

JZ CAPITAL PARTNERS LTD

Interim Results Presentation
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HIGHLIGHTS

Performance

- Post distribution NAV of US\$610 million (FY2011: US\$615 million)
- 18.5 cents full year dividend paid in July 2012. Interim dividend of 14 cents per share declared
- Total NAV return of 1%
- Combined EBITDA of micro cap companies increased by 10%

Investment Activity

- Deployed US\$131 million in 17 new investments, including seven investments into our vertical strategies
- Proceeds of US\$44 million from 11 realisations
- Completion of first co-investment in Latin America

Portfolio

- Continued focus on micro cap strategy
- Spanish portfolio performing well despite challenging environment
- Opportunistic investments in Latin America, credit and real estate

Strategic Initiatives

- Overwhelming shareholder approval for strategic initiatives
- Simplification of capital structure and admission to trading on SFM
- New dividend policy
- Limit on investments ex US increased to 30% of NAV

FINANCIAL PERFORMANCE

Total NAV return of 1% against continued uncertain macro-economic backdrop

Liquidity strong with US\$97 million of cash; 43% of assets are cash and listed securities

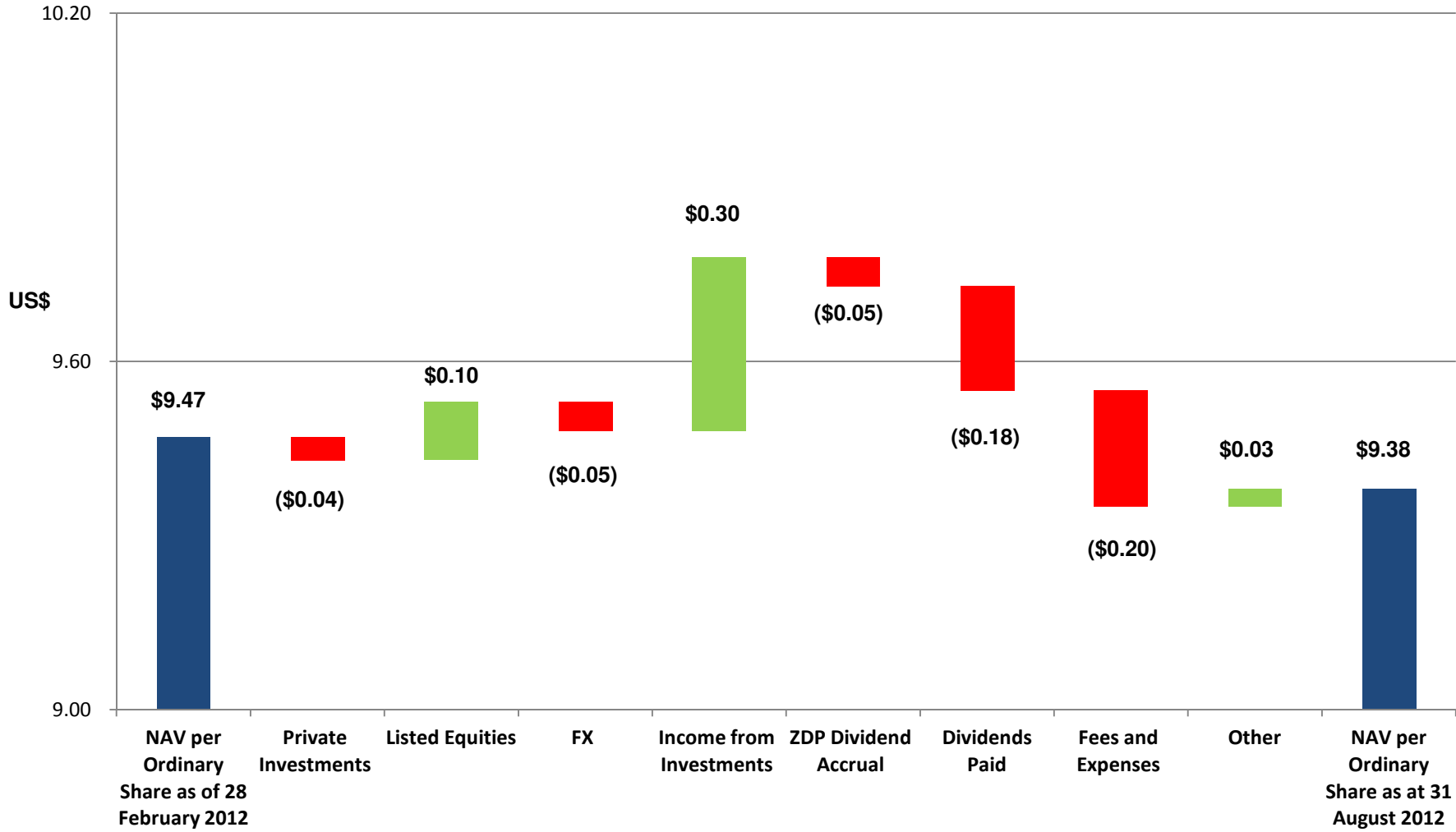
No outstanding debt or long-term obligations other than ZDPs

