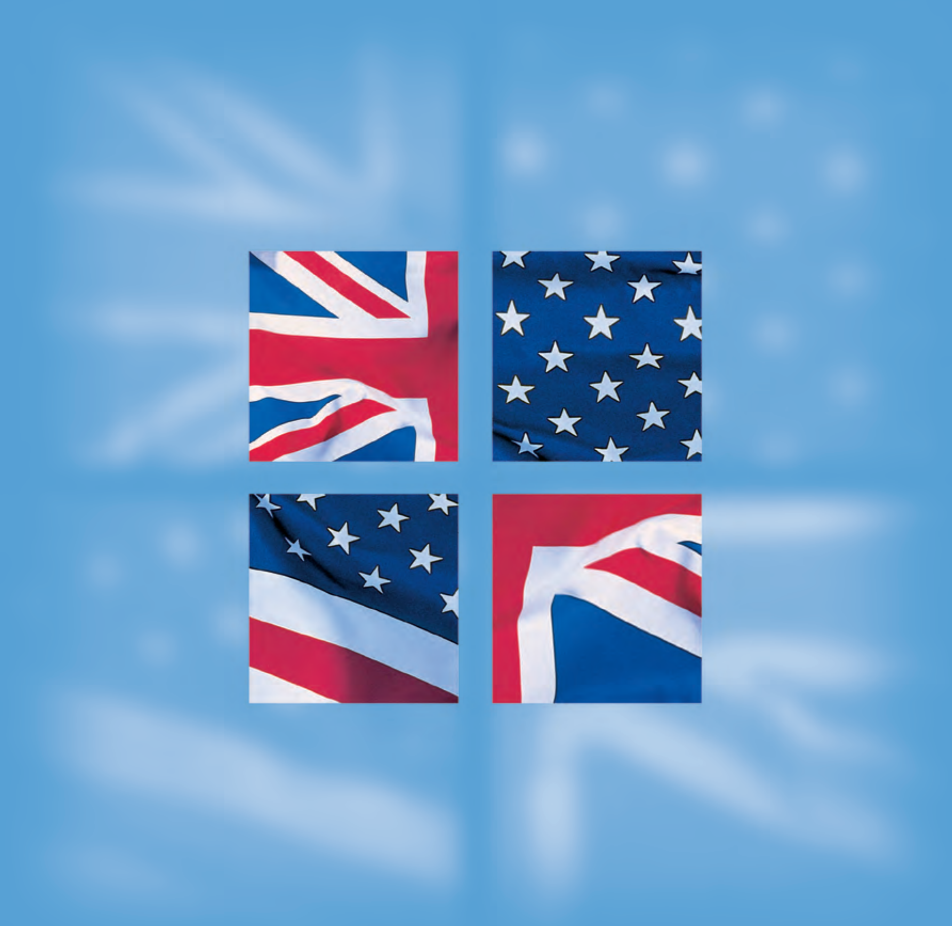

JZ Capital Partners Limited

Condensed Interim Report & Financial Statements

For the period from 1 March 2011 to 31 August 2011

Contents

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The Association of
Investment Companies

JZ Capital Partners Limited is a member of the Association of Investment Companies.

Corporate Objectives

"To create a portfolio of investments in businesses primarily in the United States, but also in Europe, providing a superior overall return comprised of a current yield and significant capital appreciation."

Chairman's Statement

I am pleased to report the results of JZ Capital Partners Limited ("JZCP" or the "Company") for the six-month period ended 31 August 2011.

Performance

The first six months of the Company's financial year have been dominated by macroeconomic uncertainty and significant market volatility, putting an end to the sustained equity capital market rally. The effects on the Company have principally been that the quoted values of its listed investments have reduced along with the market comparables used to value some of the Company's private and micro cap investments. It has also slowed progress on potential realisations.

The Board is pleased to be able, against this background, to announce that JZCP has produced a solid set of interim results, providing shareholders with a total NAV return (NAV appreciation and reinvested dividends) of 2.9%. The Company has a disciplined investment strategy and a strong balance sheet which incorporates a significant amount of liquidity.

While the main negative contributor to NAV was the reduction in value of the Company's listed investments of US$17.0 million or 26 cents per share, this was compensated by other net investment gains of US$23.3 million or 35 cents per share. These came notably from the sale of Advanced Chemistry & Technology, Inc. and write ups, justified by earnings increases, of Galson Laboratories, Dantom Systems, Inc. and Factor Energia.

Elsewhere in the micro cap portfolio, earnings increases offset reductions in applicable comparable multiples but in the case of Salter Labs, Inc., a reduction in earnings as well as in the comparable multiple required a write down of US$5.4 million.

Portfolio

At the end of the period the portfolio consisted of 42 companies across eight industries in the US and Europe. The Board has been particularly pleased with the micro cap investments which continue to be a significant growth driver for JZCP. There is a strong pipeline of opportunities for JZCP in both the US and Europe, and our advisers JZAI are continuing to examine potential investments in the industry verticals of testing services, industrial services solutions, sensors solutions, specialty foods and water treatment industries.

One of these opportunities came to fruition in July 2011 when the Company made a US$5.4 million co-investment in Justrite Manufacturing Company, which produces safety cabinets, safety cans and spill containment systems.

Other highlights include a US$7.7 million acquisition, in our water treatment vertical, of Nashville Chemical, a manufacturer of industrial water systems products, and an additional US$3.8 million investment made in Milestone Aviation, a helicopter leasing business.

When balance sheet cash and liquid securities are netted out, the Company's non-public portfolio of businesses trades at a 47% discount to NAV. The Board values these private investments conservatively, at 6.9x EBITDA. Acquisitions and investments during the period totalled US$67.8 million in seven businesses.

European Micro Cap

There has been significant progress with the European micro cap portfolio which now consists of four investments in Spain. Through the EuroMicrocap Fund the Company acquired two of these companies during the six months to 31 August 2011: Docout, a digital storage and processing specialist was bought in April and Grupo Ombuds, which provides asset protection and security for government officials, was acquired in May. The largest positive contribution to our NAV increase came from Factor Energia.

The Company is continuing to explore attractive investment opportunities in Spain and elsewhere in Europe that will complement and further diversify the existing portfolio.

Realisations

The Company realised its investment in Advanced Chemistry & Technology, Inc. a US based manufacturer of sealants and chemical products for the aerospace industry, for US$18.2 million (after deducting escrows). It was purchased in 2001 and earned a multiple of capital invested of 5.6x and an IRR of 35%.

Distributions

Net cash revenue for period allows the Directors to have declared an Interim Dividend of 3.5 cents per share for the six months ended 31 August 2011. In addition, revenue that had previously been reported as non-cash which has now been converted to cash allows the Directors to declare a Special Dividend of 3.0 cents per share.

Total distributions cannot necessarily be predicted or maintained because the occurrence of circumstances that allow the declaration of Special Dividends is irregular. However, the conditions that could allow further Special distributions continue to be favourable.

Chairman's Statement
Continued

Share Buybacks
The Directors continue to consider using the Company's share buy back facility on investment grounds but will maintain its focus on deploying capital in the micro cap sector. The Directors will not consider using the share buy back facility as a short term measure to narrow the discount to NAV.

Incentive Fees
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 investment advisory and management agreement with Jordan/Zalaznick Advisers, Inc. At 31 August 2011 no provision was taken for the income incentive fee but a provision of US$4.1 million was accrued for the capital incentive fee, exclusive of the capital incentive fee that is separately accrued at US$3.8 million as a carried interest in the EuroMicrocap Fund 2010, LP.

Conversion of Shares
Due to recent changes in the ownership of the Ordinary shares of no par value in the capital of the Company and to ensure that no more than 50% of the Ordinary shares are held by US residents, in August 2011 a number of US resident Shareholders of the Company voluntarily requested to convert some of their Ordinary shares into Limited Voting Ordinary shares in the capital of the Company ("LVOS").

Outlook
The outlook for the Company is positive despite the continued uncertainty of the economic environment in the US and Europe, which is making realisations and acquisitions slow and challenging. However, the Board is encouraged by the pickup in pace of investments and the prospects for activity in the US, in the industry sectors focused on by the verticals, and in Europe. The Board believes the Company is well positioned in the current market condition given the liquidity in the balance sheet.

The Company will continue to focus on preserving shareholder value throughout these turbulent times and is well positioned to grow its NAV further, using its large cash reserves to make further investments in the micro cap sector.

David Macfarlane
Chairman

17 October 2011

Board of Directors

David Macfarlane (Chairman)[1]

Mr Macfarlane was appointed to the Board of JZCP in April 2008 as Chairman and a non-executive Director. Until 2002 he was a Senior Corporate Partner at Ashurst. He was a non-executive Director of the Platinum Investment Trust Plc from 2002 until January 2007.

James Jordan

Mr Jordan was appointed to the Board of JZCP in April 2008. 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, and is a non-executive Director of Leucadia National Corporation and the First Eagle Funds.

David Allison

Mr Allison was appointed to the Board of JZCP in April 2008. He is a Solicitor and Guernsey Advocate and was Managing Director of Rothschild Trust Guernsey before setting up Virtus Trust Limited in 2005. He sits on a number of offshore investment fund Boards as a non-executive Director.

Tanja Tibaldi

Ms Tibaldi was appointed to the Board of JZCP in April 2008. She was on the board of JZ Equity Partners Plc from January 2005 until the company's liquidation on 1 July 2008. She 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 fund of funds. Previously she was an executive at the Swiss Stock Exchange and currently serves on the board of several private companies.

Patrick Firth[2]

Mr Firth was appointed to the Board of JZCP in April 2008. He is a Chartered Accountant and a member of The Chartered Institute for Securities and Investment. He is formerly Managing Director of Butterfield Fulcrum Group (Guernsey) Limited and is a Director of a number of listed and unlisted investment funds and management companies and is Chairman of the Guernsey Investment Fund Association.

