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**JZ CAPITAL PARTNERS LIMITED (the "Company" or "JZCP")**

(a closed-ended investment company incorporated with limited liability under the laws of Guernsey with registered number 48761)

**Q3 2012 Interim Management Statement**  
**19 December 2012**

JZ Capital Partners Limited (LSE:JZCP.L, the "Company" or "JZCP"), the London listed private equity fund that invests in high quality US and European micro cap companies, today announces its Interim Management Statement for the period 1 September 2012 to 30 November 2012.

**Highlights**

- Total shareholder return (share price increase plus dividends paid) of 27% for the period
- A 22.4% increase in the share price from £3.51 to £4.30
- NAV of US\$612million (HY12:US\$610m) / NAV per share of US\$9.41 (HY12:US\$9.38)
- Dividend of 14c per share paid on 5 November 2012
- Significant investment activity included:
  - \$9.0 million invested in the preferred stock and common stock of PC Helps in conjunction with Baird Capital
  - \$9.3 million invested in a mixed use development in the Fulton Mall in Brooklyn, New York
  - \$19.3 million received as full repayment of its first and second lien notes from Kinetek
  - \$15.6 million received for the repayment of our subordinated note, at par, from TTS, as part of a Resolute Fund's sale of this investment
- Significant pipeline of potential high quality investments in both the US, Europe and Latin America
- A strong balance sheet and a diversified portfolio
- At the end of the period, the portfolio consisted of 47 companies across ten industries

**David Zalaznick, Founder and Investment Advisor of JZCP said:** "JZCP has achieved a 27% total return during this period amid a challenging environment in both the US and Europe. JZCP's share price has also risen by some 22.4% which has reduced the Company's discount to NAV to 26%. In addition, shareholders have been paid a 14 cent dividend. We will continue to act prudently and will use our strong balance sheet to exploit the significant investment opportunities we are seeing in the US and Europe."

**Net Asset Value**

Our share price increased 22.4% from £3.50 to £4.34, creating a total shareholder return (share price increase plus dividends paid) of 27% for this three month period. In addition, our NAV increased 3 cents for the three month period ending 30 November 2012, despite paying a 14 cent dividend. NAV would have increased 17 cents, or 2% without the dividend. Our NAV discount narrowed from 38% to 26%.

Our balance sheet continues to be liquid, with \$241 million in cash, equivalents, and other liquid assets. We have incurred no debt, with the Zero Dividend Preferred Shares ("ZDP's") being our sole gearing.

**NAV CHANGE AND RETURNS**

<b>Net Asset Value per Ordinary Share as of 31 August 2012</b>	<b>\$9.38</b>
+ Change in Private Investments (\$ per Share Impact)	0.02
+ Change in Public Investments (\$ per Share Impact)	0.02
+ Income from Investments (\$ per Share Impact)	0.17
+ Foreign Exchange Effect on Investments (\$ per Share Impact)	0.03
- ZDP Dividend Accrual (\$ per Share Impact)	(0.03)
- Fees and Expenses (\$ per Share Impact)	(0.06)
+ Other (\$ per Share Impact)	0.02

<b>Net Asset value Per Ordinary Share as of 30 November 2012 (Pre-Dividend Payment)</b>	<b>\$9.55</b>
- Dividends Paid (\$ per Share Impact)	(0.14)
<b>Net Asset value Per Ordinary Share as of 30 November 2012 (Post-Dividend Payment)</b>	<b>\$9.41</b>

The change in the private investments is due primarily to an increase in Factor Energia, our energy distribution business in the European Microcap Fund, of \$0.10, as continued financial and operational performance has created significant value. In addition, we have recognized smaller increases in three of our US verticals -- Industrial Services, Testing Services, and Water Services -- totaling \$0.05. Offsetting these increases are write-downs in Accutest, our environmental testing business, of \$0.07, as continued malaise in the US environmental testing market continues to put pressure on pricing. We have also written down our Spanish supplier of telecom product to banks, Xacom -- by \$0.06 -- due to delayed orders.

Our Total Shareholder Return has been helped by positive performance in our stock price:

	<b>As of</b>	<b>31/8/2012</b>	<b>30/11/2011</b>	<b>30/11/2009</b>
	<b>30/11/2012</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30/11/2012</b>	<b>30/11/2012</b>	<b>30/11/2012</b>	<b>30/11/2012</b>
Share Price (in GBP)	£4.34	£3.50	£3.35	£2.28
Dividends Paid (in GBP)	-	11.9¢	20.6¢	50.0¢
Total Shareholder Return Annualized <sup>(1)</sup>	-	27%	36%	30%
Total Shareholder Return	-	27%	36%	112%
NAV / Share (in USD)	\$9.41	\$9.38	\$9.06	\$6.39
Dividends Paid (in USD)	-	14.0¢	32.5¢	79.0¢
Total NAV Returns Annualized <sup>(1)</sup>	-	2%	7%	15%
Total NAV Returns	-	2%	7%	50%
NAV to Market Price Discount	26%	38%	42%	45%
Russell 1000 <sup>(1)</sup>	-	1%	14%	9%
FTSE 1000 <sup>(1)</sup>	-	3%	7%	4%

<sup>(1)</sup> The returns for the three months period ended 30 November 2012 are not annualized.

