to one-ninth of the amount of the dividend will attach to a dividend received by a UK resident individual Shareholder in respect of Ordinary Shares where:

(aa) the Shareholder is a minority holder (which broadly means that the Shareholder holds less than 10 per cent. of the Ordinary Shares. Shares held by settlements of which the holder is a settlor, or by connected persons, or which are subject to repo or stock lending arrangements, may in certain circumstances be aggregated with those of the Shareholder in determining whether this is the case); and

(bb) the Company is not an offshore fund. It is not expected that this will be the case either under existing law or following the prospective changes to the definition of ''offshore fund'' proposed by the Finance Bill.

Although the Finance Bill includes measures which will extend eligibility for the non-payable tax credit to Shareholders who are not minority holders in certain circumstances, these will not benefit Shareholders since the Company is not resident in a ''qualifying territory''.

Where a UK resident individual Shareholder is entitled to a tax credit in respect of a dividend received from the Company such tax credit will be added to the dividend for taxation purposes and offset against the tax arising thereon. In the case of basic rate taxpayers the tax credit should cover the tax liability in respect of the dividend. In the case of higher rate taxpayers the effective net tax paid will be 25 per cent. of the dividend received. If tax rates for individuals with taxable income of above £150,000 are increased from 5 April 2010 as proposed in the Finance Bill, the top effective net rate of tax for such an individual on a dividend on which he is entitled to a tax credit will become $36^{1}/_{9}$ per cent. of the dividend received.

(B) Other UK resident individual Shareholders

UK resident individual Shareholders who are not entitled to a tax credit will be subject to income tax on the dividends they receive from the Company in respect of the Ordinary Shares either at the dividend ordinary rate, currently ten per cent. of the dividend received, or at the dividend upper rate, currently 32.5 per cent. of the dividend received. If tax rates for individuals with taxable income of above £150,000 are increased from 5 April 2010 as proposed in the Finance Bill, the top rate of tax for such an individual on a dividend will become 42.5 per cent. of the dividend received.

(C) ISAs

UK resident Shareholders who hold their Shares through an ISA (including an ISA derived from a PEP held on 6 April 2008) will not be subject to tax on dividends.

(D) UK resident corporate Shareholders

Under current legislation, UK resident corporate Shareholders will be liable to corporation tax in respect of dividends received from the Company. Under the proposals set out in the Finance Bill, dividends paid on or after 1 July 2009 should be treated as exempt when received by companies which are not regarded as ''small companies'' as defined for the purposes of schedule 14 of the Finance Bill.

(ii) Gains arising on sale or other disposal of Ordinary Shares

It is not expected that gains realised on Ordinary Shares will be taxed under the legislation relating to offshore funds either as currently in force or as it will have effect if the amendments contained in the Finance Bill are enacted in the terms published. However, any profit on the disposal of Ordinary Shares by a Shareholder who is resident in the UK or, in the case of an individual, ordinarily resident in the UK, or a Shareholder who carries on a trade in the UK through a branch, agency or permanent establishment with which its Ordinary Shares in the Company are connected, may be charged to UK tax as a capital gain. A Shareholder who is temporarily non-resident for tax purposes in the UK and who returns to the UK and satisfies the residence requirements within a period of less than five years of assessment from the date of his departure and who disposes of his Ordinary Shares during that period may also be liable, on his return to the UK, to UK taxation of chargeable gains.

Under current law, an individual Shareholder who is resident or ordinarily resident in the UK for taxation purposes will benefit from an annual exemption which, in the tax year 2009/10, exempts the first £10,100 of any gains from the sum charged to capital gains tax. After use of the annual exemption and relief for losses, if relevant, capital gains realised on the sale or other disposal of Ordinary Shares will be taxed at a flat rate of 18 per cent. Taper relief is no longer available.

Shareholders who are subject to corporation tax should benefit from indexation allowance in computing any capital gain realised on the disposal of their Ordinary Shares.

(iii) Other considerations

(A) Controlled Foreign Companies

A UK resident corporate Shareholder who, together with connected or associated persons, has an interest in the Company such that at least 25 per cent. of the Company's chargeable profits for an accounting period could be apportioned to them, may be liable to UK corporation tax in respect of its share of the Company's profits in accordance with the provisions of the controlled foreign companies legislation. These provisions only apply if the Company is regarded as controlled by UK residents for the purposes of that legislation.

(B) Transfer of assets abroad

The attention of individual holders of Ordinary Shares is drawn to the provisions of Chapter 2 of the Income Tax Act 2007. Where certain conditions are met, such holders may be able to make a claim for exemption from income tax under this Chapter in accordance with section 737 Income Tax Act 2007 on their tax returns.

(C) Section 13 TCGA

The attention of UK Shareholders is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances where the Company would be a close company if UK resident, a portion of capital gains made by the Company can be attributed to a Shareholder whose aggregate interest in the Company, together with those of persons connected with him, would cause more than ten per cent. of any gain to be attributed to him and such persons.

(g) **Non-UK resident Shareholders**

Shareholders who are not resident in the UK and, in the case of individual Shareholders, are not ordinarily resident in or temporarily absent from the UK, and who do not carry on a trade in the UK through a branch, agency or permanent establishment, should not generally be subject to UK tax on dividends arising on Ordinary Shares or on gains realised on the disposal of such shares.

(h) **Stamp duty and stamp duty reserve tax**

Generally, no UK stamp duty or SDRT will be payable on the issue or transfer of Shares or on an agreement to transfer Shares.

(i) **ISA status of the Shares**

Subject to applicable subscription limits, the New Ordinary Shares should be a qualifying investment for the stocks and shares account of an ISA, including an ISA derived from a PEP held at 6 April 2008. An ISA manager may not, however, acquire such Shares under the Open Offer or the Ordinary Share Placing. The Limited Voting Shares will not be qualifying investments and will not be eligible for inclusion in the stocks and shares account of an ISA.

(j) **Registered pension scheme**

Ordinary Shares may be held in a registered pension scheme subject to its terms; however, Shareholders should take advice as to any tax charge that might in consequence arise.

7.4 **US federal income tax consequences**

(a) **General**

The following general discussion summarises the material US federal income tax consequences of the issuance of the Ordinary Shares and disposition of the Ordinary Shares acquired in connection with the Ordinary Share Issue. This discussion is based on current provisions of the Code, current and proposed Treasury regulations promulgated thereunder, and administrative and judicial decisions as of the date hereof, all of which are subject to change, possibly on a retroactive basis. This discussion is necessarily general and may not apply to all categories of investors, such as tax-exempt organizations, banks, thrifts, insurance companies, persons liable for the alternative minimum tax, dealers, regulated investment companies, US persons with a ''functional currency'' other than the US dollar, who may be subject to special rules. The actual tax consequences of the acquisition and ownership of the Ordinary Shares will vary depending on your circumstances.

For purposes of this discussion, a ''US Holder'' is a beneficial owner of the Ordinary Shares that is, for US federal income tax purposes: (1) an individual who is a citizen or resident of the United States; (2) a corporation (or other entity taxed as a corporation for US federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (3) an estate whose income is includible in gross income for US federal income tax purposes regardless of its source; or (4) a trust which either (A) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (B) has a valid election in effect under applicable Treasury regulations to be treated as a United States person. A ''non-US Holder'' is a holder that is not a US Holder.