1 Chairman of the nominations committee of which all Directors are members.

2 Chairman of the audit committee of which all Directors are members.

Company Advisers

Investment Adviser
The Investment Adviser to JZ Capital Partners Limited ("JZCP") is Jordan/Zalaznick Advisers, Inc., ("JZAI") a company beneficially owned by John (Jay) W. Jordan II and David W. Zalaznick. JZAI was formed for the purpose of advising the Board of JZCP on investments in leveraged securities, primarily related to private equity transactions. JZAI has offices in New York and Chicago.

Jordan/Zalaznick Advisers, Inc.
767 Fifth Avenue
New York NY 10153

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2nd Floor
Regency Court
Glategny Esplanade
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JZ Capital Partners Limited is registered in Guernsey
Number 48761

Administrator, Registrar and Secretary
Butterfield Fulcrum Group (Guernsey) Limited
2nd Floor
Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3NQ

Independent Auditor
Ernst & Young LLP
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Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4AF

UK Transfer and Paying Agent
Equiniti Limited
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Lancing
West Sussex BN99 6ZX

US Bankers
HSBC Bank USA NA
452 Fifth Avenue
New York NY 10018

(Also provides custodian services to JZ Capital Partners Limited under the terms of a Custody Agreement.)

Guernsey Bankers
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Guernsey GY1 3AP

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Financial Adviser and Broker
JP Morgan Cazenove Limited
20 Moorgate
London EC2R 6DA

Directors' Responsibilities

Statement of Directors' Responsibilities

The Directors are responsible for preparing condensed interim financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period and which are in accordance with applicable laws and interim financial reporting standards. In preparing those condensed interim financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the condensed interim financial statements and that the going concern basis for the preparation of the condensed interim financial statements is appropriate.

The condensed interim financial statements have been prepared in accordance with IAS 34, ''Interim Financial Reporting'' as adopted by the European Union.

Responsibility Statement of the Directors in Respect of the Condensed Interim Financial Report and Financial Statements

We confirm that at the best of knowledge:

- this set of condensed interim financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting;
- the condensed interim report and financial statements includes information detailed in the Chairman's Statement and Investment Adviser's Report and Notes to the Condensed Interim Financial Statements which provides a fair review of the information required by:
- (i) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred for the period from 1 March 2011 to 31 August 2011 and their impact on the condensed set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year: and
- (ii) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the period from 1 March 2011 to 31 August 2011 and that have materially affected the financial position or performance of the Company during that period.

Approved by the Board of Directors and agreed on behalf of the Board on 17 October 2011.

David Macfarlane
Chairman

Patrick Firth
Director

Investment Adviser's Report

Dear Fellow Shareholders,

We are pleased to report that JZCP's financial condition for the six months ended 31 August 2011 continues to be exceptionally strong with enhanced liquidity from realisations. During this period JZCP's Total NAV Return (which we define as the percentage change in the net asset value per share inclusive of dividends paid during the relevant period) increased by 2.9%. After paying special and final dividends of 9.5 cents in July 2011, our NAV increased from US$8.93 to US$9.09.

We feel that a strong balance sheet is highly desirable in the current environment, especially given our ambitions to build out our investment portfolio both in the US and Europe in various industry sectors. Your Company's liquidity is US$156.6 million in cash and treasury gilts (23% of assets) and there is no outstanding debt or long-term obligations other than the ZDPs due in 2016.

JZCP's underlying portfolio companies are all performing well on an operating basis. We wish our stock price had kept up with our NAV growth during the six months ended 31 August 2011, as JZCP's share price discount widened as compared to its net asset value from 26% to 33%. Although we outperformed the FTSE 100, which was down 10%, we are subject to the uncertainties hanging over the public markets. Since we can't solve the macro-economic problems, our focus continues to be on long-term NAV and dividend growth.

NAV Growth

For the six months ending 31 August 2011, JZCP's net assets increased from US$8.93 per share to US$9.09, a 1.8% increase (after the 9.5 cents of dividends paid in July 2011). This represents the 12th consecutive quarter in which the NAV has increased. The chart below shows the source of this recent growth:

Net Asset Value per Ordinary Share as of 28 February 2011	US$8.93
+ Increase in underlying investments	0.35
– Decrease in listed equity	(0.26)
+ Income from investments	0.35
– ZDP dividend accrual	(0.05)
– Dividends paid	(0.09)
– Fees and expenses	(0.16)
+ Other	0.02
Net Asset Value per Ordinary Share as of 31 August 2011	US$9.09

The primary source of NAV growth (per share) is the increase in the valuations of Factor Energia in the EuroMicrocap Fund 2010, LP (19 cents), Galson Holdings, Inc. (9 cents) and Dantom Systems,

David Zalaznick and Jay Jordan

Inc. (8 cents). These gains are all due to continued operational and financial improvements in these companies. In addition, we realised a gain of 8 cents per share from the sale of one of our legacy companies, Advanced Chemistry & Technology, Inc.

Portfolio Summary

We would like to show you a "snapshot" of JZCP's assets compared with the position as at 28 February 2011 fiscal year end, six months ago.

	31.08.2011 US$'000	28.02.2011 US$'000	Change US$'000
US micro cap portfolio	**264,595**	230,601	33,994
European micro cap portfolio	**77,196**	32,899	44,297
Mezzanine portfolio	**48,627**	48,499	128
Legacy portfolio	**25,135**	42,620	(17,485)
Total private investments	**415,553**	354,619	60,934
Listed equity	**77,193**	105,016	(27,823)
Bank debt	**34,828**	34,121	707
Treasury gilts	**25,060**	–	25,060
Cash	**130,504**	172,267	(41,763)
Total listed investments and cash	**267,585**	311,404	(43,819)
Total investments (including cash)	**683,138**	666,023	17,115
Other current assets	**876**	464	412
Total assets	**684,014**	666,487	17,527

Portfolio Summary (continued)

US micro cap portfolio

Our US micro cap portfolio continues to perform well, with all but four of our 15 businesses showing year over year EBITDA growth. All of these investments employ low leverage, currently at 1.3x EBITDA of debt senior to JZCP's position. The average multiple used in valuing these entities continues to be low at 6.9x.

We have written up two of our US micro cap investments, as they continue to outperform expectations. Galson Holdings, Inc., the industrial hygiene testing company, has seen its value increase by US$1.4 million. Danton increased by US$5.3 million.

The uncertainty in the capital markets has made both purchasing and selling of companies challenging. However, we were able to put US$24 million to work in our US micro cap portfolio as follows:

- We made our third Industrial Services vertical acquisition – Southern Parts and Engineering Company ("SPE"), an independent supplier of aftermarket products and services for industrial air compressors. The company provides internal parts, filters, and lubricants for most reciprocating and rotary OEM brands of compressors. Our US$7 million investment in SPE consists of US$4.5 million of 10% notes and US$2.5 million of preferred and common stock. We hold a 41.5% equity interest in this business.
- We acquired Nashville Chemical, which was the first investment into our water vertical. Nashville Chemical is a specialty water treatment, chemical and services company; which treats boilers, cooling water, and process water systems for industrial and commercial customers. Nashville blends and distributes a comprehensive line of chemicals that provide scale and corrosion control in boilers, pre-boilers, and various return systems. Nashville Chemical's water treatment solutions remove harmful contaminants from water, which ultimately improve the efficiency and extend the life of its customer's assets. Our US$7.7 million investment in this entity consists of US$3.8 million in notes, and US$3.9 million of preferred and common stock. We hold a 40.1% equity interest in this business.
- We co-invested with Baird Capital Partners in Justrite, a leading designer and manufacturer of safety products for the handling and storage of flammable and hazardous liquids. Manufacturers, laboratories, commercial buildings and other users of flammable and hazardous liquids rely on Justrite products to comply with regulatory requirements, meet safety codes and prevent catastrophic events caused by fires or spillage. We invested US$5.4 million in preferred and common stock, representing 14% of the company's equity.
- We invested an additional US$3.8 million in Milestone Aviation, bringing our stake in this business' preferred and common stock to US$6.6 million. This investment represents 2.8% of the company's equity. JZCP has a US$10.0 million commitment to this company of which; US$3.4 million dollars remains to be invested.

European investments

Factor Energia, the first investment of the EuroMicrocap Fund 2010, LP (of which JZCP owns 75%), is an energy distribution business in Spain, which resells electricity to small and medium-sized companies, a recently deregulated part of the electric utility sector. The Fund bought this company off €3 million EBITDA for 2009 and the company made €9.7 million of EBITDA in 2010. As a result, we have written up JZCP's share of this investment by $17.6 million using a 4.5x EBITDA multiple.

Xacom, a business-to-business telecom products business, is also performing well. Xacom is growing quickly with new products and geographic expansion outside of Spain. Xacom has opened offices in Chile and Mexico since its acquisition by the Fund and there are plans to expand further into other Latin American countries.

The Fund acquired Docout, a provider of digitalization, document processing and storage services to Spanish financial institutions, utilities and insurance companies in April 2011. The Fund invested €11 million in equity and JZCP directly loaned Docout €2.0 million for working capital. Docout was awarded its largest document outsourcing contract from Bank Santander prior to its acquisition.

Finally, the Fund made a €12.7 million investment in Grupo Ombuds, a leading provider of security, surveillance and facility services to public sector and blue-chip clients in Spain. JZCP also loaned the company €8.5 million. Ombuds' service offering includes personal security protection to government officials and corporate executives, asset protection, security services to public and corporate buildings and the provision of ancillary facility services. The company is a niche player with strong growth potential and has a leading market share in Spain.

All four investments represent 9% of JZCP's total assets as at 31 August 2011.

