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JZ CAPITAL PARTNERS LIMITED
(Registration No. 48761)

Registered Office:
2ND FLOOR, REGENCY COURT, GLATEGNY ESPLANADE, ST. PETER PORT,
GUERNSEY, GY1 3NQ

TELEPHONE: + 44 1481 720321
FACSIMILE: + 44 1481 716117
E-MAIL: JZCP@bfql.com

Interim Management Statement
22 June 2010

JZ Capital Partners Limited (LSE:JZCP) ("JZCP" or the "Company"), a closed ended investment company incorporated in Guernsey whose corporate objective is to create a portfolio of investments in businesses primarily in the United States, announces its Interim Management Statement ("IMS") for the period from 1 March 2010 to 31 May 2010.

Since 28 February 2010, the date to which the last audited accounts were prepared, our NAV has increased 3.5%; however had we had not paid the dividend summarized below, the NAV would have increased 4.4%.

Recent Events

- On 1 April 2010, JZCP paid a dividend of \$0.065 for each Ordinary Share.
- On 1 April 2010, JZCP made an investment of \$4.0 million in New Vitality, a leader in the direct-to-consumer nutritional supplement and personal care product sector. We purchased \$3.6 million of preferred stock and \$0.4 million in common stock, which represents a 9.2% ownership stake in each security.
- On 14 April 2010, JZCP received \$15.6 million in proceeds in connection with the refinancing of Wound Care Solutions, LLC and Sechrist Industries, Inc.'s subordinated notes.
- On 4 May 2010, JZCP made an investment of \$5.2 million in Galson Laboratories, a full service provider of analytical air testing. The Company purchased \$2.5 million of senior notes, \$2.7 million of preferred stock and \$40 thousand in common stock. The Company holds a 50.0% ownership stake in both the senior notes and preferred stock securities and a 38.0% ownership stake in the common stock security. In addition to the existing \$0.4 million of preferred stock at this investment's holding company, these new securities create a \$5.6 million investment in the testing services "vertical".

Business Update

We continue to be cautiously optimistic about both the US economy, and the resulting positive effects on M & A activity. We are seeing some loosening up in the credit markets, but they continue to be far from what we would call "normal". All that being said, we are actively pursuing a series of acquisitions in several of the business "verticals" we mentioned in our February Investment Adviser's Report; we hope to have some interesting acquisitions to announce over the next six months.

Our micro-cap portfolio continues to perform, with no defaults with any of our lenders. These business values - the engine of JZCP's future - have held up well over the past year and a half, despite the economic upheaval.

Net Asset Value

For the three months ended 31 May 2010, JZCP's NAV increased by \$16.0 million or 3.5%.

	<u>28/2/2010</u>	<u>31/5/2010</u>
Net Asset Value (\$000's) (1)	\$457,513	\$473,534

Number of Ordinary Shares Outstanding (000's)	65,019	65,019
Net Asset Value per Ordinary Share (\$)	\$7.04	\$7.28
Market Price per Share (\$)	\$4.16	\$4.24
NAV to Market Price Discount	41%	42%

(1) Per JZCP Board.

Pro Forma Balance Sheet

Below is a summary of JZCP's balance sheet as of the relevant dates:

(\$000's)	28/2/2010	31/5/2010
Cash	\$134,867	\$137,853
Listed Equities	69,642	76,587
Bank Debt	35,589	39,983
Private Investments	289,444	288,853
Other Assets (1)	682	734
Total Assets	\$530,224	\$544,010
- Liabilities	(1,312)	(1,089)
- Zero Dividend Preferred Shares	(71,399)	(69,387)
Net Asset Value	\$457,513	\$473,534

(1) Includes accrued dividends on Listed Equities.