This discussion does not constitute tax advice and is not intended to be a substitute for tax planning. Prospective holders of the Ordinary Shares should consult their own tax advisers concerning the US federal, state and local income tax and estate tax consequences in their particular situations of the acquisition, ownership and disposition of the Ordinary Shares, as well as any consequences under the laws of any other taxing jurisdiction. This discussion does not address any aspect of US federal gift or estate tax, or state, or local tax laws. Additionally, the discussion does not consider the tax treatment of partnerships or other pass-through entities or persons who hold Ordinary Shares through such entities. If a partnership (or other entity classified as a partnership

for US federal income tax purposes) is the beneficial owner of Ordinary Shares, the US federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE US FEDERAL TAX LAWS; (B) SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING BY THE ISSUER AND THE UNDERWRITERS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR OWN PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

(b) **The Company**

The Company will be treated as a foreign corporation for US federal income tax purposes. Foreign corporations are subject to US federal tax only with respect to income that is ''effectively connected with the conduct of a trade or business within the United States'' (''ECI''), which is subject to income tax on a net basis and certain types of US-source income, which is subject to withholding tax on a gross basis.

The Company intends to manage its affairs so that it should not be treated as engaged in a US trade or business for US federal income tax purposes. If the Company is treated as engaged in a US trade or business some portion of its income will be treated as ECI. To the extent the Company's income is treated as ECI, it will be subject to US federal income tax at regular US tax rates on any such income (state and local income taxes and filings may also apply in that event). It may also be subject to a 30 per cent. branch profits tax on such income. In addition, certain income from US sources that is not ECI may be reduced by withholding taxes imposed at a 30 per cent. tax rate. The Company intends to structure its investments in a manner that will minimise any such US withholding taxes.

(c) **Conversion of Ordinary Shares into Limited Voting Ordinary Shares**

The conversion of Ordinary Shares into Limited Voting Ordinary Shares will qualify for US federal income tax purposes as a tax-free exchange. US Holders who receive Limited Voting Ordinary Shares in exchange for Ordinary Shares will not recognise gain or loss for US federal income tax purposes. Each US Holder's aggregate tax basis in the Limited Voting Ordinary Shares received in the conversion will be the same as his or her aggregate tax basis in the Ordinary Shares surrendered in the transaction. The holding period of the Limited Voting Ordinary Shares received in the conversion will include the holding period of the US Holder's Ordinary Shares that they surrendered. If a US Holder has differing tax bases and/or holding periods in respect of their Ordinary Shares, such US Holder should consult with a tax advisor in order to identify the tax bases and/or holding periods of the particular shares of the Limited Voting Ordinary Shares they receive.

(d) **Share Consolidation**

The Share Consolidation will qualify for US federal income tax purposes as a tax-free exchange. US Holders will not recognise gain or loss for US federal income tax purposes by reason of the Share Consolidation. Each US Holder's aggregate tax basis in the Ordinary Shares received in the Share Consolidation will be the same as his or her aggregate tax basis in the Ordinary Shares surrendered in the transaction. The holding period of the Ordinary Shares received in the Share Consolidation will include the holding period of the US Holder's Ordinary Shares that they surrendered. If a US Holder has differing tax bases and/or holding periods in respect of their Ordinary Shares, such US Holder should consult with a tax advisor in order to identify the tax bases and/or holding periods of the particular shares of the Ordinary Shares they receive.

(e) **Ordinary Shareholders**

(i) **General**

This discussion below, to the extent that it states matters of US federal tax law or legal conclusions and subject to the qualifications herein, represents the opinion of Winston & Strawn LLP. Such opinion is based in part on facts described in this prospectus and on various other factual assumptions, representations and determinations. Any alteration or incorrectness of such facts, assumptions, representations or determinations could adversely affect such opinion. However, opinions of counsel are not binding upon the Internal Revenue Service (the ''IRS'') or any court, and the IRS may challenge the conclusions herein and a court may sustain such a challenge.

(ii) **Taxation of dividends paid on Ordinary Shares**

In the event the Company pays a dividend, subject to the discussion of the PFIC and controlled foreign corporation (''CFC'') rules below, a US Holder will be required to include in gross income as ordinary income the amount of any distribution paid on the Ordinary Shares to the extent the distribution is paid out of the Company's current or accumulated earnings and profits as determined for US federal income tax purposes. Distributions in excess of such earnings and profits will be applied against and will reduce the US Holder's basis in the Ordinary Shares and, to the extent in excess of such basis, will be treated as gain from the sale or exchange of Ordinary Shares as described under ''Taxation of the disposition of Ordinary Shares''.

In the case of a US Holder that is a corporation for federal income tax purposes, a dividend from the Company will generally be taxable at regular corporate rates of up to 35 per cent. and generally will not qualify for a dividends-received deduction. A US Holder that is a corporation and that owns 10 per cent. of the Company's shares may be entitled to claim a dividends-received deduction to the extent of the US-source portion of such dividend. A US Holder that is a corporation and that owns 10 per cent. of the Company's voting stock may be entitled to claim a foreign tax credit for foreign taxes paid by the Company or certain subsidiaries subject to complex limitations. The Company has not yet determined whether it will maintain the information necessary for such holders to claim the foreign tax credit. In the case of non-corporate US Holders, dividends are generally subject to tax at ordinary income rates of up to 35 per cent. Dividends from certain foreign corporations which are eligible for benefits of a comprehensive income tax treaty with the US are taxed as net capital gain at a rate of 15 per cent. if distributed before January 1, 2011, provided the foreign corporation is not a PFIC and the taxpayer has held shares in the foreign corporation for more than 60 days during the 121 day period on the date that is 60 days prior to the date on which such shares became ex-dividend with respect to such dividend (''qualified dividends''). Because the US does not have a tax treaty with Guernsey and because the Company will be a PFIC, dividends paid by the Company to non-corporate US Holders will not qualify for the 15 per cent. rate.

Distributions of current or accumulated earnings and profits paid in a non-US currency to a US Holder will be includible in the income of a US Holder in a US dollar amount calculated by reference to the exchange rate on the day the distribution actually or constructively is received. A US Holder that receives a non-US currency distribution will have a tax basis in the amount so received equal to the US dollar value of such amount on the day actually or constructively received. A US Holder that receives a non-US currency distribution and converts the non-US currency into US dollars on the date of receipt will realize no foreign currency gain or loss. If the US Holder converts the non-US currency to US dollars on a date subsequent to receipt, such US Holder will have foreign exchange gain or loss which will generally be US source ordinary income or loss based on any appreciation or depreciation in the value of the non-US currency against the US dollar from the date of receipt to the date of conversion.

(iii) **Taxation of the disposition of Ordinary Shares**

Subject to the discussion of the PFIC and CFC rules below, upon the sale, exchange or other taxable disposition of Ordinary Shares, a US Holder will recognize capital gain or loss in an amount equal to the difference between the amount realized on the disposition and such US Holder's tax basis in its Ordinary Shares. A US Holder's basis in its Ordinary Shares is usually the cost of such Ordinary Shares. Capital gain or loss from the sale, exchange or other disposition of Ordinary Shares held for more than one year is long-term capital gain or loss, and long-term capital gain is eligible for a reduced rate of taxation for non-corporate taxpayers. Long-term capital gains recognized by certain non-corporate Holders before January 1, 2011 may qualify for a reduced rate of taxation of 15 per cent. Gains recognized by a US Holder on a sale, exchange or other disposition of Ordinary Shares generally will be treated as US source income for US foreign tax credit purposes. A loss recognized by a US Holder on the sale, exchange or other disposition of Ordinary Shares generally is allocated to US source income for US foreign tax credit purposes.