Other assets

Over the past year, the bulk of our **Mezzanine Portfolio** has been re-paid. We currently have two investments of size, Continental Cement (a Midwestern United States cement plant) and HAAS (an automobile paint system supplier company). Both companies are performing well, and paying cash interest per their terms.

Regarding our **Legacy Portfolio**, the sale of Advanced Chemistry & Technology, Inc. in July 2011 was a positive outcome to a long term investment. JZCP received US$18.2 million for its

Investment Adviser's Report
Continued

US$3.4 million investment, representing a 5.6x multiple of capital invested. We had written Advanced Chemistry & Technology's value up to the point where the proceeds from this sale represented a US$5.5 million gain.

The only legacy investment left of any size is Healthcare Products, our power wheelchair company. Despite the myriad "balls out of left field" from Medicare, its primary customer, this company continues to perform to plan.

Our **Listed Equities** declined with the market: TAL (the international container leasing company) and Safety Insurance (a Massachusetts based insurance company) together accounted for a reduction of per share NAV of 26 cents or US$17.0 million. All that being said, in April 2011, we were able to sell 22.8% of our position in TAL in a successful secondary share offering for a US$7.7 million gain.

New Opportunities
We are gaining traction on our strategic industry verticals and anticipate making several acquisitions in the near term. In addition, we are always looking for co-investments and opportunistic investments that may arise and have several under review. As expected, the upheaval in the capital markets has made realisations challenging, though we hope to have some good news within the next year.

Principal Risks and Uncertainties
As an investment fund, our principal risks are those that are associated with its investment portfolio. Given the nature of the portfolio, the principal risks are associated with the financial and operating performance of the underlying investments, along with market risk associated with the publicly listed equities.

Outlook
Our investment verticals have started to gain momentum in terms of acquisitions and we anticipate seeing the pace of investment accelerate in the next six months. At the same time, we will continue to realise on our existing portfolio and, if the capital markets cooperate, will be generating substantial cash for reinvestment.

Our basic premise is that we can continue to achieve superior returns by maintaining our investment discipline, and investing your (and our) money in a diversified portfolio of good quality niche businesses at reasonable prices. In most ways, our value oriented investment strategy has remained consistent through the years although the value-added/operations management component has increased significantly. We are pleased to have excellent managers as partners and together we develop growth strategies and work on operational efficiencies for the respective portfolio companies. This way of investing, we believe, offers superior risk adjusted returns for our shareholders over the long-term.

As we approach JZCP's 25th Anniversary this December, we are grateful to have the support of many longtime shareholders as well as from new shareholders. We've seen JZCP's assets grow from US$42 million at inception to US$700 million today and we've paid out approximately US$120 million in dividends. Our respective teams in the US and Europe have grown considerably; they do the heavy lifting and have made JZCP's growth possible.

As always, thank you for your confidence in our investment strategy. Please feel free to contact us with any ideas that might be beneficial to JZCP.

Happy Anniversary!

Yours faithfully,

David W. Zalaznick
John W. Jordan II

Jordan/Zalaznick Advisers, Inc.
17 October 2011

Valuation Policy

Principles of Valuation

In valuing investments in accordance with International Financial Reporting Standards, 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:

(i) 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 Statement of Financial Position 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 original effective interest rate.

(ii) Unquoted preferred shares, micro cap loans, unquoted equities and equity related securities:
Unquoted preferred shares, micro cap loans, unquoted equities and equity related securities investments are classified in the Statement of Financial Position as Investments at fair value through profit or loss. These investments 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 ("EBITDA"). 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.

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 investment is determined by reference to the attributable enterprise value (this is calculated by a multiple of EBITDA reduced by senior debt and 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 and a decrease in the fair value would be reflected across all financial instruments invested in an underlying company.

(iii) 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 Statement of Financial Position as Investments at fair value through profit or loss.

(iv) Listed investments and Treasury notes:
Listed investments and Treasury notes are valued at the last quoted bid price. These investments are classified in the Statement of Financial Position as Investments at fair value through profit or loss.

Investment Review

Company	JZCP Book Cost* US$'000	Historical Book Cost** US$'000	Directors Valuation at 31 August 2011 US$'000	Carrying Value Including Accrued Interest 31 August 2011 US$'000	Percentage of Portfolio %
BANK DEBT: FIRST LIEN PORTFOLIO					
EMDEON BUSINESS SERVICES, LLC					
Healthcare service provider	2,535	2,690	2,635	2,635	0.5
INFONXX INC.					
Worldwide provider of directory assistance	2,736	2,865	2,636	2,636	0.5
KINETEK, INC.* **					
Manufacturer of electric motors and gearboxes	3,956	4,299	4,127	4,127	0.7
WP EVENFLO HOLDINGS, INC.					
Manufacturer of children's products	797	926	861	861	0.2
BANK DEBT: SECOND LIEN PORTFOLIO					
DEKKO TECHNOLOGIES, LLC					
Distributor of electrical sub-components	11,418	11,368	10,765	10,875	1.9
EMDEON BUSINESS SERVICES, LLC					
Healthcare service provider	465	500	494	494	0.1
KINETEK, INC.* **					
Manufacturer of electric motors and gearboxes	13,425	15,000	13,200	13,200	2.4
Total Bank Debt	**35,332**	**37,648**	**34,718**	**34,828**	**6.3**
MEZZANINE PORTFOLIO					
CONTINENTAL CEMENT COMPANY, LLC					
Mines and processes limestone	20,661	20,661	28,082	28,564	5.2
GED HOLDINGS, INC.					
Manufacturer of windows	–	6,100	305	330	0.1
HAAS TCM GROUP, INC.					
Speciality chemical distribution	7,500	7,500	7,584	7,764	1.4
METPAR INDUSTRIES, INC.					
Manufacturer of restroom partitions	6,450	7,754	671	750	0.1
PETCO ANIMAL SUPPLIES, INC.					
Retailer of pet food, supplies and services	1,636	1,636	1,636	1,636	0.3
ROOFING SUPPLY GROUP, INC.					
Distributor of roofing products	131	1,406	851	871	0.2
TTS, LLC					
Provider of technical facilities for mechanical services	8,000	7,840	8,562	8,712	1.6
Total Mezzanine Portfolio	**44,378**	**52,897**	**47,691**	**48,627**	**8.9**
EUROPEAN MICRO CAP PORTFOLIO					
EUROMICROCAP FUND 2010, LP					
Acquiror of Europe-based micro cap companies	49,153	49,153	61,543	61,543	11.1
DOUCOUT, S.L.					
Provider of digitalisation, document processing and storage services	2,777	2,777	2,896	3,010	0.5
GRUPO OMBUDS					
Provider of personal security and asset protection	12,202	12,202	12,249	12,643	2.3
Total European Micro Cap Portfolio	**64,132**	**64,132**	**76,688**	**77,196**	**13.9**

Company	JZCP Book Cost* US$'000	Historical Book Cost** US$'000	Directors Valuation at 31 August 2011 US$'000	Carrying Value Including Accrued Interest 31 August 2011 US$'000	Percentage of Portfolio %
US MICRO CAP PORTFOLIO					
ACCUTEST HOLDINGS, INC. Provision of environmental testing laboratories to the US market	34,978	31,516	39,569	42,160	7.5
BG HOLDINGS, INC. Manufacturer of industrial gears	19,733	19,733	23,288	24,858	4.5
CHINA DENTAL HOLDINGS, INC. Acquiror of China-based dental laboratories	1,026	1,026	1,058	1,115	0.2
DANTOM SYSTEMS, INC. Outsourcing of debt collection	18,898	20,947	39,343	40,266	7.3
DENTAL SERVICES, INC. Manufacturer of dental services	33,367	27,604	23,777	24,853	4.5
IND SERVICES SOLUTIONS, (ISS 2) Acquiror of industrial equipment service businesses. Its first acquisition was Southern Parts & Engineering Co., a supplier of industrial compressor parts and services	8,015	8,015	8,077	8,146	1.5
MILESTONE AVIATION GROUP, INC. Finance provider for helicopter and private jet owners	6,630	6,630	6,664	6,915	1.3
NATIONWIDE STUDIOS, INC. Processer of digital photos for preschoolers	16,132	16,132	7,235	7,417	1.3
NEW VITALITY HOLDINGS, INC. Direct-to-consumer provider of nutritional supplements and personal care products	4,000	4,000	4,243	4,474	0.8
SAFETY PRODUCTS, INC. Acquiror of safety product companies. Its first acquisition was Justrite, a manufacturer of industrial safety products	5,400	5,400	5,400	5,465	1.0
SALTER LABS, INC. Developer and manufacturer of respiratory medical products and equipment for the homecare, hospital, and sleep disorder markets	22,079	22,079	15,888	16,663	3.0
SECHRIST INDUSTRIES, INC.* ** Manufacturer of oxygen chambers and other respiratory products	12,146	2,669	13,081	13,280	2.4
SENSORS SOLUTIONS, INC. Acquiror of businesses affiliated with sensor devices or systems	6,236	6,236	6,265	6,539	1.2
TAP HOLDINGS, INC. Acquiror of food product manufacturers or distributors	652	652	689	730	0.1
TESTING SERVICES HOLDINGS Acquiror of laboratory testing businesses. Its first acquisition was Galson Holdings, Inc., a provider of industrial hygiene testing services	3,763	3,763	10,085	10,330	1.9
TRIWATER HOLDINGS CORPORATION Acquiror of water treatment businesses. Its first acquisition was Nashville Chemical & Equipment Co., a provider of water treatment supplies and services	8,140	8,140	8,164	8,441	1.5
WOUND CARE SOLUTIONS, LLC* ** Chronic wound care treatment	16,250	31,845	41,552	42,943	7.8
Total US Micro Cap Portfolio	**217,445**	**216,387**	**254,378**	**264,595**	**47.8**