Discount to NAV remained at historical levels but post period end showing positive trend

	31.08.12	29.02.12
	US' \$000	US' \$000
Investments	541,843	442,879
Cash & cash equivalents and liquid assets*	164,441	268,075
Other liabilities-net	-6,418	-8,211
Zero Dividend Preference Shares	-90,301	-87,281
Net asset value	609,565	615,462
Number of Ordinary Shares (000's)	65,019	65,019
Net asset value per Ordinary Share	US\$9.38	US\$9.47
Market price per Share	US\$5.56**	US\$5.83***
NAV to market price discount	41%	38%
*Includes Cash, UK Gilts and Corporate Bonds		
**JZCP closing share price at 31 August 2012 was GBP3.50 this has been translated using the exchange rate at this date		
***JZCP closing share price at 29 February 2012 was GBP3.66 this has been translated using the exchange rate at this date		

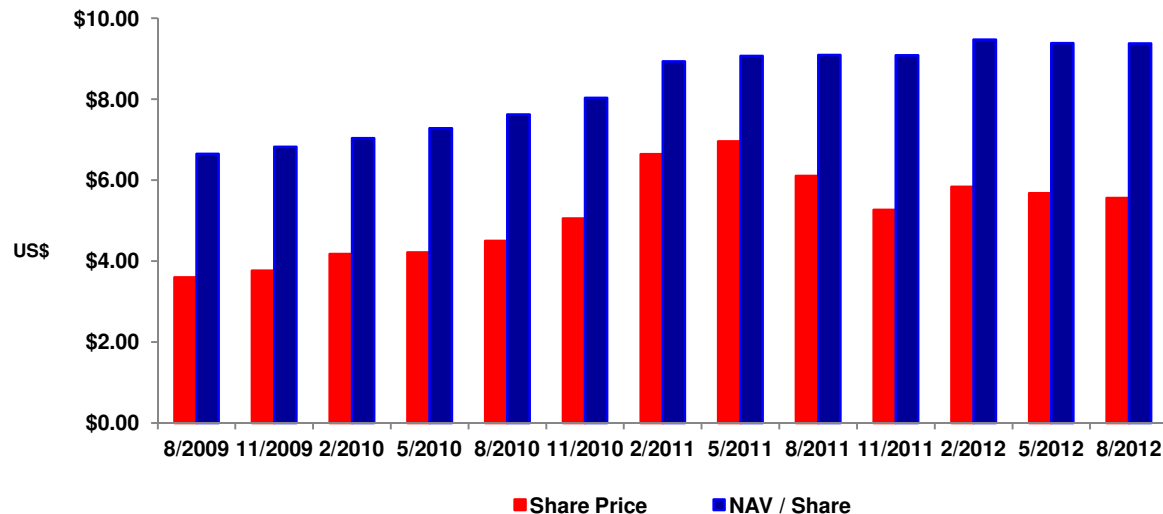
NET ASSET VALUE DEVELOPMENT

Solid investment income and listed equities' performance offset by increased distribution and FX movements, leading to moderate NAV decline