For the three months ended 31 May 2010, our listed equities increased 10.0%. Our listed bank debt, both first and second lien investments, increased by 12.3%. Our mezzanine investments decreased by 1.1%, which is due in part to a small repayment on one investment. Excluding this repayment, the mezzanine portfolio would have increased 0.8%. The micro-cap portfolio increased 0.4% during the three month period. Excluding the recent acquisitions and refinancing mentioned in the Recent Events section, the micro-cap portfolio would have increased 4.1%. Note that of the 20 mezzanine and micro-cap investments, 16 are current on their interest payments as of 31 May 2010. For two of the four investments that are not current, we elected to accumulate paid in kind interest instead of cash interest.

Portfolio

At 31 May 2010, the Company's investment assets consisted of 44 investments totaling \$405.7 million broken out as follows:

	Number of Investments	% of Portfolio Valuation as of 31/5/2010
Micro-Cap Portfolio	10	31.8%
Cash		25.4%
Mezzanine Investments	10	15.6%
Listed Equity	3	14.1%
Legacy Portfolio	11	5.7%
Bank Debt	10	7.4%
Total Investment Assets	44	100.0%

46.9% of the portfolio is invested in "liquid" assets, which consist of cash, listed equity, and listed debt. These asset classes are valued at third party listed prices. Cash was mainly deposited with HSBC historically, but now is mainly invested in US treasuries. The remaining 53.1% of the portfolio is invested in private investments in micro-caps or mezzanine investments. These investments are valued at fair value by the JZCP Board of Directors. Historically these investments had been valued at fair value by the Directors of JZCP half yearly; but they resolved as from 30 November 2009 to perform a valuation review quarterly. As a point of reference, the average purchase multiple of the micro-cap investments was 6.0x. The current average enterprise multiple used at 31 May 2010 was 5.9x. In addition, our micro-cap businesses continue to be leveraged at less than 1.3x trailing twelve months EBITDA.

At 31 May 2010, 48.9% of the JZCP investments were valued below cost, and 51.1% were valued at or in excess of cost.

The top ten investments as of 31 May 2010 were as follows:

(\$000's)	Asset Category	Original Cost	Valuation as of 31/5/2010	% of Portfolio Valuation as of 31/5/2010	
	Safety Insurance Group, Inc.	Listed Equity	\$6,816	\$42,131	10.4%

Accutest Holdings, Inc.	Micro-cap	31,516	34,905	8.6%
TAL International Group, Inc.	Listed Equity	13,798	33,146	8.2%
Continental Cement Company, LLC	Mezzanine	20,660	28,135	6.9%
DantomSystems, Inc.	Micro-cap	21,674	25,111	6.2%
BG Holdings, Inc.	Micro-cap	21,832	24,078	5.9%
Dental Services Group, Inc.	Micro-cap	19,854	23,161	5.7%
Wound Care Solutions, LLC	Micro-cap	38,858	21,119	5.2%
GHW Holdings, Inc.	Micro-cap	7,467	20,190	5.0%
Petco Animal Supplies, Inc.	Listed Debt / Mezzanine	19,443	19,931	4.9%
Top Ten Investments		\$201,918	\$271,907	67.0%
Remaining Investments		179,907	133,840	33.0%
Total Portfolio		\$381,825	\$405,747	100.0%

The portfolio is diversified across the following business sectors:

	Number of Companies	% of Portfolio Valuation as of 31/5/2010
Health Care Equipment & Services	7	24.0%
Support Services	11	22.2%
House, Leisure & Personal Goods	8	10.4%
Financial General	4	10.8%
Industrial Engineering	5	9.9%
Construction Materials	4	12.3%
Other	5	10.4%
Total Portfolio	44	100.0%

About JZCP

JZCP is a closed ended investment company incorporated in Guernsey. 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 strategies include investments in micro-cap buyouts, mezzanine loans (sometimes with equity participations) and high yield securities, senior secured debt and second lien loans and other debt and equity opportunities. The Company's Ordinary Shares and Zero Dividend Preferred Shares are listed on the London Stock Exchange.

All Enquiries:

Butterfield Fulcrum Group (Guernsey) Limited
The Company Secretary
2nd Floor, Regency Court
Gategny Esplanade
St Peter Port
Guernsey
GY1 3NQ
Tel: 01481 720321
Fax: 01481 716117

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