Investment Review
Continued

Company	JZCP Book Cost* US$'000	Historical Book Cost** US$'000	Directors Valuation at 31 August 2011 US$'000	Carrying Value Including Accrued Interest 31 August 2011 US$'000	Percentage of Portfolio %
LEGACY PORTFOLIO					
ETX HOLDINGS, INC.					
Provider of services to the auto after sales market	392	392	553	580	0.1
HEALTHCARE PRODUCTS HOLDINGS, INC.					
Designer and manufacturer of motorised vehicles	14,442	22,636	21,362	22,459	4.1
JORDAN INDUSTRIES, INC.					
Conglomerate	–	21	–	–	–
JZ INTERNATIONAL LLC					
Fund of European LBO investments	1,620	660	1,738	1,744	0.3
NTT ACQUISITION CORP.					
Technical education and training	52	946	52	52	–
TIGER INFORMATION SYSTEMS, INC.					
Provider of temporary staff and computer training	300	400	300	300	0.1
Total Legacy Portfolio	**16,806**	**25,055**	**24,005**	**25,135**	**4.6**
LISTED INVESTMENTS					
EQUITIES					
SAFETY INSURANCE GROUP, INC.					
Provider of automobile insurance	42,223	6,816	45,093	45,093	8.2
TAL INTERNATIONAL GROUP, INC.* **					
Lessor of intermodal shipping containers	24,671	10,652	31,130	31,130	5.6
UNIVERSAL TECHNICAL INSTITUTE, INC.					
Vocational training in the automotive and marine fields	835	15	970	970	0.2
Total Listed Equity Investments	**67,729**	**17,483**	**77,193**	**77,193**	**14.0**
TREASURY GILTS					
UK treasury 2% – maturity 22.01.2016	24,433	24,433	25,006	25,060	4.5
Total Treasury Gilts	**24,433**	**24,433**	**25,006**	**25,060**	**4.5**
TOTAL – PORTFOLIO	**470,255**	**438,035**	**539,679**	**552,634**	**100.0**
Zero Dividend Preference shares				(85,718)	
Cash and other net assets				124,176	
Net assets attributable to Ordinary shares				**591,092**	

* Book cost to JZCP equating to transfer value as at 1 July 2008 upon the liquidation of JZEP and adjusted for subsequent transactions. The book cost excludes the transfer value and subsequent Payment In Kind ("PIK") investments.

** Original book cost incurred by JZEP/JZCP adjusted for subsequent transactions. The book cost represents cash outflows and excludes PIK investments.

*** Invested in deals with the Resolute Fund – see note 19.

Mezzanine Portfolio includes common stock with a carrying value of US$2,391,000 and preferred shares with a carrying value of US$171,000 these investments are classified as Investments at fair value through profit or loss.

Legacy Portfolio – Investments not subject to capital incentive fee. The listed equities Safety Insurance Group, Inc. and Universal Technical Institute, Inc. are also classified as legacy investments for the purpose of calculating the incentive fees payable to the Investment Adviser.

Unaudited Statement of Comprehensive Income

For the period from 1 March 2011 to 31 August 2011

		Six month period 1 March 2011 to 31 August 2011			Six month period 1 March 2010 to 31 August 2010		
	Notes	Revenue return US$'000	Capital return US$'000	Total US$'000	Revenue return US$'000	Capital return US$'000	Total US$'000
Income							
Net (loss)/gain on investments at fair value through profit or loss	5	–	(5,980)	(5,980)	–	32,602	32,602
Impairments on loans and receivables	6	–	(87)	(87)	–	(2,439)	(2,439)
Share of associate's net income	7	–	12,390	12,390	–	–	–
Net foreign currency exchange losses		–	(152)	(152)	–	(507)	(507)
Realised gains on investments held in escrow accounts		–	1,288	1,288	–	801	801
Investment income	8	23,579	–	23,579	20,074	–	20,074
Bank and deposit interest		236	–	236	141	–	141
Total income		23,815	7,459	31,274	20,215	30,457	50,672
Expenses							
Investment Adviser's base fee	10	(5,069)	–	(5,069)	(2,725)	(1,467)	(4,192)
Investment Adviser's capital incentive fee	10	–	(4,068)	(4,068)	–	–	–
Administrative expenses	10	(1,568)	–	(1,568)	(1,075)	–	(1,075)
Total expenses		(6,637)	(4,068)	(10,705)	(3,800)	(1,467)	(5,267)
Operating profit		17,178	3,391	20,569	16,415	28,990	45,405
Finance costs							
Finance costs in respect of Zero Dividend Preference shares	9	–	(3,261)	(3,261)	–	(2,823)	(2,823)
Profit before taxation		17,178	130	17,308	16,415	26,167	42,582
Withholding taxes	11	(860)	–	(860)	(487)	–	(487)
Profit for the period		16,318	130	16,448	15,928	26,167	42,095
Weighted average number of Ordinary shares in issue during period	15			65,018,610			65,018,610
Basic and diluted gain per Ordinary share using the weighted average number of Ordinary shares in issue during the period		25.10c	0.20c	25.30c	24.50c	40.24c	64.74c

All items in the above statement are derived from continuing operations.

The profit for the period is attributable to the Ordinary shareholders of the Company.

The format of the Income Statement follows the recommendations of the AIC Statement of Recommended Practice.

The accompanying notes on pages 18 to 30 form an integral part of the financial statements.

Unaudited Statement of Financial Position

As at 31 August 2011

	Notes	31 August 2011 US$'000	28 February 2011 US$'000
Assets			
Investments at fair value through profit or loss	12	445,026	447,804
Investments classified as loans and receivables	12	46,065	45,952
Investment in an associate	12	61,543	–
Other receivables		876	464
Cash and cash equivalents		130,504	172,267
Total assets		684,014	666,487
Liabilities			
Zero Dividend Preference shares	13	85,718	82,341
Other payables		7,204	3,358
Total liabilities		92,922	85,699
Equity			
Share capital account		149,269	149,269
Distributable reserve		353,528	353,528
Capital reserve		22,063	21,933
Revenue reserve		66,232	56,058
Total equity		591,092	580,788
Total liabilities and equity		684,014	666,487
Number of Ordinary shares in issue at period/year end	14	65,018,610	65,018,610
Net Asset Value per Ordinary share	16	US$ 9.09	US$ 8.93

These unaudited financial statements were approved by the Board of Directors and authorised for issue on 17 October 2011. They were signed on its behalf by:

David Macfarlane
Chairman

Patrick Firth
Director

The accompanying notes on pages 18 to 30 form an integral part of the financial statements.

Unaudited Statement of Changes in Equity

For the period from 1 March 2011 to 31 August 2011

	Notes	Share Capital Account US$'000	Distributable Reserve US$'000	Capital Reserve Realised US$'000	Capital Reserve Unrealised US$'000	Revenue Reserve US$'000	Total US$'000
Balance as at 1 March 2011		149,269	353,528	1,638	20,295	56,058	580,788
Net gains in prior periods now realised	5	–	–	11,915	(11,915)	–	–
(Loss)/profit for the period		–	–	(355)	485	16,318	16,448
Dividend paid	22	–	–	–	–	(6,144)	(6,144)
Balance as at 31 August 2011		149,269	353,528	13,198	8,865	66,232	591,092

Comparative for the period from 1 March 2010 to 31 August 2010

	Share Capital Account US$'000	Distributable Reserve US$'000	Capital Reserve Realised US$'000	Capital Reserve Unrealised US$'000	Revenue Reserve US$'000	Total US$'000
Balance as at 1 March 2010	149,269	353,517	(20,617)	(64,573)	39,917	457,513
(Loss)/profit for the period	–	–	(3,424)	29,591	15,928	42,095
Dividend paid	–	–	–	–	(4,226)	(4,226)
Increase in receivables relating to JZ Equity Partners Plc	–	9	–	–	–	9
Balance as at 31 August 2010	149,269	353,526	(24,041)	(34,982)	51,619	495,391

The accompanying notes on pages 18 to 30 form an integral part of the financial statements.

Unaudited Statement of Cash Flows

For the period from 1 March 2011 to 31 August 2011

	Notes	Six month period from 1 March 2011 to 31 August 2011 US$'000	Six month period from 1 March 2010 to 31 August 2010 US$'000
Operating activities			
Net cash inflow from operating activities	17	3,939	5,482
Cash outflow from purchase of investments		(36,954)	(37,026)
Cash outflow from purchase of treasury gilts		(24,433)	(99,695)
Cash outflow from purchase of interest in associate		(49,153)	–
Cash inflow from realisation of investments		70,982	16,266
Net cash outflow before financing activities		(35,619)	(114,973)
Financing activity			
Dividends paid to shareholders	22	(6,144)	(4,226)
Net cash outflow from financing activities		(6,144)	(4,226)
Decrease in cash and cash equivalents		(41,763)	(119,199)
Reconciliation of net cash flow to movements in cash and cash equivalents			
Cash and cash equivalents as at 1 March		172,267	134,867
Decrease in cash and cash equivalents as above		(41,763)	(119,199)
Cash and cash equivalents as at 31 August		130,504	15,668

The accompanying notes on pages 18 to 30 form an integral part of the financial statements.

Notes to the Condensed Interim Financial Statements

1. General Information

JZ Capital Partners Limited (the "Company") is a Guernsey domiciled closed-ended investment company which was incorporated in Guernsey on 14 April 2008 under The Companies (Guernsey) Law, 1994. The Company is now subject to the Companies (Guernsey) Law, 2008, which came in to effect on 1 July 2008. The Company's Share Capital consists of Ordinary shares and Zero Dividend Redeemable Preference ("ZDP") shares. The Ordinary shares and ZDP shares were admitted to the official list of the London Stock Exchange on 1 July 2008.