SHARE PRICE AND NAV PER SHARE PERFORMANCE

- JZCP's stock price continues to trade at a discount to JZCP's NAV
 - Discount to NAV was 41% as of 31 August 2012
 - Post period end narrowing of discount to 32% (as at 9 October)
- Management committed to reducing discount to NAV
 - Proposed change to dividend policy to create more predictable yields for investors approved
 - Completion of move to SFM has approximately doubled the tradable market capitalization, with no dilution



NAV and Stock Price – Returns Summary		
	Since 31/8/2011	Since 31/8/2009
NAV / Share Return – Reported	3.2%	12.1%
Total NAV / Share Return – Incl. Dividends	6.0%	15.2%
Stock Price	-2.3%	22.3%

PORTFOLIO REVIEW

55 Businesses in 10 sectors with a focus on US micro cap

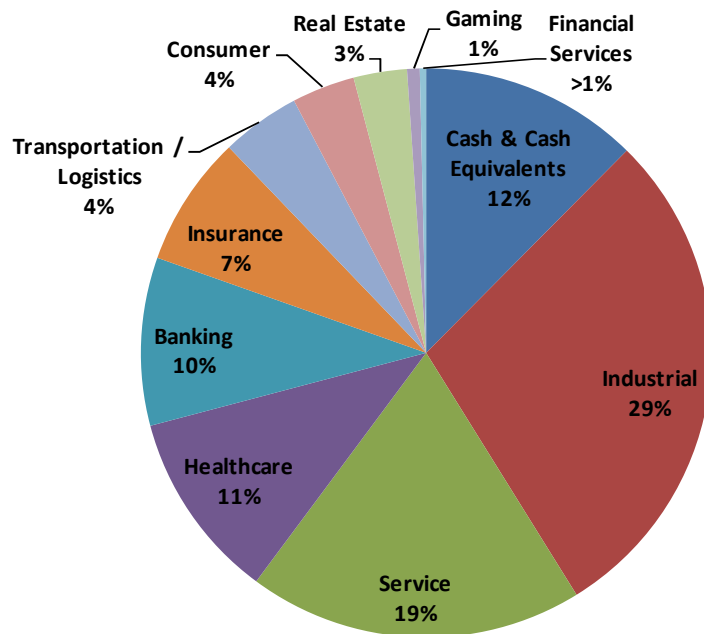
US\$131 million
invested during the
period