A US Holder that uses the cash method of accounting calculates the US dollar value of foreign currency proceeds received on the sale of the Ordinary Shares as of the date the sale settles, while a US Holder that uses the accrual method of accounting is required to calculate the US dollar value of foreign currency proceeds received on the sale of the Ordinary Shares as of the ''trade date'', unless such US Holder has elected to use the settlement date to determine its sale proceeds. A US Holder that receives foreign currency upon a disposition of Ordinary Shares and converts the foreign currency into US dollars subsequent to its receipt will have foreign exchange gain or loss based on any appreciation or depreciation in the value of the foreign currency against the US dollar, which gain or loss will generally be US source ordinary income or loss.

(iv) **Tax consequences if the Company is a CFC**

A US Ordinary Shareholder that, on the last day of the taxable year of which the foreign corporation is considered a CFC, owns, directly or indirectly through a foreign entity, shares of a foreign corporation that is a CFC for an uninterrupted period of thirty days or more during such taxable year must include in its gross income for US federal income tax purposes its *pro rata* share of the CFCs ''subpart F income'', for such year, even if the subpart F income is not distributed. In addition, US Shareholders of such a foreign corporation may be deemed to receive taxable distributions to the extent the foreign corporation increases the amount of its earnings that are invested in certain specified types of US property. ''Subpart F income'' includes, *inter alia*, ''foreign personal holding company income'', such as interest, dividends, and other types of passive investment income. However, subpart F income does not include (1) any income from sources within the US, considered effectively connected with the conduct of a trade or business within the US and not exempted, or subject to a reduced rate of tax by applicable treaty, or (2) certain income subject to high foreign taxes.

A ''US Shareholder'' means any US person who owns, directly or indirectly through foreign entities, or is considered to own (by application of certain constructive ownership rules) 10 per cent. or more of the total combined voting power of all classes of stock of a foreign corporation, such as the Company. In general, a foreign corporation is treated as a CFC only if its US Shareholders collectively own more than 50 per cent. of the total combined voting power or total value of the corporation's stock.

In addition, if a US Shareholder of a foreign corporation that is a CFC sells or exchanges the shares of the foreign corporation, a portion of any gain recognized by such person will generally be taxed as dividend income, rather than as capital gain income, to the extent of that person's rateable share of the earnings and profits of the CFC determined for US income tax purposes during its period of ownership. In the case of dividend income recognised by a US person taxed as a

corporation, such dividend income may carry with it foreign taxes paid on the underlying earnings of the foreign corporation that may be claimed as foreign tax credits depending upon such US person's particular tax situation.

A US person who is subject to tax on its share of income under the CFC rules is not separately subject to tax under the PFIC rules described below.

The CFC rules are complex. The foregoing is merely a summary of the potential application of these rules. No assurances can be given that the Company will not become a CFC. Each potential US Holder of Ordinary Shares of the Company is urged to consult its tax adviser with respect to the possible application of the CFC rules to it if it, or a related person, becomes a US Shareholder of the Company under these rules. Failure to comply with these rules can result in the imposition of penalties.

(v) **Tax consequences if the Company is a PFIC**

It is expected that the Company will be classified as a PFIC.

A foreign corporation will be a PFIC, if 75 per cent. or more of its gross income in a taxable year, including the *pro rata* share of the gross income of any company in which it is considered to own 25 per cent. or more of the shares by value, is passive income. Alternatively, a foreign corporation will be a PFIC if at least 50 per cent. of its assets in a taxable year, averaged over the year and ordinarily determined based on fair market value, including the *pro rata* share of the assets of any company in which the foreign corporation is considered to own 25 per cent. or more of the shares by value, are held for the production of, or produce, passive income. Passive income generally includes dividends, interest, rents, royalties, and gains from the disposition of passive assets.

If the Company is a PFIC during any year of a US Holder's holding period, that US Holder will generally be subject to special rules (regardless of whether the Company continues to be a PFIC) with respect to (i) any ''excess distribution'' (generally, any distributions received by the US Holder on the Ordinary Shares in a taxable year that are greater than 125 per cent. of the average annual distributions received by the US Holder in the three preceding taxable years or, if shorter, the US Holder's holding period for the Ordinary Shares) and (ii) any gain realized on the sale or other disposition of the Ordinary Shares which is treated as an excess distribution. Under these rules (a) the excess distribution or gain will be allocated rateably over the US Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. If the Company is a PFIC, a US Holder of the Ordinary Shares will generally be subject to similar rules with respect to distributions to the Company by, and dispositions by the Company of the stock of, any direct or indirect subsidiaries of the Company that are also PFICs.

If a US Holder has made a qualifying electing fund (''QEF'') election covering all taxable years during which the holder holds Ordinary Shares and in which the Company is a PFIC, distributions and gains will not be taxed as described above. Instead, a US Holder that makes a QEF election is required for each taxable year to include in income the holder's *pro rata* share of the ordinary earnings of the QEF as ordinary income and a *pro rata* share of the net capital gain of the QEF as long term capital gain, regardless of whether such earnings or gain have in fact been distributed. Where earnings and profits that were included in income under this rule are later distributed, the distribution is not taxed again as a dividend. The basis of a US Holder's Ordinary Shares in a QEF is increased by amounts that are included in income, and decreased by amounts distributed but not taxed as dividends, under the above rules. Undistributed income is subject to a separate election to defer payment of taxes. If deferred, the taxes will be subject to an interest charge.

Where a US Holder has elected the application of the QEF rules to its Ordinary Shares, and the excess distribution rules do not apply to such Ordinary Shares, any gain realized on the appreciation of the Ordinary Shares is taxable as capital gain (if the Ordinary Shares are a capital asset in the hands of the US Holder) and no interest charge is imposed.

In order to comply with the requirements of a QEF election, a US Holder must receive certain information from the Company. The QEF election is made on a shareholder-by-shareholder basis and can be revoked only with the consent of the IRS. A US Holder can make a QEF election by attaching a completed IRS Form 8621, including the information provided in the PFIC annual information statement, to a timely filed US federal income tax return and by filing a copy of the form with the IRS. The Company will provide such information as the IRS may require in order to enable US Holders to make the QEF election. Even if a US Holder in a PFIC does not make a QEF election, such US Holder must annually file with the US Holder's tax return a completed Form 8621.

Although a determination as to a corporation's PFIC status is made annually, an initial determination that a corporation is a PFIC will generally apply for subsequent years to a US Holder who held Ordinary Shares while the corporation was a PFIC, whether or not it meets the tests for PFIC status in those years.

As long as the Company's Ordinary Shares are ''regularly traded'' on a ''qualified exchange or other market'', as provided in applicable Treasury regulations, a US Holder may elect to mark the Ordinary Shares to market annually, recognizing as ordinary income or loss each year an amount equal to the difference between the US Holder's adjusted tax basis in such Ordinary Shares and their fair market value. Losses would be allowed only to the extent of net mark-to-market gain previously included by the US Holder under the election in previous taxable years. As with the QEF election, a US Holder who makes a mark-to-market election would not be subject to the general PFIC regime and the denial of basis step-up at death described above. It is unclear whether the Company's Ordinary Shares will continue to qualify for the mark-to-market election and prospective investors should not assume that the Ordinary Shares will qualify for the mark-to-market election. It is expected that the Limited Voting Ordinary Shares will not be regularly traded on a qualified exchange or other market and will not qualify for the mark-to-market election.