The Company was granted consent on 8 May 2008 by the Guernsey Financial Services Commission under The Control of Borrowing (Bailiwick of Guernsey) Ordinance,1959 to raise up to £300,000,000 by the issue of shares.

The Company was launched in connection with a scheme of reconstruction and voluntary winding up of JZ Equity Partners Plc ("JZEP") under section 110 of the Insolvency Act 1986. JZEP's assets, after providing for its liabilities were transferred *in specie* to the Company on 1 July 2008 and the Company issued to JZEP Shareholders (other than those who opted against the new scheme) one Ordinary Share for each JZEP Ordinary Share and one Zero Dividend Preference ("ZDP") Share for each JZEP ZDP Share that they held.

Limited Voting Ordinary Shares ("LVO") were issued so that certain of the Company's existing Shareholders and certain new investors that are Qualifying US Persons could participate in the ownership of the Company 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. Limited Voting Ordinary Shares are 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. The LVO shares are not listed and are not admitted to trade on or through the facilities of the London Stock Exchange.

The Company is classed as an authorised fund under the Protection of Investors (Bailiwick of Guernsey) Law 1987.

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 present 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, including distressed debt and structured financings, derivatives and opportunistic purchase of publicly traded securities.

The Company has no direct employees. For its services the Investment Adviser receives a monthly management fee and may also be entitled to a performance-related fee (note 10). The Company has no ownership interest in the Investment Adviser. The Company is administered by Butterfield Fulcrum Group (Guernsey) Limited (note 10).

2. Significant Accounting Policies

The accounting policies adopted in the preparation of these condensed interim financial statements have been consistently applied during the period of this statement, unless otherwise stated.

Statement of compliance

The condensed interim financial statements of the Company for the period 1 March 2011 to 31 August 2011 have been prepared in accordance with IAS 34, "Interim Financial Reporting" together with applicable legal and regulatory requirements of Guernsey Law and the Listing Rules of the London Stock Exchange. The condensed interim financial statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the annual report and audited financial statements at 28 February 2011.

Basis of preparation

The condensed interim financial statements have been prepared under the historical cost or amortised cost basis, modified by the revaluation of certain financial instruments designated at Fair value through Profit or Loss upon initial recognition. The accounting policies adopted in the preparation of these condensed interim financial statements have been consistent with the accounting policies stated in note 2 of the annual financial statements for the year ended 28 February 2011, except for the policy adopted in the period for the treatment of the Company's investment in associates (note 12). The preparation of condensed interim financial statements in conformity with IAS 34, "Interim Financial Reporting" requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Condensed Interim Financial Statements

Continued

3. Segment Information

The Investment Adviser is responsible for allocating resources available to the Company in accordance with the overall business strategies as set out in the Investment Guidelines of the Company. The Company has been organised into the following segments:

- Portfolio of bank debt
- Portfolio of mezzanine investments
- Portfolio of US micro cap investments
- Portfolio of European investments
- Portfolio of legacy investments
- Portfolio of listed investments.

The investment objective of each segment is to achieve consistent medium-term returns from the investments in each segment while safeguarding capital by investing in diversified portfolios.

Investment in treasury gilt/notes are not considered part of any individual segment and have and have therefore been excluded from this segmental analysis.

There have been no changes in reportable segments during the course of the period. The segment information provided is also presented to the Board of the Company.

For the period ended 31 August 2011

	Bank debt US$'000	Mezzanine portfolio US$'000	Micro cap US US$'000	Micro cap European US$'000	Legacy portfolio US$'000	Listed investments US$'000	Total US$'000
Interest revenue	1,210	2,726	14,108	283	2,153	–	20,480
Dividend revenue	–	–	–	–	–	2,865	2,865
Other revenue	124	–	–	–	–	–	124
Net gain/(loss) on investments at fair value through profit or loss	1,868	–	3,715	530	4,308	(16,974)	(6,553)
Share of associate's net income	–	–	–	12,390	–	–	12,390
Impairments on loans and receivables	–	(87)	–	–	–	–	(87)
Investment Adviser's base fee	(319)	(446)	(2,427)	(708)	(708)	(231)	(4,839)
Investment Adviser's capital incentive fee*	610	2,690	(1,132)	(485)	–	(5,636)	(3,953)
Total segmental operating profit	3,493	4,883	14,264	12,010	5,753	(19,976)	20,427

*The capital incentive fee is allocated across segments where a realised or unrealised gain or loss has occurred. Segments with realised or unrealised losses are allocated a credit pro rata to the size of the realised loss and segments with realised or unrealised gains are allocated a charge pro rata to the size of the gain.

For the period ended 31 August 2010

	Bank debt US$'000	Mezzanine portfolio US$'000	Micro cap US US$'000	Micro cap European US$'000	Legacy portfolio US$'000	Listed investments US$'000	Total US$'000
Interest revenue	1,473	5,890	8,645	–	1,344	–	17,352
Dividend revenue	–	–	–	–	–	2,384	2,384
Other revenue	54	–	–	–	23	–	77
Net gain on investments at fair value through profit or loss	10,057	–	2,596	–	10,544	7,904	31,101
Impairments on loans and receivables	–	(2,439)	–	–	–	–	(2,439)
Investment Adviser's base fee	(419)	(785)	(1,866)	–	(404)	(718)	(4,192)
Total segmental operating profit	11,165	2,666	9,375	–	11,507	9,570	44,283

3. Segment Information (continued)

At 31 August 2011

	Bank debt US$'000	Mezzanine portfolio US$'000	Micro cap US US$'000	Micro cap European US$'000	Legacy portfolio US$'000	Listed investments US$'000	Total US$'000
Investments at fair value through profit or loss	34,828	2,562	264,595	15,653	25,135	77,193	419,966
Investments classified as loans and receivables	–	46,065	–	–	–	–	46,065
Investment in an associate	–	–	–	61,543	–	–	61,543
Total segmental assets	34,828	48,627	264,595	77,196	25,135	77,193	527,574

At 28 February 2011

	Bank debt US$'000	Mezzanine portfolio US$'000	Micro cap US US$'000	Micro cap European US$'000	Legacy portfolio US$'000	Listed investments US$'000	Total US$'000
Investments at fair value through profit or loss	34,121	2,547	230,983	32,517	42,620	105,016	447,804
Investments classified as loans and receivables	–	45,952	–	–	–	–	45,952
Total segmental assets	34,121	48,499	230,983	32,517	42,620	105,016	493,756

Certain income and expenditure is not considered part of the performance of an individual segment. This includes net foreign exchange gains, interest on cash, finance costs, management fees, custodian and administration fees, Directors' fees and other general expenses.

The following table provides a reconciliation between net reportable segment income and operating profits.

	Period ending 31.08.2011 US$'000	Period ending 31.08.2010 US$'000
Net reportable segment profit	20,427	44,283
Net unrealised gains on treasury gilts/notes	574	1,501
Realised gains on investments held in Escrow accounts	1,288	801
Net foreign exchange losses	(152)	(507)
Interest on treasury notes	110	261
Interest on cash	236	141
Fees payable to investment adviser based on non segmental assets	(345)	–
Expenses not attributable to segments	(1,569)	(1,075)
Operating profit	20,569	45,405

Other receivables and prepayments are not considered to be part of individual segment assets. Certain liabilities are not considered to be part of the net assets of an individual segment. These include custodian and administration fees payable, Directors' fees payable and other payables and accrued expenses.

The following table provides a reconciliation between net total segment assets and liabilities and total assets and liabilities.

	31.08.2011 US$'000	28.02.2011 US$'000
Total segmental assets	527,574	493,756
Treasury gilts	25,060	–
Cash and cash equivalents	130,504	172,267
Other receivables and prepayments	876	464
Total assets	684,014	666,487
Total segmental liabilities	–	–
Other payables and accrued expenses	(92,922)	(85,699)
Total liabilities	(92,922)	(85,699)

Notes to the Condensed Interim Financial Statements

Continued

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in note 2 to the annual financial statements for the year ended 28 February 2011, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from their sources. The estimates and associated assumptions are based on historical experience of JZCP and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

Key sources of estimation uncertainty

The following are the key assumptions and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investments at fair value through profit or loss ("FVTPL")

Certain investments are classified as FVTPL, and valued accordingly, as disclosed in note 2 of the annual financial statements for the year ended 28 February 2011 and the valuation policy on page 10. The key source of estimation uncertainty is on the valuation of unquoted equities and equity-related securities.

Loans and receivables

Certain investments are classified as loans and receivables, and valued accordingly, as disclosed in note 2 of the annual financial statements for the year ended 28 February 2011 and the valuation policy on page 10. The key estimation is the impairment review and the key assumptions are as disclosed in note 2 of the annual financial statements for the year ended 28 February 2011.