US\$44 million in
proceeds from
realizations

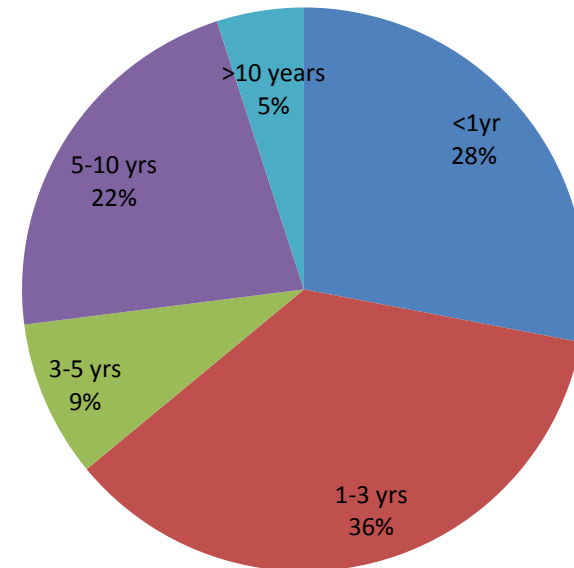
Well diversified
across vintage
years

US companies
constitute 74% of
micro cap
investments

Portfolio – By Industry



Portfolio – By Vintage Year

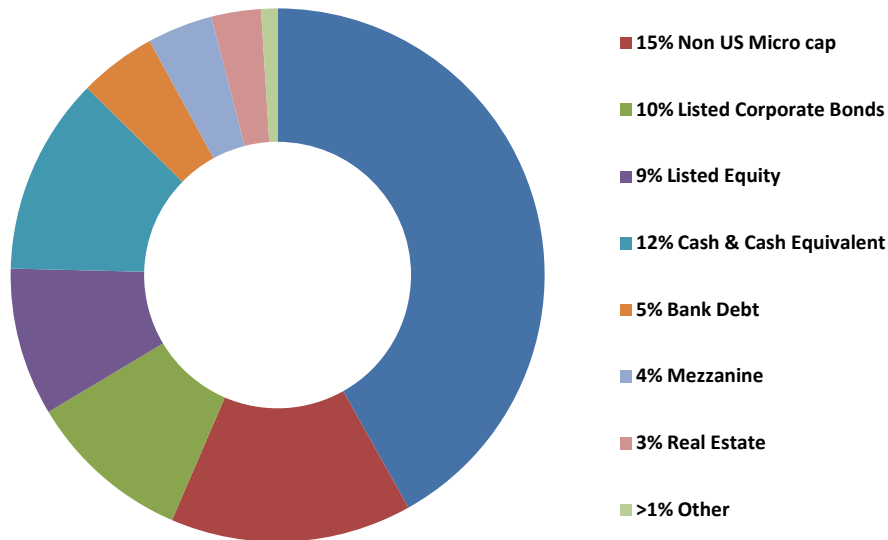


PORTFOLIO REVIEW

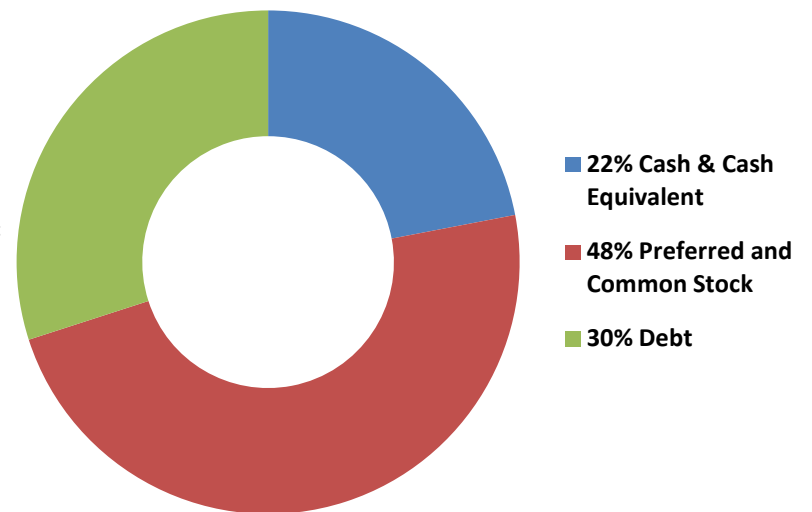
Liquid, diversified portfolio combining equity and interest earning assets

A purchase programme of highly rated listed corporate bonds, to enhance return on cash

Portfolio - By Investment Type



Portfolio - By Securities



INVESTMENT ACTIVITY – US MICRO CAP

- US\$86 million in 9 new investments across the US micro-cap portfolio
- Strong pick up in investment activity across industry verticals
- The average entry multiple was under 6.0x and the average leverage was under 1.5x

**US Micro Cap
42% of Total Assets**

**US\$86 million invested
during period**

US Micro Cap Highlights

Industrial Services - US\$18.9 million for 31% of Bay Valve, an industrial valve distributor

New Healthcare Revenue Cycle Management - US\$13.1 million for 30% of MEDS, an outsourced provider of services to hospitals and health systems

Water - second acquisition in vertical through US\$10.2 million investment for 20% of LMK, an underground water pipe repairer

Co-investments - US\$17.5 million for 11% of MedPlast/UPG, a medical plastics business, with Baird Capital Partners)