The rules dealing with PFICs and with the QEF and mark-to-market elections are very complex and are affected by various factors in addition to those described above, including the Company's ownership of any non-US subsidiaries. As a result, US Holders of Ordinary Shares are strongly encouraged to consult their tax advisers about the PFIC rules in connection with their acquiring, holding or disposing of Ordinary Shares.

(vi) **Tax consequences for non-US Holders of Ordinary Shares**

Except as described in ''Information Reporting and Backup Withholding'' below, a non-US Holder of Ordinary Shares will not be subject to US federal income or withholding tax on the receipt of dividends on Ordinary Shares and the proceeds from the disposition of Ordinary Shares unless such income is US source income and:

(A) such income is effectively connected with the conduct by the non-US Holder of a trade or business in the United States and, in the case of a resident of a country which has a treaty with the United States, such income is attributable to a permanent establishment or, in the case of an individual, a fixed base, in the United States; or

(B) the non-US Holder is an individual who holds the Ordinary Shares as a capital asset and is present in the US for 183 days or more in the taxable year of the disposition, certain other conditions are met, and such non-US Holder does not qualify for an exemption.

If the first exception applies, the non-US Holder generally will be subject to US federal income tax with respect to such item in the same manner as a US Holder unless otherwise provided in an applicable income tax treaty; a non-US Holder that is a corporation for US federal income tax purposes may also be subject to a branch profits tax with respect to such item at a rate of 30 per cent. (or at a reduced rate under an applicable income tax treaty). If the second exception applies, the non-US Holder generally will be subject to US federal income tax at a rate of 30 per cent. (or at a reduced rate under an applicable income tax treaty) on the amount by which such non-US Holder's capital gains allocable to US sources exceed capital losses allocable to US sources during the taxable year of disposition of the Ordinary Shares.

(vii) **Information reporting and backup withholding**

US Holders generally are subject to information reporting requirements with respect to dividends paid on Ordinary Shares and on the proceeds from the sale, exchange or disposition of Ordinary Shares if the payments are made by or through a US person or a US office of a non-US person (as defined in Regulation S under the Securities Act). In addition, US Holders are subject to backup withholding (currently at 28 per cent.) on dividends paid on Ordinary Shares, and on proceeds from the sale, exchange or other disposition of Ordinary Shares, unless each such US Holder provides a taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption if such payments are made by or through a US person or a US office of a non-US person.

Non-US Holders generally are not subject to information reporting or backup withholding with respect to dividends paid on the Ordinary Shares, or the proceeds from the sale, exchange or other disposition of the Ordinary Shares if such payments are made by or through a US person or a US office of a non-US person, provided that each such non-US Holder certifies as to its foreign status on the applicable duly executed IRS Form W-8 or otherwise establishes an exemption.

7.5 Backup withholding is not an additional tax and the amount of any backup withholding will be allowed as a credit against a US or non-US Holder's US federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS.

8. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company (a) since the date of incorporation of the Company and are, or may be, material to it as at the date of this prospectus or (b) contain provisions under which the Company has any obligation or entitlement which is material to it as at the date of this prospectus:

8.1 **Advisory Agreement**

An investment advisory and management agreement dated 12 May 2008 (the "**Advisory Agreement**"), between the Company and the Investment Advisor pursuant to which the Company has appointed the Investment Advisor to act as its Investment Advisor and manager. Subject to the overall supervision of the Board of directors, the Investment Advisor will act as the investment manager to the Company and will manage the investment and reinvestment of the assets of the Company in pursuit of the investment objective of the Company and in accordance with the investment policies and investment guidelines from time to time of the Company and any investment limits and restrictions notified by the Board (following consultation with) the Investment Advisor.

Pursuant to the Advisory Agreement, the Company pays to the Investment Advisor a base management fee and an incentive fee. Details of these fees are set out in paragraph 13 of Part 3 of this prospectus. The Investment Advisor is entitled to reimbursement of all costs and expenses properly incurred by it and directly necessitated by its dealings with the Company.

The Investment Advisor is authorised to enter into one or more sub-advisory agreements with other investment advisors provided that, save with the prior consent of the Board, no such sub-advisor who operates from the UK shall be appointed.

If the Investment Advisor or any of its affiliates is retained by a company in which the Company has an investment (including a micro-cap buyout) to provide services as a director, a financial advisor (including in connection with financings and refinancings, securities offerings and business acquisitions and dispositions), a management consultant or in another capacity, the Investment Advisor or its affiliate (as applicable) may accept and retain fees for such services and expense reimbursements on terms which are customary for third parties performing such services. Such fees shall not exceed the rates or amounts set forth in a schedule to the Advisory Agreement unless otherwise agreed from time to time between the Board and the Investment Advisor.

Either party may terminate the Advisory Agreement upon not less than 24 months' prior notice (or such lesser period as may be agreed by the other) to the other, without cause provided that no such notice may be served until after 1 July 2010. Either party may also terminate the agreement (i) upon not less than 60 days' prior notice to the other if the other commits any material breach with respect to its obligations under the agreement and fails (in the case of a breach capable of rectification) to make good such breach within 30 days of receipt of notice from the other requiring it to do so; (ii) forthwith upon written notice to the other if (w) the other is dissolved or goes into liquidation (other than solely for the purposes of a solvent amalgamation or reconstruction); (x) the other is unable to pay its debts as they fall due or makes any compromise with its creditors generally or any proposals with regard to such a compromise or otherwise commits any act of bankruptcy; (y) a receiver is appointed over all or a substantial portion of its assets; or (z) the other ceases to hold any license, permission, authorisation or consent necessary for the performance of its duties under the Advisory Agreement.

The Investment Advisor and its affiliates shall not be liable to the Company for any action taken or omitted to be taken by the Investment Advisor in connection with the performance of any of its duties or obligations under the Advisory Agreement or otherwise as an investment advisor or manager of the Company, and the Company shall indemnify, defend and protect the Investment Advisor and its affiliates and hold them harmless from and against all damages, liabilities, costs and expenses arising out of or otherwise based upon the performance of any of the Investment Advisor's duties or obligations under the Advisory Agreement or otherwise as an investment advisor or manager of the Company, save for any damages, liabilities, costs or expenses arising by reason of wilful misfeasance, bad faith or gross negligence in the performance of the Investment Advisor's duties or by reason of the reckless disregard of the Investment Advisor's duties and obligations under the Advisory Agreement.

The services of the Investment Advisor to the Company are not exclusive, and the Investment Advisor and its affiliates may engage in any other business or render similar or different services to others, including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, howsoever structured, having investment objectives similar or dissimilar to those of the Company ("other funds"), so long as the services to the Company under the Advisory Agreement are not impaired thereby. In cases where it may be possible, in accordance with the terms of the relationship between the Investment Advisor or any of its affiliates with another fund (e.g. presently, Jordan Industries, Inc., JZ International, LLC, The Resolute Fund, L.P. or The Resolute Fund II, L.P.), for the Company from time to time (i) to co-invest with such other fund, the Company's co-investments are made on the same terms as such other fund (without regard to the respectively allocated amounts of the investments and whether or not any third party investors also co-invest) and (ii) to participate in the mezzanine financings of companies (including equity participations, if available) controlled by such other fund, the Company's participations will be less than 50 per cent. thereof and will be on the same terms as negotiated by the majority participants. In cases where the Company invests directly from time to time in other funds, (x) such investments will be made on the same terms as the other investors in such other funds (or on such other terms to which the Investment Advisor and the Board shall otherwise agree) and (y) the Investment Advisor will consult with the Board appropriately to avoid duplications of management fees.