5. Net (Loss)/Gain on Investments at Fair Value Through Profit or Loss

	Period ended 31.08.2011 US$'000	Period ended 31.08.2010 US$'000
Net unrealised (loss)/gain in period	(11,666)	32,537
Proceeds from investments realised	70,982	16,266
Cost of investments realised	(51,257)	(16,201)
Cost of investments written off	(2,124)	–
Unrealised gains in prior periods now realised	(11,915)	–
Net realised gains in period	5,686	65
Net (loss)/gain on investments in period	(5,980)	32,602

6. Impairments on Loans and Receivables

	Period ended 31.08.2011 US$'000	Period ended 31.08.2010 US$'000
Net impairments on loans and receivables	(87)	(2,439)
	(87)	(2,439)

7. Share of Associate's Net Income

	Period ended 31.08.2011 US$'000	Period ended 31.08.2010 US$'000
Share of associate's net income	12,390	–
	12,390	–

8. Investment Income

	Period ended 31.08.2011 US$'000	Period ended 31.08.2010 US$'000
Income from investments classified as FVTPL	20,868	14,195
Income from investments classified as loans and receivables	2,711	5,879
	23,579	20,074

Income for the six month period ended 31 August 2011

	Dividends US$'000	Preference dividends US$'000	Loan note PIK US$'000	Loan note cash US$'000	Other interest US$'000	Other US$'000	Total US$'000
1st and 2nd lien bank debt	–	–	–	–	1,210	124	1,334
Mezzanine portfolio	–	15	167	2,544	–	–	2,726
Micro cap portfolio	–	9,146	2,027	3,218	–	–	14,391
Legacy portfolio	–	40	1,379	734	–	–	2,153
Listed investments	2,865	–	–	–	–	–	2,865
Treasury notes	–	–	–	–	110	–	110
	2,865	9,201	3,573	6,496	1,320	124	23,579

Income for the six month period ended 31 August 2010

	Dividends US$'000	Preference dividends US$'000	Loan note PIK US$'000	Loan note cash US$'000	Other interest US$'000	Other US$'000	Total US$'000
1st and 2nd lien bank debt	–	–	–	–	1,473	54	1,527
Mezzanine portfolio	–	11	1,081	4,798	–	–	5,890
Micro cap portfolio	–	5,387	905	2,353	–	–	8,645
Legacy portfolio	–	35	1,251	58	–	23	1,367
Listed investments	2,384	–	–	–	–	–	2,384
Treasury notes	–	–	–	–	261	–	261
	2,384	5,433	3,237	7,209	1,734	77	20,074

9. Finance Costs

	Period from 01.03.2011 to 31.08.2011 US$'000	Period from 01.03.2010 to 31.08.2010 US$'000
Financial costs arising on financial liabilities not at fair value through profit or loss:		
Finance costs on Zero Dividend Preference shares	3,261	2,823
	3,261	2,823

The ZDP Shares have no right to any of the income available for distribution but have an entitlement, on a predetermined growth basis, to the available assets at any winding-up date prior to 22 June 2016. The ZDP shares were issued at 215.80 pence on 22 June 2009 and will have a pre-determined final capital entitlement of 369.84 pence on 22 June 2016. The ZDP shares final capital entitlement is calculated using a rate equal to 8% return compounding on a monthly basis. Finance costs are allocated to the statement of comprehensive income using the effective interest rate method.

Notes to the Condensed Interim Financial Statements

Continued

10. Expenses

	Period from 01.03.2011 to 31.08.2011 US$'000	Period from 01.03.2010 to 31.08.2010 US$'000
Investment Adviser's base fee	5,069	4,192
Investment Adviser's capital incentive fee	4,068	–
	9,137	4,192
Administrative fees:		
Legal and professional fees	717	374
Other expenses	306	227
Directors' remuneration	190	163
Accounting, secretarial and administration fees	200	200
Auditors' remuneration for audit services	147	110
Custodian fees	8	1
	1,568	1,075
Total expenses	10,705	5,267

Directors fees

The Chairman is entitled to a fee of US$140,000 per annum. Each of the other Directors are entitled to a fee of US$60,000 per annum. For the period 1 March 2011 to 31 August 2011, total expenses included in the statement of comprehensive income were US$190,000 (31 August 2010: US$163,000) of this amount US$63,000 (28 February 2011: US$63,000) was outstanding at the period end and included within Other payables.

Administration fees

Butterfield Fund Services (Guernsey) Limited was appointed on 12 May 2008 under an Administration, Secretarial and Registrar Agreement. Butterfield Fund Services and Fulcrum Group merged during September 2008 forming Butterfield Fulcrum Group (Guernsey) Limited (the "Administrator").

The Administrator is entitled to a quarterly fee of US$100,000 payable monthly (quarterly pre 1 October 2010) in arrears. Fees payable are subject to an annual fee review. For the period 1 March 2011 to 31 August 2011 total expenses payable to the Administrator of US$200,000 (31 August 2010: US$200,000) were included in the statement of comprehensive income. Of this amount US$33,000 (28 February 2011: US$33,000) was outstanding at the period end and included within Other payables.

Investment advisory and performance fees

The Company entered into an investment advisory and management agreement with Jordan/Zalaznick Advisers, Inc. (the "Investment Adviser") in May 2008 which was then amended and restated on 20 May 2009 and again on 23 December 2010 (the "Advisory Agreement").

Pursuant to the Advisory Agreement, the Investment Adviser 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 less those assets identified by the Company as being excluded from the base management fee. The base management fee is payable quarterly in arrears; the agreement provides that payments in advance on account of the base management fee will be made.

The incentive fee has two parts. The first part is calculated by reference to the net investment income of the Company and is 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 (the "hurdle") (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 a hurdle of 2.5%, and (b) 20 per cent. of the net investment income of the Company above a hurdle of 2.5% in any quarter. Investments categorised as legacy investments and other assets identified by the Company as being excluded are excluded from the calculation of the fee. A true-up calculation is also payable at the end of each financial year.

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 of the Company for the year less (b) the aggregate of all previous capital gains incentive fees paid by the Company to the Investment Adviser. The capital gains incentive is payable in arrears within 90 days of the fiscal year end. Investments categorised as legacy investments and those assets of the EuroMicrocap Fund 2010, LP are excluded from the calculation of the fee.

10. Expenses (continued)

For the period 1 March 2011 to 31 August 2011 total Investment advisory and management expenses, based on the average total assets of the Company, were included in the statement of comprehensive income of US$5,074,000 (31 August 2010: US$4,192,000) of this amount US$2,074,000 (28 February 2011: US$713,000) was outstanding at the period end and is included within Other Payables.

The Company provides for a capital gains incentive fee based on cumulative net realised and unrealised investments gains. At 31 August 2011 the provision for the capital gains incentive fee was US$4,068,000 (28 February 2011: US$2,093,000).

	31.08.2011 US$'000	28.02.2011 US$'000
Provision for capital incentive fee:		
Provision based on realised gains and payable within 90 days of the fiscal year end	2,026	2,093
Provision based on unrealised gains	2,042	–
	4,068	2,093

The value of investments included in the calculation of the capital incentive fee based on unrealised gains excludes accrued income and PIK investments.

At 31 August 2011 and 28 February 2011 no provision was made for an income incentive fee.

The Advisory agreement may be terminated by the Company or the Investment Advisor upon not less than two and one-half years' (i.e. 913 days) prior notice (or such lesser period as may be agreed by the Company and Investment Adviser).

EuroMicrocap Fund 2010 LP

The Company entered into a limited partnership agreement in respect of the EuroMicrocap Fund 2010, LP on 2 July 2010, which was amended and restated on 23 December 2010.

The parties to the agreement are the Company, EuroMicrocap Fund 2010 GP LLC (the "GP"), David Zalaznick, Jordan Investment Associates, L.P., The Gretchen S. Jordan 1998 Trust and TJT(B)(Bermuda) Resolute Investment Company Ltd (the "Other LPs") and EuroMicrocap Fund 2010 Special Carry, L.P. (the "Special Carry LP").

All distributions of capital gains of the EuroMicrocap Fund is split between the parties and is the reason that it is excluded from the fees paid under the Advisory Agreement.

The payment of the capital gains is split as follows:

In respect of distributions to the Company, the Company will first receive a return equal to its partnership interests and thereafter 80 per cent. of the capital gains income is allocated to the Company, 10 per cent. to the GP and 10 per cent. to the Special Carry LP.

At 31 August 2011 the EuroMicrocap Fund 2010, LP had accrued a carried interest of US$3.8 million for the provision for the capital incentive fee payable on the Company's share of unrealised gains.

Custodian fees

HSBC Bank (USA) N.A, (the "Custodian") was appointed on 12 May 2008 under a custodian agreement. The Custodian is entitled to receive an annual fee of US$2,000 and a transaction fee of US$50 per transaction. For the period 1 March 2011 to 31 August 2011 total expenses were included in the statement of comprehensive income of US$8,000 (31 August 2010: US$1,000) of which nil (28 February 2011: nil) was outstanding at the period end.

11. Taxation

For both 2011 and 2010 the Company applied for and was granted exempt status for Guernsey tax purposes under the terms of The Income Tax (Zero 10) (Guernsey) Law, 2007.

For the period 1 March 2011 to 31 August 2011 the Company incurred withholding tax of US$860,000 (31 August 2010: US$487,000), on dividend income from listed investments.

Notes to the Condensed Interim Financial Statements

Continued

12. Investments

Categories of investments

	Listed 31.08.2011 US$'000	Unlisted 31.08.2011 US$'000	Carrying value 31.08.2011 US$'000
Fair value through profit or loss ("FVTPL")	102,253	342,773	445,026
Loans and receivables	–	46,065	46,065
Investment in associate*	–	61,543	61,543
	102,253	450,381	552,634

	Listed 31.08.2011 US$'000	Unlisted 31.08.2011 US$'000	Carrying value 31.08.2011 US$'000
Fair value through profit or loss ("FVTPL")	105,016	342,788	447,804
Loans and receivables	–	45,952	45,952
	105,016	388,740	493,756

***Investment in associate**

The Company's investment in its associate is accounted for using the equity method. An associate is an entity in which the Company has significant influence. An entity is regarded as a subsidiary only if the Company has control over its strategic, operating and financial policies and intends to hold the investment on a long-term basis for the purpose of securing a contribution to the Company's activities.

The directors have determined that although the Company has over 50% limited partnership interest in EuroMicrocap Fund 2010, LP (the "Partnership"), it does not have the power to govern the financial and operating policies of the partnership. Such powers are vested with the General Partner.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the associate. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate. The share of profit of an associate is shown on the face of the income statement. This is the profit attributed to holders of the partnership interest in the associate.

