

JZ CAPITAL PARTNERS LTD

FULL YEAR RESULTS

FOR THE FISCAL YEAR ENDING 28 FEBRUARY 2011

May 9, 2011

Website: www.jzcp.gg

London Stock Exchange Listing: JZCP.L



ABOUT US

- JZ Capital Partners Limited is a closed ended investment company listed on the Main Market of the London Stock Exchange
- Principally invests in US and European microcap buyouts
- Guernsey resident — tax efficient vehicle
- Two classes of shares in issue – Zero Dividend Preference and Ordinary Shares
- One of the oldest London listed investment trusts

INVESTMENT ADVISER

- 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 the US microcap strategy

- Principals of JZAI have a 30-year history of successfully executing micro-cap buyouts
 - More than 70 realized investments
 - 3.7x multiple of capital invested
 - 41% IRR

- \$6 billion of assets under management and more than 50 investment professionals

FINANCIAL PERFORMANCE – BENEFITING FROM A TRIPLE PLAY

- 30% NAV Total Return included:
 - Net Asset Value (“NAV”) of \$581 million, an increase of 27% (2010: \$457m)
 - NAV per share \$8.93 (2010: \$7.04)
- Distribution of \$14 million or 21.5c per share during the period
- Total shareholder return of 57%
- Total dividends for the period of 24.5c per share (2010: 15.5c), including:
 - Total Special dividends of 12c per share
- Further narrowing of the NAV discount to -26% (2010: -41%)
- No debt outstanding

	28.02.11	28.02.10
	US'\$000	US'\$000
Investments	493,757	394,675
Cash and cash equivalents	172,267	134,867
Other Liabilities-net	(2,895)	(630)
Zero Dividend Preference Shares	(82,341)	(71,399)
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Net asset value	580,788	457,513
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Number of Ordinary Shares (000's)	65,019	65,019
Net asset value per Ordinary Share	US\$8.93	US\$7.04
Market price per Share	US\$6.64¹	US\$4.16 ²
NAV to market price discount	26%	41%

¹ JZCP closing share price at 28 February 2011 was GBP4.12 this has been translated using the exchange rate at this date

² JZCP closing share price at 26 February 2010 was GBP2.73 this has been translated using the exchange rate at this date.

INVESTMENTS AND REALISATIONS

- The sale of G&H Wire earned JZCP an 8.4x multiple of capital invested and 71% IRR
- The sale of Apparel Ventures, one of our two main legacy investments, returned twice our investment
- \$12.3 million realised from refinancing our share of Wound Care and SEC Holdings with third party bank debt
- Galson Laboratories and Nielsen-Kellerman represent the first investments made by the new vertical investment platforms
- Factor Energia, Xacom Comunicaciones and Docout are the European micro cap fund's first investments
- Secondary sale of TAL International Group shares netted \$9.2 million (4.2x multiple of invested capital)