The Advisory Agreement may be terminated by either party on not less than 24 months' prior notice, or earlier in the event of breach. The Advisory Agreement is governed by English law and the parties have submitted to the jurisdiction of the English courts.

8.2 **Amended and Restated Advisory Agreement**

Subject to approval by Shareholders at the EGM, the Company and the Investment Advisor intend to enter into an amended and restated advisory agreement pursuant to which, the Advisory Agreement shall be amended in the following respects:

(a) the period of notice either party must give to terminate the Advisory Agreement without cause be extended from two years to 30 months and the earliest date on which the Company may serve such notice be amended from 1 July 2010 to 30 months after the effective date of such amendment;

(b) clause 15 (Other Managed Funds) of the Advisory Agreement be amended such that, where the Company co-invests with another fund managed by the Investment Advisor, such co-investment can be made either on the same terms as such other fund or on such other terms as the Company and the Investment Advisor shall agree; and

(c) upon termination of the agreement, JZAI be entitled to receive a close out capital gains incentive fee on all unrealised gains net of unrealised losses and carried forward losses (currently such fee is only payable in respect of realised gains net of realised losses upon termination).

8.3 **Administration and Registrar Agreement**

The Administration and Registrar Agreement, dated 12 May 2008, between the Company and the Administrator pursuant to which the Company appoints the Administrator to act as its administrator, company secretary and registrar.

The Administrator has agreed to provide company administrative, secretarial and registrar services pursuant to the Administration and Registrar Agreement. The Administrator is responsible for the Company's general administrative functions such as the calculation of Net Asset Value and the maintenance of accounting records. The Administrator, acting as secretary, is responsible for the general secretarial functions required by The Companies Law and for ensuring that the Company complies with its continuing obligations as a listed company. The Administration and Registrar Agreement may be terminated by either party giving 90 days' notice or earlier in the event of breach.

The Administration and Registrar Agreement is governed by Guernsey law.

8.4 **Custodian Agreement**

The agreements and applications which together constitute the Custodian Agreement, dated 9 May 2008, between the Company and the Custodian pursuant to which the Company appoints the Custodian to maintain a custody account (the "**Custody Account**") and to provide, *inter alia* for the safekeeping of assets deposited therein and to collect and disburse the income thereof. The Custodian charges the Company for fees, charges and disbursements incurred in connection with its administration of the Custody Account. All fees are charged to income on the assets in the Custody Account and vary according to the market value of the assets held in the Custody Account but are subject to a minimum annual safekeeping fee of $2,500 and $5,000 for domestic and global custody respectively.

The Custodian is not liable for any loss incurred arising out of or in any way related to the transactions contemplated under the Custodian Agreement, unless such loss is caused by the Custodian's gross negligence or wilful misconduct and the Company has agreed to hold the Custodian harmless from and indemnify it against all actions, proceedings, damages, loss and liability arising from transactions contemplated under the Custodian Agreement. The Custodian Agreement may be terminated by either the Company or the Custodian giving to the other not less than 30 days' written notice, or earlier in the event of breach, or by the Custodian immediately by transferring the securities held to the Company or another custodian chosen by the Company or the Custodian.

The Custodian Agreement is governed by the laws of the State of New York.

8.5 **UK Transfer Agent Agreement**

A UK Transfer Agent Agreement dated 12 May 2008 between the Company and the UK Transfer Agent pursuant to which the UK Transfer Agent acts as UK transfer agent for the Company. The UK Transfer Agent is entitled to fees for each action undertaken in respect of

maintenance of the Company's register of members, transfers of Shares, annual general meetings, reports and analysis in respect of the Company's register of members and payment of dividends, subject to a minimum annual fee for the first year of £13,500 (retail price index linked in subsequent years). The agreement may be terminated by either party on not less than six months' written notice, such notice to expire at any time or earlier in the event of breach.

Pursuant to the UK Transfer Agent Agreement, the Company has agreed to indemnify the UK Transfer Agent for any and all liabilities suffered or incurred by the UK Transfer Agent arising out of or in connection with the due and proper performance of its duties except that liability of either party shall not be excluded or limited to the extent provided by law.

The UK Transfer Agent Agreement is governed by English law.

8.6 **FX Forward Contract**

On 15 November 2006, JZEP entered into a collateralised foreign exchange forward contract and related documentation (the ''FX Forward'') with JP Morgan Chase Bank, N.A. (''JPM''), to hedge the Company's currency risk associated with the repayment of the ZDP shares on 24 June 2009 for approximately £99,000,000. Under the terms of the FX Forward, JZEP agreed to (i) purchase £100,000,000 from JPM at a forward rate of US$1.8882, with a settlement date of 1 June 2009 and (ii) pledge US$25,000,000 in cash to JPM to secure the Company's payment obligation under the FX Forward. By an agreement between JZEP, the Company and JPM, the FX Forward was transferred on its existing terms to the Company on 30 June 2008. Accordingly, JZEP was released from its obligations under the FX Forward and its rights thereunder cancelled, and the Company assumed the rights, liabilities and obligations of JZEP under the FX Forward. JPM remains the counterparty of the Company under the FX Forward.

8.7 **Ordinary Share Placing Agreement**

The Ordinary Share Placing Agreement, dated 22 May 2009, between the Company, the Investment Advisor and Jefferies whereby Jefferies has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for New Ordinary Shares under the Ordinary Share Placing and to procure subscribers for Limited Voting Ordinary Shares under the Limited Voting Ordinary Share Placing. For its services in connection with the Ordinary Share Issue, Jefferies will be entitled to: (i) a corporate finance advisory fee of US$450,000; (ii) a commission of 1 per cent. on the aggregate value, at the Issue Price, of all Ordinary Shares in respect of which irrevocable commitments have been received as at the date of this document (being 132,995,866 Ordinary Shares); and (iii) a commission of 1.5 per cent. on the aggregate value, at the Issue Price, of all other Ordinary Shares issued pursuant to the Ordinary Share Issue. The corporate finance advisory fee is unconditional and would be payable if Ordinary Share Admission did not occur. Both commission payments are, however, conditional on Ordinary Share Admission.

Under the Ordinary Share Placing Agreement, which may be terminated by Jefferies in certain limited circumstances prior to the Ordinary Share Admission, the Company and the Investment Advisor have given warranties and indemnities to Jefferies concerning, *inter alia*, the accuracy of the information contained in this prospectus. Such warranties and indemnities are customary for an agreement of this nature.

8.8 **New ZDP Placing Agreement**

The New ZDP Placing Agreement, dated 22 May 2009, between the Company, the Investment Advisor, JPMC and Jefferies whereby Jefferies has agreed to act as sponsor in connection with the ZDP Proposals and JPMC has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for New ZDP Shares under the New ZDP Placing. For its services in connection with the New ZDP Placing, JPMC will be entitled to (a) a commission of 1.25 per cent. of the aggregate value, at the ZDP Issue Price, of all the New ZDP Shares issued pursuant to the New ZDP Issue, excluding any New ZDP Shares issued pursuant to the ZDP Rollover Offer and (b) a commission of 0.50 per cent. of the aggregate value, at the ZDP Issue Price, of all the New ZDP Shares issued pursuant to the ZDP Rollover Offer, in each case, plus VAT thereon (where applicable).