Performance

- Combined EBITDA growth of 15% across US micro cap portfolio
- Write up in Sensors Industry with outperformance of Amptek, Inc. and Nielsen-Kellerman
- Sensor uplift offset by write down of Accutest Holding due to real estate down draft
- Fairly valued portfolio – low average multiple of 6.8x



INDUSTRY VERTICALS – IN FOCUS

- US Micro-cap strategy is the core focus of JZCP, split into verticals
- US\$61 million in new investments across the verticals

New investments

- 4 investments in Industrial Services
- Investment in new Healthcare Solutions vertical
- Second acquisition in both Testing and Water verticals

Industrial Service Solutions

(Group Revenues, \$140.5m / Group EBITDA, \$25.3m)*

Strategy

Build a nationwide “critical to process” component services company supported by limited specialty manufacturing driven by blue chip customer base need to maintain production assets.

Portfolio *(new investments in bold)*

- Gator Compressors** – A dealer of compressors and parts.
- National Compressor Services** – A compressor maintenance, repair and overhaul company.
- Bay Valve Service, Inc.** – Multi-industry specialty industrial component services company.
- Pennsylvania Electric Motor Service** – A electric motor repair and refurbishment company.
- Horsburgh & Scott – The leading mfg. of precision gears and drives.
- Mid America Machine & Equipment – Leading rubber and tire mfg. component services company.
- Southern Parts & Engineering – A supplier of aftermarket parts and services for compressors.

Executive

Jim Rogers serves as Chairman and CEO of Industrial Service Solutions. Prior to joining our team in 2008, Mr. Rogers was a partner at Clayton, Dubilier & Rice, a leading private equity firm based in New York City.

*2011 Full Year Results

INDUSTRY VERTICALS – IN FOCUS

Water Services

(Group Revenues, \$31.9m / Group EBITDA, \$5.5m)*

Strategy - Capitalize on the global theme of scarce water resources by focusing on two specific areas within the water industry where the industry dynamics are very strong, specialty water filtration/chemicals and non-destructive infrastructure repair and maintenance.

Portfolio *(new investments in bold)*

- LMK Technologies** – A leading trenchless pipe repair and maintenance company with proprietary technology.
- Nashville Chemical – A leading industry provider of industrial water filtration products and chemicals.

Executive

Mike Reardon serves as CEO of our Water Services vertical. Prior to joining our team, Mr. Reardon served as President and COO for Culligan and Everpure, the world's leading brands in consumer and commercial water treatment. Before Culligan, he was a founding executive of US Filter, a former Fortune 300 company. He played a key role in the company's growth from \$17 million to more than \$5 billion, and facilitated the company's acquisition by Vivendi for more than \$8 billion.

Specialty Testing Services

(Group Revenues, \$132.6m / EBITDA, \$22.2m)

Strategy

Capitalize on the global market demand for testing services as mandated by increasing regulation and proof of content requirements

Portfolio *(new investments in bold)*

- Argus Group** – Sells, rents and services industrial hygiene and safety equipment including gas monitoring and measurement equipment, respiratory / air equipment, industrial hygiene and safety supplies, and personal protective equipment.
- Accutest – A leading environmental laboratory specializing in air, water and soil analysis as mandated by federal, state and local regulations.
- Galson – A leading industrial hygiene safety laboratory serving the air quality and related needs of industrial customers regulatory needs.
- White Environmental – Offers a wide range of consulting and laboratory services.

Executive - Phil Rooney serves as the Chairman and CEO of Nationwide Studios and chairman of the Specialty Testing Group. He is also Chairman of Claddagh, LLC, an investment company. He served as President and Vice Chairman of the Board of Directors at Service Master.

*2011 Full Year Results



INDUSTRY VERTICALS – IN FOCUS

Healthcare Solutions

(Group Revenues, \$14.9m / Group EBITDA, \$5.0m)*

Strategy

Build a national outsourced provider of patient benefit eligibility, enrollment, and revenue recovery services to hospitals and health systems.