The financial statements of the associate are prepared for the same reporting period and use consistent accounting policies as that of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in its associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the income statement. Upon loss of significant influence over the associate, the Company measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

At 31 August 2011 the Company had one associate carrying on business which affects the profits and assets of the Company. The Company's associate consists solely of limited partnership interest directly held in the Partnership.

Entity	Principal activity	% Interest
EuroMicrocap Fund 2010, LP	Acquiror of Europe-based microcap companies	75%

The Company's share of the aggregated financial information of the equity accounted associate is set out below. The amounts for the period ended 31 August 2011 include the share of results and net assets in the associate from the date of establishment to 31 August 2011.

12. Investments (continued)

The Company's share of the aggregated financial information of the equity accounted associate is set out below. The amounts for the period ended 31 August 2011 include the share of results and net assets in the associate from the date of establishment to 31 August 2011.

	31.08.2011 US$'000	28.02.2011 US$'000
Share of result in associate	12,390	–

	31.08.2011 US$'000	28.02.2011 US$'000
Non current assets	60,231	–
Currents assets	1,312	–
Share of limited partner interest in associate	61,543	–

13. Zero Dividend Preference ("ZDP") Shares

Authorised capital

Unlimited number of ZDP shares of no par value.

	31.08.2011 US$'000	28.02.2011 US$'000
Amortised cost at 1 March	82,341	71,399
Finance costs	3,261	5,938
Unrealised currency loss on translation at period end	116	5,004
Attributable net assets at 31 August 2011/28 February 2011	85,718	82,341
Total number of ZDP shares in issue	20,707,141	20,707,141
Price per ZDP share US$	US$ 4.1512	US$ 3.9892
Price per ZDP share GBP	GBP 2.5507	GBP 2.4549

ZDP shares were issued on 22 June 2009 at a price of 215.80 pence and are designed to provide a pre-determined final capital entitlement of 369.84 pence on 22 June 2016 which ranks behind the Company's creditors but in priority to the capital entitlements of the Ordinary shares. They carry no entitlement to income and the whole of their return will therefore take the form of capital. The capital appreciation of approximately 8% per annum is calculated monthly. In certain circumstances, ZDP shares will carry the right to vote at general meetings of the Company as detailed in the Company's Memorandum of Articles and Association. Issue costs are deducted from the cost of the liability and allocated to the statement of comprehensive income over the life of the ZDP shares.

Notes to the Condensed Interim Financial Statements
Continued

14. Share Capital
Authorised capital
Unlimited number of ordinary shares of no par value.

Ordinary shares – Issued capital	31.08.2011 Number of shares	31.08.2011 US$'000	28.02.2011 Number of shares	28.02.2011 US$'000
Balance at 1 March	42,913,132	–	42,913,132	–
Converted from Limited Voting Ordinary shares	300,000	–	–	–
Converted to Limited Voting Ordinary shares	(6,893,895)	–	–	–
Total ordinary shares in issue	36,319,237	–	42,913,132	–

Limited Voting Ordinary shares – Issued capital	31.08.2011 Number of shares	31.08.2011 US$'000	28.02.2011 Number of shares	28.02.2011 US$'000
Balance at 1 March	22,105,478	–	22,105,478	–
Converted to Ordinary shares	(300,000)	–	–	–
Converted from Ordinary shares	6,893,895	–	–	–
Total limited voting ordinary shares in issue	28,699,373	–	22,105,478	–
Total shares in issue	65,018,610	–	65,018,610	–

Limited Voting Ordinary Shares ("LVO") were issued so that certain of the Company's existing Shareholders and certain US new investors could 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. Limited Voting Ordinary Shares are identical to, and rank *pari passu* in all respects with, the 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. The LVO shares are not listed and are not admitted to trade on or through the facilities of the London Stock Exchange.

On 17 March 2011, 300,000 Ordinary shares were admitted to the Official List of the UK Financial Services Authority and to dealings on the London Stock Exchange's market for listed securities following the conversion of 300,000 LVO shares.

On 25 August 2011, a total of 6,893,895 Ordinary shares were converted into Limited Voting Ordinary shares following the request of a number of US shareholders.

The Ordinary shares and LVO 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.

In addition to receiving the income distributed, the Ordinary shares and LVO shares 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 have been met. In addition, holders of Ordinary shares and LVO shares will be entitled on a winding up to receive any accumulated but unpaid Revenue reserves of the Company, subject to all creditors having been paid out in full but in priority to the entitlements of the ZDP shares. 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.

Holders of Ordinary shares shall have the rights to receive notice of, to attend and to vote at all general meeting of the Company.

15. Basic and Diluted Earnings Per Share

Basic and diluted earnings per share are calculated by dividing the earnings for the period by the weighted average number of Ordinary shares outstanding during the period.

For the period ended 31 August 2011 and 31 August 2010 the weighted average number of Ordinary shares (including Limited voting ordinary shares) outstanding during the periods was 65,018,610.

16. Net Asset Value Per Share

The net asset value per Ordinary share of US$9.09 (28 February 2011: US$8.93) is based on the net assets at the period end of US$591,092,000 (28 February 2011: US$580,788,000) and on 65,018,610 Ordinary shares, being the number of Ordinary shares in issue at the period end.

17. Notes to the Cash Flow Statement

Reconciliation of the profit for the year to net cash from operating activities.

	31.08.2011 US$'000	31.08.2010 US$'000
Profit for the period	16,448	42,095
Increase in other receivables	(412)	(460)
Increase/(decrease) in other payables	3,846	(112)
Net unrealised gains on investments	11,753	(30,098)
Share of associate's net income	(12,390)	–
Net foreign currency exchange losses	110	507
Realised gain on investments	(5,686)	(65)
Increase in accrued interest on investments and adjustment for interest received as PIK	(12,942)	(8,949)
Interest accrued on Treasury notes	(54)	(261)
Finance costs in respect of Zero Dividend Preference shares	3,261	2,823
Unrealised currency gain on foreign cash	5	2
Net cash from operating activities	3,939	5,482

Purchases and sales of investments are considered to be operating activities of the Company, given its purpose, rather than investing activities. The cash flows arising from these activities are shown in the Cash Flow Statement.

18. Controlling Party

The issued shares of the Company are owned by a number of parties, and no single holder has a controlling interest. Therefore, in the opinion of the Directors, there is no ultimate controlling party of the Company, as defined by IAS 24 – Related Party Disclosures.

Notes to the Condensed Interim Financial Statements

Continued

19. Related Party Transactions

In 2007, JZEP invested US$250,000 in ETX Holdings, Inc. which was a spin off of Jordan Auto Aftermarket Holdings, Inc., a former co-investment with The Jordan Company. The investment was subsequently transferred to JZCP as part of the *in specie* transfer dated 1 July 2008. A further US$66,667 has subsequently been invested in ETX Holdings, Inc. During the year ended 31 August 2011 the Company did not receive any income from this investment. At 31 August 2011 the investment was valued at US$580,000 (28 February 2011: US$534,000).

At 31 August 2011, JZCP has invested US$49,153,000 (28 February 2011: US$61,543,000 in the EuroMicrocap Fund 2010, LP. At 31 August 2011 the investment was valued at US$77,117,000 (28 February: 2011 US$32,899,000). The Fund is managed by JZ International LLC ("JZI"), an affiliate of JZAI, JZCP's investment manager. JZAI and JZI were each founded by David Zalaznick and Jay Jordan.

The Company has invested with The Resolute Fund, which is managed by the Jordan Company, a company in which David Zalaznick and Jay Jordan are Managing Principals. These investments include: Kinetek, Inc.; TAL International Group, Inc.; TTS,LLC and Woundcare Services, Inc. and represent an aggregate value of US$98,283,000 at 31 August 2011 (28 February 2011: US$111,216,000).

Jordan/Zalaznick Advisers, Inc. (JZAI), a US based company, provides advisory services to the board of Directors of the Company in exchange for management fees, paid quarterly. Fees paid by the Company to the Investment Adviser are detailed in Note 10.

During the period ended 31 August 2011, the Company retained Ashurst LLP, a UK based law firm. David Macfarlane was a former Senior Corporate Partner at Ashurst until 2002.

The Directors remunerations are disclosed in Note 10.

20. Commitments

At 31 August 2011 JZCP had the following financial commitments outstanding in relation to fund investments:

	31.08.2011 US$'000	28.02.2011 US$'000
EuroMicrocap Fund 2010, LP	33,347	–
Milestone Aviation Group, Inc.	3,369	7,154
	36,716	7,154

21. Contingent Assets

Investments have been disposed of by the Company, of which the consideration given included contractual terms requiring that a percentage was held in an escrow account pending resolution of any indemnifiable claims that may arise. At 31 August 2011, the Company has assessed that the fair value of these escrow accounts are nil as it is not reasonably probable that they will be realised by the Company.

As at 31 August 2011, the Company had the following contingent assets held in escrow accounts which had not been recognised as assets of the Company:

	Amount in Escrow	
Company	31.08.2011 US$'000	28.02.2011 US$'000
GHW (G&H Wire)	3,031	3,031
Advanced Chemistry & Technology, Inc.	1,772	–
Recycled Holdings Corporation	1,300	1,300
Apparel Ventures, Inc.	1,039	1,039
N&B Industries, Inc.	776	776
Gear for Sports	248	248
	8,166	6,394

During the period US$1,288,000 was realised relating to the escrow accounts of Apparel Ventures, Inc. (US$1,120,000) and Jackson Products (US$168,000).

Notes to the Condensed Interim Financial Statements

Continued

22. Dividends Paid and Proposed

In accordance with the Prospectus (dated June 2009), it is the Directors' intention to distribute substantially all of the Company's net cash income (after expenses) in the form of dividends paid in US dollars (Shareholders can elect to receive dividends in Sterling).