Under the New ZDP Placing Agreement, which may be terminated by JPMC and/or Jefferies in certain limited circumstances prior to the ZDP Admission, the Company and the Investment Advisor have given warranties and indemnities to each of JPMC and Jefferies concerning, *inter alia*, the accuracy of the information contained in this prospectus. Such warranties and indemnities are customary for an agreement of this nature.

8.9 **Subscription Agreements with Related Parties**

The Company has entered into subscription agreements, conditional upon Ordinary Share Admission, with each of John (Jay) W Jordan II and David Zalaznick, as related parties to the Company, under which they have agreed to subscribe for 19,324,807 Ordinary Shares each pursuant to the Ordinary Share Issue. The value of the Ordinary Shares that have been subscribed for at the Issue Price is, in each case, US$12.5 million.

8.10 **Forced Sale Share Irrevocable Commitments from Related Parties and Associated Indemnity**

The Company has received irrevocable commitments, conditional upon Ordinary Share Admission, from each of John (Jay) W Jordan II and David Zalaznick to acquire at least part of the Forced Sale Shares, as described in paragraph 6 of Part 3 of this prospectus. The value of the Forced Sale Shares, subject to each irrevocable commitment at the Ordinary Share Issue Price is, in the case of John (Jay) W Jordan II, approximately US$362,000 and is, in the case of David Zalaznick, approximately US$362,000. The Company has also agreed to give an unlimited indemnity to John (Jay) W Jordan II and David Zalaznick against any claims which may be brought by the relevant transferor of the Forced Sale Shares in relation to such acquisition.

9. Litigation

The Directors are aware of a potential claim against JZEP by David W Zalaznick, the Chairman of the Investment Advisor, in his capacity as a former shareholder of JZEP. The potential claim relates to foreign exchange losses incurred by David W Zalaznick as a result of a delay in the settlement of a dividend payment that was paid to him by JZEP, in the form of a bank cheque.

The potential claim arises as a result of a loss of approximately US$175,000 incurred by him due to the decline in the value of the GB sterling relative to the US dollar from the time that David W Zalaznick should have received the settled funds from the dividend payment by JZEP, which were payable in GB sterling, to the time the funds were actually received by him and converted to US dollars at the then-prevailing rate. It is believed that the delay occurred as a result of an error by either JZEP's paying agent or the paying agent's bankers, which twice failed to honour the final dividend payment cheque. In the event legal proceedings are brought by David W Zalaznick against JZEP, the Company would liaise closely with JZEP's liquidators and the Company would investigate whether JZEP could pursue an action against either its paying agent or the paying agent's bankers for further recourse. However, pursuant to the terms of the Reconstruction, the Company acquired all the assets and liabilities of JZEP on 1 July 2008 and could therefore become liable should a claim be brought against JZEP for the loss for which JZEP is held to be wholly or partially liable. The Company has not investigated the merits of the potential claim against JZEP or JZEP's potential claims against its paying agent or paying agent's bankers. However, on the basis of the information currently available to it, the Board considers that JZEP's and therefore the Company's ultimate liability should a claim be brought should not exceed US$225,000.

Save as set out above, since 14 April 2008, being the date on which the Company was incorporated, the Company is not, nor has been, involved in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are there any governmental, legal or arbitration proceedings pending or threatened by or against it which may have, or have since incorporation of the Company had, a significant effect on the Company's financial position or profitability.

10. Miscellaneous

10.1 Jefferies has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion herein of references to its name in the form and context in which they appear.

10.2 The Investment Advisor is or may be a promoter of the Company. No amount or benefit has been paid, or given, by the Company to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid or given to any of them in such capacity.

10.3 In the event that the conditions to the Ordinary Share Issue (which are set out in paragraph 4 of Part 1) are not satisfied, the Ordinary Share Issue will not be implemented but the Company will remain liable for the costs and expenses already incurred in relation to the Ordinary Share Issue. The costs and expenses (excluding VAT) of, and incidental to, the Ordinary Share Issue payable by the Company are expected to be £2.3 million and include legal and other professional costs and the costs of printing this prospectus and the Circular.

10.4 The estimated net proceeds of the Ordinary Share Issue are expected to be £92.3 million. On Ordinary Share Admission, the Company's assets will be increased by an amount equal to the net proceeds.

10.5 Certain information in this prospectus has been sourced from third parties. Such information has been accurately reproduced and so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

10.6 The New Ordinary Shares are in registered form and will, on Ordinary Share Admission, be capable of being held (other than by New Ordinary Shareholders who are US Persons) in uncertificated form.

10.7 Save in respect of the Ordinary Share Issue none of the New Ordinary Shares have been marketed or are available in whole or in part to the public in conjunction with the application for the New Ordinary Shares to be admitted to the Official List.

10.8 Other than as provided in the City Code and The Companies Law (as described in paragraph 6 of this Part 7), there are no rules or provisions relating to mandatory takeover bids in relation to the New Ordinary Shares and there are no rules or provisions relating to squeeze-out and/or sell-out rules relating to the New Ordinary Shares.

10.9 There has been no significant change in the trading or financial position of the Company since 28 February 2009, being the last date on which the Company has published audited financial information.

10.10 The Company will continue to invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the published investment strategy set out in paragraph 2 of Part 3 of this prospectus.

11. Documents available for inspection

11.1 Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA up to and including the date of Ordinary Share Admission:

(a) the memorandum of incorporation of the Company and the Articles;

(b) the New Articles;

(c) the consent letter referred to in paragraph 10.1 of this Part 7;

(d) this prospectus;

(e) the Circular; and

(f) the ZDP Prospectus.

11.2 Copies of this prospectus are available for viewing, free of charge during normal business hours, at the Document Viewing Facility, the Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 5HS and at the Company's registered office at 2nd Floor, Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3NQ, Channel Islands.

PART 8 – DOCUMENTATION INCORPORATED BY REFERENCE

The table below sets out the various sections of such documents which are incorporated by reference into this prospectus, so as to provide the information required pursuant to the Prospectus Rules and to ensure that Shareholders and others are aware of all information which, according to the particular nature of the Company and of the New Ordinary Shares, is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company, and of the rights attaching to the New Ordinary Shares. These documents are also available on the Company's website at www.jzcp.co.uk.

Document	Section	Page number (s) in such document
Annual Report and Accounts 2009 audited by Ernst & Young LLP	Company income statement	30
	Company balance sheet	31
	Company statement of changes in shareholders' equity	32
	Company cash flow statement	33
	Notes to the financial statements	34-58
	Independent auditor's report	29

The documents incorporated by reference in this prospectus have been incorporated in compliance with Prospectus Rule 2.4.1.

Information that is itself incorporated by reference or referred or cross-referred to in these documents is not incorporated by reference into this prospectus. Except as set forth above, no other portion of these documents is incorporated by reference into this prospectus.