Portfolio *(new investments in bold)*

-MEDS – Is the leading provider of these services in Florida and will serve as the base for acquiring other regional companies to eventually create a unified national company.

Executive

Michael Shea serves as head of the Healthcare Solutions vertical. He founded MedAssist Incorporated in 1989 and was the driving force behind the vision and growth of the company. Under his leadership, MedAssist grew into a 1,400 person and over \$100 million revenue company by 2007, when it was sold for \$300 million.

Sensor Solutions

(Group Revenues, \$45.2m / Group EBITDA, \$17.7m)*

Strategy

Attractive industry dynamics and global growth in the specialized non –commodity sensors for non-destructive testing, weather/climate and handheld portable instruments markets on a global basis.

Portfolio

-Nielson-Kellerman – Industry leader in portable handheld weather instruments.
-Amptek – Industry leader in the non-destructive testing markets for x-ray florescence.

Executive

Gerry Posner runs the Sensors Group. He is the former CEO of Mikron Infrared, a NASDAQ listed temperature sensor company which was taken private by LumaSense in 2008. Prior to Mikron, Mr. Posner was the President / Managing Director of several other businesses involved in the instrumentation and sensors markets.

INVESTMENT ACTIVITY - EUROPEAN MICRO CAP FUND (EMF)

- US\$81 million invested to date in EMF representing 14% of total assets
- Carrying value of US\$99 million
- Five assets in Spain are all operating well
- Consistently profitable, scalable business, most with revenue streams ex Spain

Investment Activity

- EMF invested in Oro Direct, a leading precious metals trading business in Spain, for €13.5 million

Strategy

- Identical value-orientated investment approach
- Targeting good quality micro cap companies for strategic build ups
- Investments across a variety of industry sectors

Portfolio

- **Factor Energia (July 2010)**
- **Xacom Comunicaciones (February 2010)**
- **Docout (April 2011)**
- **Grupo Ombuds (May 2011)**
- **Oro Direct (April 2012)**



RECENT ACQUISITION: ORO DIRECT

The logo for Oro Direct, featuring the company name in a serif font with a yellow circle containing a white crescent moon to the right.

Oro Direct

- JZI invested €13.5m in Oro Direct in March 2012
- The deal was sourced through an intermediary with a long relationship with JZI
- Oro Direct is the leading Spanish wholesaler in the B2B market for precious metals with sales of more than €1b and more than 1,500 clients
- The objective of the transaction was to help Oro Direct to increase its product lines and expand into other European Countries
- Since the acquisition, JZI has helped Oro Direct by introducing asset backed lending as well as other financial products
- JZI has also helped Oro Direct by expanding into Austria; it is intended that the international expansion of the Company will continue in the future
- In the coming years Oro Direct will consolidate its growth across borders; Oro Direct has an international management team and JZI has helped Oro Direct to retain experienced advisors to the Company

INVESTMENT ACTIVITY – OTHER SECTORS

- Applying tried and tested micro-cap strategy in Latin America
- Opportunistic investments in Real Estate
- Constitutes small part of total assets

Latin America

- US\$6.1 million co-investment in BSM Engenharia, a Brazil based infrastructure service business - *April 2012*
- Our 4% of BSM was purchased in conjunction with ACON, a very successful private equity group with significant Latin American experience.
- Exceptionally positive demographics expected to provide further co-investment opportunities in Brazil and other Latin American countries

Real Estate

- Leveraging credit investment experience to take advantage of current dislocation. Investing in secondary mortgage loans
- Separately, investment of US\$16.8 million to purchase over 100,000 square feet of retail units and forty apartments in Williamsburg, Brooklyn
- Acquired another Brooklyn property for US\$3.1 million post period end
- Deposits on two additional residential properties

Asset Management Company

- Establishing a new asset management business in the US
- Exploit growing demand from endowments and pension funds for fiduciary management services .
- Portfolio company of JZCP, which would invest up to \$15 million, alongside an equal amount from David Zalaznick and Jay Jordan