Investments for the period totalled \$116 million

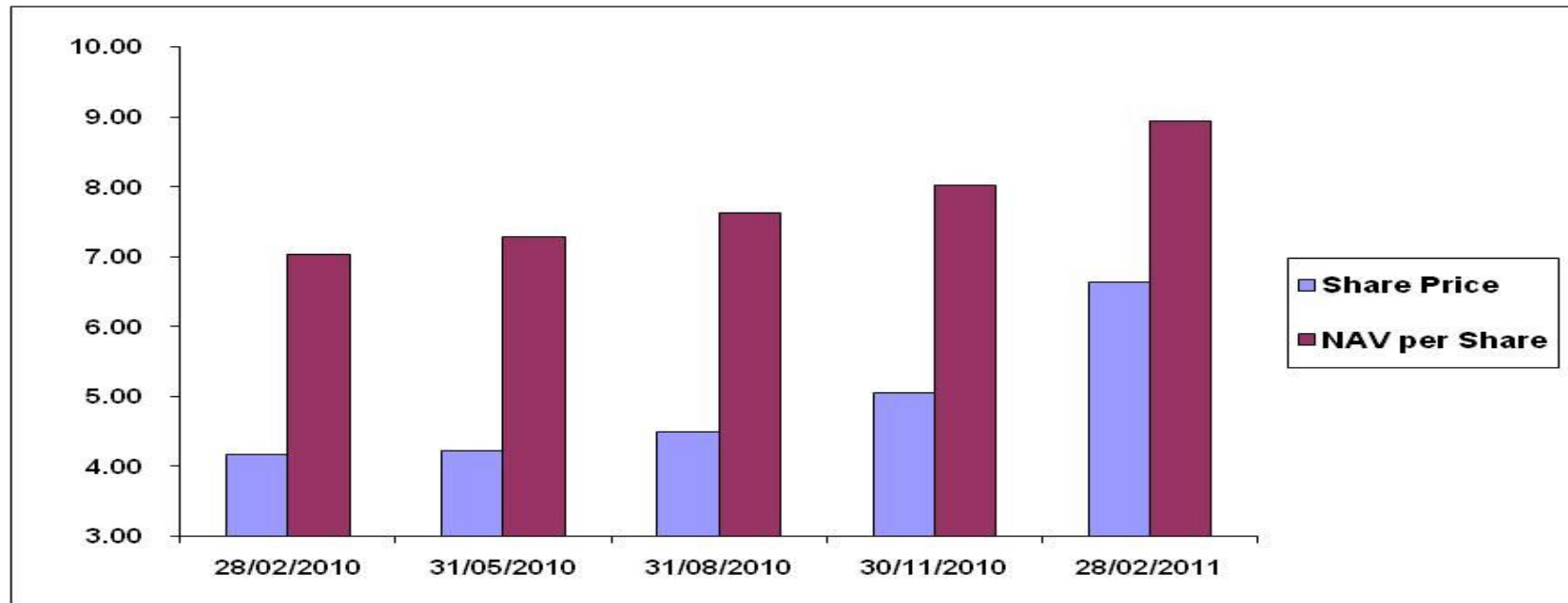
New Vitality, \$4m
Galson Laboratories, \$5.1m
European micro cap fund in Factor Energia, \$14m
Dantom for acquisitions, \$10.7m
Milestone Aviation Group, \$2.9m (as part of a \$10m commitment)
Salter Labs, \$22.1m
Dental Holdings to pay off another creditor, \$7.5m
Accutest for an acquisition, \$3m
Nielsen-Kellerman, \$5.9m
Dantom on refinancing out of repayment of \$18.4m
European micro cap fund in Xacom Comunicaciones, \$13.2m
Healthcare Products' bank debt of \$15.7m at 85% of par
EuroMicrocap Fund LP for DocOut , \$15m

Realisations for the period totalled \$151 million

Woundcare refinancing, \$12.3m
Sechrist refinancing, \$3.4m
Harrington Holdings redemption of loans, \$14.8m
Apparel Ventures sale, \$23.5m
Gear For Sport sale, \$4.8m
Roofing Supply redemption of loans, \$18.2m
Petco Animal Supplies redemptions of loans and dividend, \$19.5m
G&H Wire sale, \$33.4m
TAL International Group, Inc. secondary sale of shares, \$9.2m

HOW HAVE WE PERFORMED?

■ Quarterly Summary of NAV vs Share Price



Date	Share Price	NAV per Share	NAV per Share w/o Div
28/02/2010	4.17	7.04	7.04
31/05/2010	4.22	7.28	7.35
31/08/2010	4.50	7.62	7.68
30/11/2010	5.05	8.03	8.09
28/02/2011	6.64	8.93	9.15

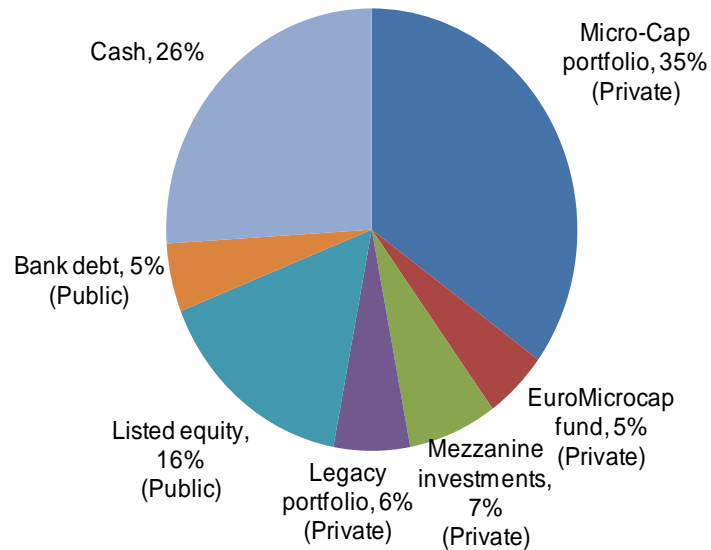


Further narrowing of the discount to NAV to -26% (2010: -41%)

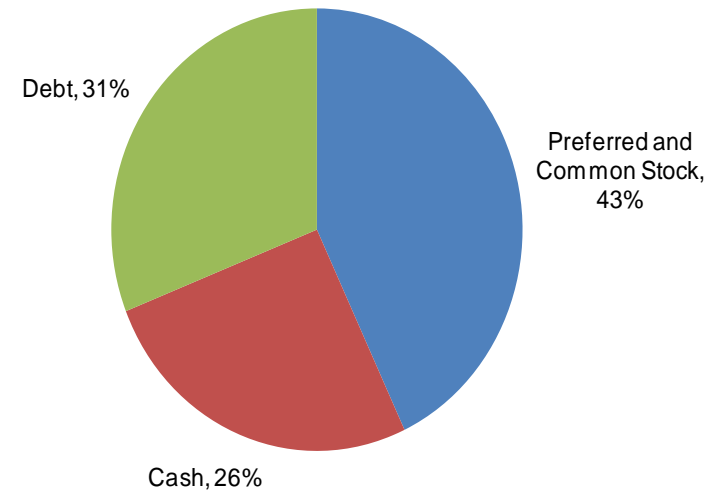
WHAT MAKES UP OUR CURRENT PORTFOLIO?