22 May 2009

DEFINITIONS

The following definitions apply throughout this prospectus, unless the context otherwise requires:

''Administration and Registrar Agreement''	the agreement between the Company and the Administrator, a summary of which is set out in paragraph 8.3 of Part 7 of this prospectus
''Administrator''	Butterfield Fulcrum Group (Guernsey) Limited
''Advisory Agreement''	the agreement between the Company and the Investment Advisor, a summary of which is set out in paragraph 8.1 of Part 7 of this prospectus
''AIC Code''	the Code of Corporate Governance issued by the AIC
''AIC''	the Association of Investment Companies
''Anti Money Laundering Regulations''	(for UK placings) the laws and regulations of the United Kingdom related to anti money laundering and counter terrorism financing, including Anti Money Laundering Regulations 2007, as amended and (for US placings) the laws, regulations and ordinances of Guernsey related to anti money laundering and counter terrorism financing, including the Criminal Justice (Proceeds of Crime) (Financial Services Business) (Bailiwick of Guernsey) Regulations 2007, as amended and the Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing
''Applicant''	a Qualifying Shareholder or a person entitled by virtue of a *bona fide* market claim who lodges an Application Form under the Open Offer
''Application Form''	the application form which accompanies this document for use by Qualifying non-ERISA Shareholders for use in connection with the Open Offer
''Articles''	the articles of incorporation of the Company currently in force at the date of this prospectus
''Assumptions''	the principal bases and assumptions set out in the ZDP Prospectus concerning the illustrative Final Capital Entitlement and Redemption Yield
''Benefit Plan Investor''	Benefit Plan Investor shall have the meaning contained in Section 3(42) of ERISA, and includes (a) an ''employee benefit plan'' as defined in Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA; (b) a ''plan'' described in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code; and (c) an entity whose underlying assets include ''plan assets'' by reason of an employee benefit plan's or a plan's investment in such entity. For purposes of the foregoing, a ''Benefit Plan Investor'' does not include a governmental plan (as defined in Section 3(32) of ERISA), a non-US plan (as defined in Section 4(b)(4) of ERISA) or a church plan (as defined in Section 3(33) of ERISA) that has not elected to be subject to ERISA
''Board'' or **''Directors''**	the Directors of the Company as at the date of this prospectus whose names are set out on page 31 of this prospectus
''certificated'' or **''in certificated form''**	not in uncertificated form
''CFC''	controlled foreign corporation
''Circular''	the circular setting out details of the ZDP Proposals and the Ordinary Share Issue issued by the Company on 22 May 2009
''City Code''	the City Code on Takeovers and Mergers issued and administered by the Panel
''Class 1 Transaction''	has the meaning given to it in the Listing Rules

''Code''	US Internal Revenue Code of 1986, as amended
''Combined Code''	the Combined Code on Corporate Governance dated June 2006
''Commission''	Guernsey Financial Services Commission
''Company'' or **''JZCP''**	JZ Capital Partners Limited, incorporated under The Companies Law on 14 April 2008
''Cover''	unless specifically noted otherwise, in respect of the New ZDP Shares, at any date, the number of times by which the Net Asset Value (excluding for the avoidance of doubt revenue profits and accumulated revenue reserves) exceeds the aggregate amount which New ZDP Shareholders would be entitled to receive at the New ZDP Repayment Date
''CREST''	the computerised settlement system operated by Euroclear to facilitate the transfer of title to shares in uncertificated form
''CREST member''	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
''CREST participant''	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
''CREST payment''	shall have the meaning given in the CREST Manual issued by Euroclear
''CREST sponsor''	a CREST participant admitted to CREST as a CREST sponsor
''CREST sponsored member''	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
''Custodian''	HSBC Bank USA, National Association
''Custodian Agreement''	the custodian agreement between the Company and the Custodian, a summary of which is set out in paragraph 8.4 of Part 7 of this prospectus
''DTRs''	the FSA's Disclosure Rules and Transparency Rules
''EBITDA''	Earnings Before Interest, Taxes, Depreciation and Amortisation, often adjusted for the effects of acquisitions, divestitures, non-recurring events and management fees
''efficient portfolio management''	an investment technique where listed and over the counter derivatives are used for one or more of the following purposes: reduction of risk or hedging, reduction of cost, the generation of additional income with an acceptably low level of risk or the reduction of at risk capital versus a similar investment position
''EGM''	the extraordinary general meeting of the Company to be held on 18 June 2009, notice of which is set out at the end of the Circular
''enabled for settlement''	in relation to Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear)
''Enlarged Share Capital''	the issued ordinary share capital of the Company immediately following completion of the Ordinary Share Issue
''ERISA''	US Employee Retirement Income Security Act of 1974, as amended
''EUR'' or **''€''**	euro, the basic unit of currency among participating European Union countries
''Euroclear''	Euroclear UK & Ireland Limited, the operator of CREST
''Final Capital Entitlement''	the accrued capital entitlement of a New ZDP Share on the New ZDP Repayment Date or, if lower, the amount per New ZDP Share to which New ZDP Shareholders would be entitled, and would receive on a winding-up of the Company
''Financial Services Authority'' or **''FSA''**	the Financial Services Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in

	the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA
''Forced Sale Shares''	the 1,722,129 Ordinary Shares identified by the Company as being held by Non-Qualified Holders and therefore subject to the forced sale provisions of the Articles, as further described in paragraph 6 of Part 3 of this prospectus
''FSMA''	the Financial Services and Markets Act 2000 of England and Wales, as amended
''GB sterling'' or **''£''**	the lawful currency of the United Kingdom
''Gross Assets''	the gross market value of all of the investments held by the Company (or on its behalf) including assets acquired with borrowed funds
''Investment Advisor'' or **''JZAI''**	Jordan/Zalaznick Advisers, Inc, a company beneficially owned by John (Jay) W Jordan II and David W Zalaznick, being the Company's investment advisor and manager
''Investment Portfolio''	the investment portfolio of the Company consisting of investments in portfolio companies.
''ISA''	individual savings account
''ISDA Forward Contract''	the forward currency contract between the Company and JP Morgan Chase Bank, N.A., a summary of which is set out in paragraph 8.6 of Part 7 of this prospectus
''Issue Price''	42p per Ordinary Share
''Jefferies''	Jefferies International Limited
''JPMC''	J.P. Morgan Cazenove Limited
''JZEP''	JZ Equity Partners Plc, the Company's UK incorporated predecessor
''Legacy Portfolio''	investments in JZEP's portfolio prior to 22 July 2002 as listed in Schedule B to the Advisory Agreement
''LVOS'' or **''Limited Voting Ordinary Shares''**	the limited voting ordinary shares of no par value in the capital of the Company
''Liquid Investments''	investments that could be traded or realised into cash within 30 days
''Listed Bank Debt''	publicly traded debt
''Listed Equity''	equities listed on a public exchange
''Listing Rules''	the listing rules of the Financial Services Authority
''London Stock Exchange''	London Stock Exchange plc
''Member Account ID''	the identification code or number attached to any member account in CREST
''Mezzanine Investments''	subordinated debt, often with a small equity component
''Micro-Cap Buyout''	buyout transactions involving target businesses usually valued at no more than US$250 million
''Micro-Cap Buyout Investments''	investments in Micro-Cap Buyouts
''NAV per Ordinary Share'' or **''Net Asset Value per Ordinary Share''**	the Net Asset Value divided by the number of Ordinary Shares in issue
''NAV'' or **''Net Asset Value''**	the net asset value of the Company calculated in accordance with its applicable accounting policies (net of any current year revenue)
''New Articles''	the proposed articles of incorporation of the Company to be adopted subject to the ZDP Proposals becoming effective
''New Ordinary Shareholders''	holders of New Ordinary Shares