STRATEGIC INITIATIVES

**-Overwhelming support shown by Shareholders
-Implementation of Strategic Initiatives
-Completion of Capital Restructuring
-Successful transition onto Specialist Fund Market (SFM)**

Summary

- Simplified capital structure with single class of ordinary shares created on the Specialist Fund Market of the London Stock Exchange and CISX on 31 July 2012
- New capital structure more appropriate to the mix of investors who own the Company
- New dividend policy implemented to create a more predictable dividend stream for investors (3% of NAV per year)
- Investment in micro cap companies remains the strategic focus but now able to further diversify the portfolio by geography
- JZCP is investing in a new asset management company to meet the growing demand for fiduciary management



OUTLOOK

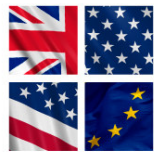
Strong financial condition

Healthy pipeline

**Consistent Value Orientated
Approach**

- Discount to NAV showing positive trend
- Core micro cap portfolio set for strong growth
- Continued focus on micro cap strategy
- Balance sheet strength to enable opportunistic investments
- Positive long-term future secured through implementation of strategic initiatives





JZ CAPITAL PARTNERS LTD

Appendix

ABOUT US

- JZ Capital Partners Limited is one of the oldest closed ended investment companies listed on the London Stock Exchange
- Approximately \$707 million of assets
- Principally invests in US and European micro cap companies
- Guernsey resident — tax efficient vehicle
- Two classes of shares in issue – Zero Dividend Preference and Ordinary Shares
- Adviser is Jordan/Zalaznick Advisers – founded in 1986
 - Led by Jay Jordan and David Zalaznick – invested together for 30 years
 - Gordon Nelson (CIO) – worked with Jay and David for 20 years
 - Todd Hamilton – Managing Director of Bolder Capital, the driver of micro cap strategy
- Two distinct teams, in US and Europe, dedicated to building micro cap portfolios
- The European team includes Jock Green-Armytage and Miguel Rueda, with over twelve years of investing together in European Micro Cap deals (UK, Italy, Holland, Scandinavia and Spain), including David Zalaznick and Jay Jordan



WHAT IS OUR INVESTMENT STRATEGY?

- Strategic build-ups in the micro cap market in the US and Europe and Latin America

- JZCP buys at reasonable entry multiples and modest leverage
 - Average US micro cap purchase multiple of 6.8x EBITDA
 - Average debt multiple senior to JZCP is under 1.5x for the US micro-cap portfolio
 - Will add leverage to enhance returns with well performing investments

- JZCP has senior operating executives that provide supervision and strategic advice
 - Five executives to date – hands-on operating industry professionals

- Co-investments with well-known, successful micro cap private equity firms

- Significant proprietary deal flow
 - Large network of long-term sourcing relationships
 - No auctions

INVESTMENT CASE

- 30 year track record in the micro cap buy out market
- Over 80 micro cap realisations, 3.5x multiple of capital invested
- Offer shareholders access to US and European micro cap market
- Exceptionally strong balance sheet with large cash reserves for investment
- Diversified, liquid and conservatively valued portfolio
 - 55 companies, 10 industries
 - US\$164 million in cash and liquid securities
 - US Micro cap investments valued at approximately 6.8x EBITDA
- Benefitting from return profile of small cap funds versus larger cap funds
- Consistent NAV growth
- Trading at a significant, but declining discount - 32% as at 9 October 2012

REALISATION CASE STUDY: DOCUMENT PROCESSING CORP.



Document
Processing Corp.

- Sold Document Processing Corp, parent company of Dantom Systems, Inc. in October 2011
- Post April 2005 investment, several strategic initiatives were enacted to create increased shareholder value
 - Hired new senior management team (CEO, CFO & Head of Ops)
 - Hired sales & marketing personnel to capture additional market share
 - Integrated the company's operations into a new facility that could support both organic and acquired growth
 - Made several synergistic add-on acquisitions to build scale and diversify the company's end market mix
- Received net proceeds of \$40.5 million, earning a multiple of equity capital of 4.8x (27% IRR)