A final dividend for the year ended 28 February 2011 of 7.5 cents per Ordinary share (total US$4,876,396) and a special dividend of 2.0 cents (total US$1,300,372) was paid 1 July 2011.

An interim dividend of 3.5 cents per Ordinary share (total US$2,275,651) and a special dividend of 3.0 cents per share (total US$1,950,558) was declared by the Board on 17 October 2011 and will be paid on 25 November 2011.

23. Subsequent Events

An interim dividend of 3.5 cents per Ordinary share (total US$2,275,651) and a special dividend of 3.0 cents per share (total US$1,950,558) was declared by the Board on 17 October 2011 and will be paid on 25 November 2011.

Independent Review Report

Introduction

We have been engaged by the company to review the condensed interim financial statements for the six month period ended 31 August 2011 which comprise the unaudited statement of comprehensive income, unaudited statement of financial position, unaudited statement of changes in equity, unaudited statement of cash flows and the related notes 1 to 23. We have read the other information contained in the condensed interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of interim financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The condensed interim financial statements for the period from 1 March 2011 to 31 August 2011 are the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the condensed interim financial statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements are prepared in accordance with IFRS as adopted by the European Union.

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim financial reporting' as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed financial statements for the period from 1 March 2011 to 31 August 2011 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
Guernsey, Channel Islands

17 October 2011

Useful Information for Shareholders

Listing

JZCP Ordinary and Zero Dividend Preference shares are listed on the Official List of the Financial Services Authority of the UK, and are admitted to trading on the London Stock Exchanges market for listed securities. The ticker symbols are "JZCP" and "JZCN" respectively.

The prices of the Ordinary and Zero Dividend Preference shares are shown in the Financial Times under "Investment Companies – Ordinary Income Shares" and "Investment Companies – Zero Dividend Preference Shares" as "JZ Capital" respectively.

Financial Diary

Results for the year ending 28 February 2012	May 2012
Annual General Meeting	June 2012
Interim report for the six months to 31 August 2012	October 2012

In accordance with the Transparency Directive JZCP will be issuing an Interim Management Statement for the quarters ended 30 November 2011 and 31 May 2012. These Statements will be sent to the market via RNS within six weeks from the end of the appropriate quarter, and will be posted on JZCP's website at the same time, or soon thereafter.

Payment of Dividends

Cash dividends will be sent by cheque to the first-named shareholder on the register of members at their registered address, together with a tax voucher. At shareholders' request, where they have elected to receive dividend proceeds in GBP Sterling, the dividend may instead be paid direct into the shareholder's bank account through the Bankers' Automated Clearing System. Payments will be paid in US dollars unless the shareholder elects to receive the dividend in Sterling. Existing elections can be changed by contacting the Company's Transfer and Paying Agent, Equiniti Limited on +44 (0) 121 415 7047.

Share Dealing

Investors wishing to buy or sell shares in the Company may do so through a stockbroker. Most banks also offer this service.

Internet Address

The Company: www.jzcp.com

ISIN/SEDOL Numbers

The ISIN code/SEDOL (Stock Exchange Daily Official List) numbers of the Company's Ordinary shares are GC00B2RK0R31/B2RK0R3 and the numbers of the Zero Dividend Preference shares are GC00B40D7X85/B40D7X8.

Share Register Enquiries

The Company's UK Transfer and Paying Agent, Equiniti Limited, maintains the share registers. In event of queries regarding your holding, please contact the Registrar on 0871 384 2265, calls to this number cost 8p per minute from a BT landline, other providers' costs may vary. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday, If calling from overseas +44 (0) 121 415 7047 or access their website at www.equiniti.com. Changes of name or address must be notified in writing to the Transfer and Paying Agent.

Nominee Share Code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at meetings when invited to do so by the Chairman.

Documents Available for Inspection

The following documents will be available at the registered office of the Company during usual business hours on any weekday until the date of the Annual General Meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting:

(a) the Register of Directors' Interests in the share capital of the Company;

(b) the Articles of Association of the Company; and

(c) the terms of appointment of the Directors

Useful Information for Shareholders

Continued

US Investors

General

The Company's Articles contain provisions allowing the Directors to decline to register a person as a holder of any class of ordinary shares or other securities of the Company or to require the transfer of those securities (including by way of a disposal effected by the Company itself) in the event that the holding thereof by the person could result in the Company no longer being a ''foreign private issuer'' for purposes of the US Securities Exchange Act of 1934.

The Company currently has a high level of share ownership by US resident shareholders, which means it is at risk of losing its foreign private issuer status. Accordingly, at this time US residents must not acquire any ordinary shares of the Company and there is a very high risk that the Company will be required to force the transfer of any shares of the Company acquired by US resident investors.

The Directors are also entitled to decline to register a person as a holder of any class of ordinary shares or other equity securities of the Company, or require the transfer of those securities if they believe that the person:

(A) is a ''US person'' (as defined in Regulation S under the US Securities Act of 1933, as amended) and not a ''qualified purchaser'' (as defined in the US Investment Company Act of 1940, as amended);

(B) is a ''Benefit Plan Investor'' (as described under ''Prohibition on Benefit Plan Investors and Restrictions on Non-ERISA Plan'' below); or

(C) 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 that ownership of any class of ordinary shares or any other equity securities of the Company by the person would materially increase the risk that the Company could be or become a ''controlled foreign corporation'' (as described under ''US Tax Matters'' below).

In addition, the Directors may require any holder of any class of ordinary shares or other securities of the Company to show to their satisfaction whether or not the holder is a person described in paragraphs (A), (B) or (C) above.

US Securities Laws

The Company (a) is not subject to the reporting requirements of the US Securities Exchange Act of 1934, as amended (the ''Exchange Act'') and does not intend to become subject to such reporting requirements and (b) is not registered as an investment company under the US Investment Company Act of 1940, as amended (the ''1940 Act''), and investors in the Company are not subject to the protections provided by the 1940 Act.

Prohibition on Benefit Plan Investors and Restrictions on Non-ERISA Plans

Investment in the Company by ''Benefit Plan Investors'' is prohibited 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 purchaser and subsequent transferee of any class of ordinary shares (or any other class of equity interest in the Company) 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

US Investors (continued)

Prohibition on Benefit Plan Investors and Restrictions on Non-ERISA Plans (continued)

or with the assets of a, Benefit Plan Investor to acquire such ordinary shares (or any other class of equity interest in the Company).

Under the Articles, the directors have the power to require the sale or transfer of the Company's securities in order to avoid the assets of the Company being treated as "plan assets" for the purposes of ERISA.

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 associated with the investment; 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 Company's board of directors and its 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 any securities 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.

Each purchaser or transferee that is a Non-ERISA Plan will be deemed to have represented, warranted and covenanted as follows:

(a) The Non-ERISA Plan is not a Benefit Plan Investor;

(b) The decision to commit assets of the Non-ERISA Plan for investment in the Company was made by fiduciaries independent of the Company, the Board, the Investment Advisor and any of their respective agents, representatives or affiliates, which fiduciaries (i) are duly authorized to make such investment decision and have not relied on any advice or recommendations of the Company, the Board, the Investment Advisor or any of their respective agents, representatives or affiliates and (ii) in consultation with their advisers, have carefully considered the impact of any applicable federal, state or local law on an investment in the Company;

(c) None of the Company, the Board, the Investment Advisor or any of their respective agents, representatives or affiliates has exercised any discretionary authority or control with respect to the Non-ERISA Plan's investment in the Company, nor has the Company, the Board, the Investment Advisor or any of their respective agents, representatives or affiliates rendered individualized investment advice to the Non-ERISA Plan based upon the Non-ERISA Plan's investment policies or strategies, overall portfolio composition or diversification with respect to its commitment to invest in the Company and the investment program thereunder; and

Useful Information for Shareholders

Continued

(d) It acknowledges and agrees that it is intended that the Company will not hold plan assets of the Non-ERISA Plan and that none of the Company, the Board, the Investment Advisor or any of their respective agents, representatives or affiliates will be acting as a fiduciary to the Non-ERISA Plan under any applicable federal, state or local law governing the Non-ERISA Plan, with respect to either (i) the Non-ERISA Plan's purchase or retention of its investment in the Company or (ii) the management or operation of the business or assets of the Company. It also confirms that there is no rule, regulation, or requirement applicable to such purchaser or transferee that is inconsistent with the foregoing description of the Company, the Board and the Investment Advisor.

US Tax Matters

This discussion does not constitute tax advice and is not intended to be a substitute for tax advice and planning. Prospective holders of the Company's securities must 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 any of the Company's securities, as well as any consequences under the laws of any other taxing jurisdiction.

The Company's directors are entitled to decline to register a person as, or to require such person to cease to be, a holder of any class of ordinary shares or other equity securities of the Company if they believe that: 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 that ownership of any class of 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'' (a ''CFC'').

In general, a foreign corporation is treated as a ''CFC'' only if its ''US shareholders'' collectively own more than 50% of the total combined voting power or total value of the corporation's stock. 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% or more of the total combined voting power of all classes of stock of a foreign corporation, such as the Company.

There is a risk that the Company will decline to register a person as, or to require such person to cease to be, a holder of the Company's the Company if the Company could be or become a CFC. The Company's treatment as a CFC could have adverse tax consequences for US taxpayers.

The Company is expected to be treated as a ''passive foreign investment company'' (''PFIC''). The Company's treatment as a PFIC is likely to have adverse tax consequences for US taxpayers.

The taxation of a US taxpayer's investment in the Company's securities is highly complex. Prospective holders of the Company's securities must 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 any of the Company's securities, as well as any consequences under the laws of any other taxing jurisdiction.

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