''New Ordinary Shares''	the Ordinary Shares (excluding the Limited Voting Ordinary Shares) to be issued pursuant to the Ordinary Share Issue
''New ZDP Issue''	the New ZDP Placing and the New ZDP Offer for Subscription
''New ZDP Offer for Subscription''	the offer for subscription of New ZDP Shares for cash described in the ZDP Prospectus
''New ZDP Placing''	the placing of up to 45,662,313 million New ZDP Shares as further described in the ZDP Prospectus
''New ZDP Placing Agreement''	the placing agreement between the Company, the Investment Advisor, Jefferies and JPMC, a summary of which is set out in paragraph 8.7 of Part 7 of this prospectus
''New ZDP Repayment Date''	22 June 2016
''New ZDP Shareholders''	the holders of New ZDP Shares
''New ZDP Shares''	the new zero dividend redeemable preference shares of no par value in the capital of the Company to be issued subject to the ZDP Proposals becoming effective
''non-Limited Voting Ordinary Shares''	Ordinary Shares that are not Limited Voting Ordinary Shares
''Non-Qualified Holder''	any person to whom a sale or transfer of Shares, or in relation to whom the holding of Shares (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) would cause the Company to be required to register as an ''investment company'' under the US Investment Company Act, would cause the Company to become a ''controlled foreign corporation'' within the meaning of the Code, would cause the Company no longer to be a ''foreign private issuer'' for the purposes of the US Exchange Act, would cause the assets of the Company to be deemed to be ''plan assets'' of a Benefit Plan Investor or would cause the Company otherwise not to be in compliance with the US Investment Company Act, ERISA, the Code or the US Exchange Act
''Official List''	the Official List of the Financial Services Authority
''Open Offer''	the pre-emptive offering of New Ordinary Shares to existing Ordinary Shareholders, *pro rata* to their existing holdings, as set out in this prospectus
''Open Offer Entitlements''	an entitlement to apply to subscribe for New Ordinary Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer
''Ordinary Share Admission''	admission of the New Ordinary Shares to the Official List and to trading on the London Stock Exchange's market for listed securities becoming effective
''Ordinary Share Class Meeting''	the class meeting of Ordinary Shareholders to be held at 11.00 a.m. on 18 June 2009, notice of which is set out at the end of the Circular
''Ordinary Shareholders''	the holders of Ordinary Shares
''Ordinary Share Issue''	the Ordinary Share Placing and the Open Offer

''Ordinary Share Placing''	the proposed placing of New Ordinary Shares and Limited Voting Ordinary Shares to certain existing Ordinary Shareholders and new investors pursuant to the terms of the Ordinary Share Placing Agreement as described in this prospectus
''Ordinary Share Placing Agreement''	the placing agreement between the Company, the Investment Advisor and Jefferies, a summary of which is set out in paragraph 8.8 of Part 7 of this prospectus
''Ordinary Shares''	the ordinary shares of no par value in the capital of the Company, including the New Ordinary Shares and the Limited Voting Ordinary Shares
''Overseas Shareholders''	Ordinary Shareholders who are resident in, or who are citizens of, or who have registered addresses in, territories other than the United Kingdom and Ordinary Shareholders who are US Persons
''Panel''	the Panel on Takeovers and Mergers
''Participant ID''	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
''PEP''	personal equity plan
''PFIC''	passive foreign investment company
''Proposals''	the ZDP Proposals, the Ordinary Share Issue, the Share Consolidation, the change to the Company's investment policy and the changes to the Advisory Agreement
''Prospectus Directive''	the Directive of the European Parliament and the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (No. 2003/71/EC)
''Prospectus Rules''	the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market
''prospectus''	this prospectus relating to the Company prepared in accordance with the Prospectus Rules
''Qualifying CREST Shareholders''	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company at the close of business on the Record Date are in uncertificated form
''Qualifying non-CREST Shareholders''	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company at the close of business on the Record Date are in certificated form
''Qualifying Shareholders''	holders of Ordinary Shares on the Company's register of members at the Record Date (other than Overseas Shareholders)
''Qualifying US Persons''	US Persons that are eligible to subscribe for Shares under US law and the Articles
''Receiving Agent''	Equiniti Limited or, in respect of applications from US Persons, Butterfield Fulcrum Group (Guernsey) Limited
''Reconstruction''	the acquisition by the Company of all of the assets and liabilities of JZEP on 1 July 2008 pursuant to a scheme of reconstruction
''Record Date''	the record date in respect of the Ordinary Share Issue being 19 May 2009
''Redemption Yield''	in respect of a New ZDP Share, the annually compounded rate of interest at which the total discounted values of future payments of income and capital equate to its actual or assumed value at the date of calculation
''Regulations''	the Uncertificated Securities Regulations (2001 SI 2001/3755)
''Regulatory Information Service''	a Regulatory Information Service that is approved by the FSA and that is on the list of Regulatory Information Service providers maintained by the FSA

''Resolutions''	the resolutions to be proposed at the EGM, the Ordinary Share Class Meeting and the ZDP Class Meeting set out in the notice of the EGM and the Notices of the ZDP Class Meeting and the Ordinary Share Class Meeting contained in the Circular
''Share Consolidation''	the proposed consolidation of Ordinary Shares on a one for five basis
''Share Consolidation Record Date''	the record date in respect of the Share Consolidation, being 22 June 2009
''Shareholders''	the holders of Shares
''Shares''	the Ordinary Shares, the ZDP Shares and the New ZDP Shares together or any of them
''stock account''	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
''Takeovers Directive''	the Directive on Takeover Bids (2004/25/EC)
''The Companies Law''	The Companies (Guernsey) Law 2008, as amended
''UK Listing Authority''	the Financial Services Authority as the competent authority for listing in the United Kingdom
''UK Transfer Agent Agreement''	the agreement between the Company and the UK Transfer Agent, a summary of which is set out in paragraph 8.5 of Part 7 of this prospectus
''UK Transfer Agent''	Equiniti Limited
''Uncertificated'' or **''in uncertificated form''**	recorded on the register as being held in uncertificated form via CREST and title to which may be transferred by means of CREST
''United States'' or **''US''**	the United States of America, its territories, possessions, any state of the United States of America, and the District of Columbia
''US dollars'' or **''US$''**	the lawful currency of the United States
''US Exchange Act''	US Securities Exchange Act of 1934, as amended
''US Holder''	has the meaning assigned to ''United States Person'' in Section 957(c) of the Code
''US Investment Company Act''	US Investment Company Act of 1940, as amended
''US Persons''	has the meaning given to it in the Securities Act
''US Securities Act''	US Securities Act of 1933, as amended
''US Shareholders''	Shareholders who are US Persons or who are otherwise located in, or who have their registered address in, the United States
''ZDP Admission''	admission of the New ZDP Shares to the Official List and to trading on the London Stock Exchange's market for listed securities becoming effective
''ZDP Issue Price''	215.80 per New ZDP Share
''ZDP Proposals''	the proposals for the creation of the New ZDP Shares, the New ZDP Issue and the ZDP Rollover Offer
''ZDP Prospectus''	the prospectus published by the Company on the date hereof in connection with the ZDP Proposals
''ZDP Repayment Date''	24 June 2009
''ZDP Rollover Offer''	the attaching to each ZDP Share of a right to convert into one New ZDP Share, as described in the ZDP Prospectus
''ZDP Shareholders''	the holders of ZDP Shares
''ZDP Shares''	the existing zero dividend redeemable preference shares of no par value in the capital of the Company

imprima — C100429