- A combination of equity and interest earning assets
- Invested in 41 companies
- Across 8 industries
- Portfolio mix remains consistent

Investment Types



Securities Breakdown



As at February 28, 2011

WHAT DOES OUR U.S. MICRO-CAP PORTFOLIO LOOK LIKE?

- Consists of investments in 13 companies across 5 industries
- Average investment is \$20 million (38% debt and 62% equity)
- Average debt multiple senior to JZCP is 1.1x
 - Highest is only 2.3x
- EBITDA across the portfolio increased 17% versus the previous year
- For 5 of the 8 companies held over a year, JZCP has made add-on investments
- Portfolio is a combination of “mature” and new investments

WHAT DOES OUR EUROPEAN MICRO-CAP PORTFOLIO LOOK LIKE?

- Factor Energia
 - Factor Energia S.A. is a leading energy services business in Spain
 - Euro-micro cap invested €10.1m to acquire a 65% stake
 - Paid 6.5x 2009 EBITDA, 2.2x 2010 EBITDA

- Xacom
 - Xacom is a leading supplier in the B2B market within the telecommunication sector. It is based in Spain and Chile and will soon open in Mexico
 - Euro-microcap acquired 60% of Xacom for €10m
 - Represents a 3.3x 2010 EBITDA purchase multiple

- DocOut
 - DocOut is a provider of digitalization, document processing and storage services to financial institutions, utilities, telecoms and insurance companies in Spain
 - Euro-microcap acquired 38% for €11m after the year end
 - Represents an 8.8x 2010 EBITDA purchase multiple, cash multiple of 6.0x

WHAT ARE OUR MAJOR HOLDINGS?

- JZCP's 10 largest investments account for approximately 74% of the portfolio on February 28, 2011:

Company	Investment Type	Value ('000s)	% of Total
Safety Insurance Group, Inc.	Listed Equities	\$55,681	11%
TAL International Group, Inc.	Listed Equities	48,110	10%
Accutest Holdings, Inc.	Micro-Cap	43,269	9%
Wound Care Solutions, LLC	Micro-Cap	41,114	8%
Dantom Systems, Inc.	Micro-Cap	34,229	7%
EuroMicrocap Fund 2010, L.P.	Micro-Cap	32,899	7%
Continental Cement Company, LLC	Mezzanine	28,541	6%
Healthcare Products Holdings, Inc.	Legacy	27,324	6%
BG Holdings, Inc.	Micro-Cap	25,802	5%
Dental Services Group, Inc.	Micro-Cap	23,629	5%
Top 10 Holdings		\$360,597	74%

WHAT IS OUR INVESTMENT STRATEGY?

- Strategic build-ups in the inefficient micro cap market in the U.S. and Europe
- JZCP does not overpay nor over-leverage
 - Average micro-cap purchase multiple of 6.1x trailing EBITDA
 - Average debt multiple senior to JZCP is 1.1x for the micro-cap portfolio
 - Will add leverage to enhance returns with well performing investments
- In the U.S., we have Senior Operating Executives that provide supervision and strategic advice
 - Five executives to date
 - Not mere figureheads, but 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

WHY JZCP?

- JZCP's shares trading at a 26% discount to a conservative NAV
- History has shown that the best time to invest in private equity is at the end of a recessionary period
- Small cap funds have almost twice the return profile versus larger cap funds
- JZCP gives the public unique access to the micro-cap market at a discount
 - NAV of private investments = \$354 million
 - Market value attributable to private investments = \$205 million
- In U.S. and Europe, experienced and successful teams in place
- Exceptionally strong balance sheet with large cash reserves for further investment



OUTLOOK

- We enter into the next twelve months with confidence and a continued commitment to providing superior returns for our shareholders – through both capital and income appreciation
- A pipeline of high quality potential investments in the US, particularly through the verticals, and quality existing and prospective investments in Europe
- Well positioned to take advantage of further investment and realisation opportunities in the micro cap sector
- Building our verticals in the U.S. and our micro cap strategy in Europe
- Benefiting as the economy continues to emerge from a period of recession