## RECENT ACTIVITIES

In November, JZCP paid a semi-annual dividend of \$9.1 million, or 14 cents per share.

## Significant Investments

In September, in conjunction with Baird Capital, we invested \$9.0 million in the preferred stock and common stock (representing 18% of each tranche) of PC Helps, a company which provides remote IT consulting and support for Fortune 100 and middle market businesses in the United States. We also invested an additional \$2.3 million in Milestone Aviation, a helicopter leasing business, in the same month. This supports an investment made by the Resolute Fund. JZCP has now invested \$15.1 million in the business.

In November, JZCP invested \$2.6 million in Argus Group, a seller and renter of industrial hygiene and safety equipment. We purchased \$1.2 million of notes and \$2.3 million of preferred stock which creates an effective common stock ownership of 31%. We invested through our Testing vertical.

We are continuing to pursue a number of Real Estate opportunities. In October, we invested \$9.3 million to complete the purchase of a mixed use development in the Fulton Mall in Brooklyn, New York. In September we also invested \$3.0 million to complete the purchase of a building immediately across from the Barclays Center, a recently opened sports and events venue in Brooklyn, New York.

## Significant Realizations

In September, JZCP received \$15.6 million from TTS for the repayment of our subordinated note, at par, as part of a Resolute Fund's sale of this investment.

In November, JZCP received \$19.3 million as full repayment of its first and second lien notes to Kinetek, also a Resolute Fund Investment. Resolute sold its interest in this business. In November JZCP also received a \$1.0 million dividend from Petco, a pet supply retailer. This dividend is for the stock we received as part of a "yield enhancement" associated with a subordinated debt investment that has since been repaid.

## PORTFOLIO SUMMARY

At 30 November 2012, the Company's investment assets consisted of 47 investments across 10 major industry sectors, totaling \$705 million:

(\$000's, except for number of investments)	Number of Investments		31/8/2012	Change - %
	as of 30/11/2012	30/11/2012		
US Micro Cap Portfolio	26	\$305,781	\$289,605	5.6%
European Investments	5	104,779	99,344	5.5%
Mezzanine Investments	4	12,529	25,795	(51.4%)
Real Estate	3	30,718	20,798	47.7%
Other	4	10,212	8,742	16.8%
<b>Total Private Investments</b>	<b>41</b>	<b>\$464,019</b>	<b>\$444,284</b>	<b>4.4%</b>
Listed Equity	3	\$64,673	\$65,359	(1.1%)
Listed Corporate Bonds		68,221	67,284	1.4%
Bank Debt	2	13,510	32,200	(58.0%)
UK Treasury Gilts		33,785	33,629	0.5%
Cash		60,439	63,528	(4.9%)
<b>Total Listed Investments (including cash)</b>	<b>5</b>	<b>\$240,628</b>	<b>\$262,000</b>	<b>(8.2%)</b>
<b>Total Investment Assets</b>	<b>47</b>	<b>\$704,647</b>	<b>\$706,284</b>	<b>(0.2%)</b>

Some 34% of the portfolio is invested in "liquid" assets, which consist of cash, UK gilts, listed equities and bank debt and corporate bonds. These asset classes are valued at third party quoted prices. The remaining portion of the portfolio is invested in private investments in US or European micro cap companies or mezzanine debt. These investments are valued at fair value by JZCP's directors each quarter.

We value our privately held businesses conservatively. Our average multiple used for our US Micro Cap businesses is 6.9x trailing EBITDA; the highest is 8.5x. In addition, we do not have much debt on these businesses; the multiple of debt senior to JZCP's position is 1.4x; the highest, an outlier, is 4.9x.

### Top Ten Investments

Our largest ten investments as of 30 November 2012 are summarized below:

(\$000's)	Asset Category	Valuation	% of Portfolio
		as of 30/11/2012	Valuation as of 30/11/2012
Safety Insurance Group Inc.	Listed Equity	\$51,897	8.5%
Factor Energia, S.A.	European	47,082	7.7%
BG Holdings, Inc.	Micro-Cap	31,997	5.2%
Accutest Holdings, Inc.	Micro-Cap	28,667	4.7%
Grupo Ombuds	European	27,322	4.5%
Dental Holdings Corporation	Micro-Cap	26,157	4.3%
Healthcare Products Holdings, Inc.	Micro-Cap	23,162	3.8%
Amptek, Inc.	Micro-Cap	20,790	3.4%
Bay Valve Services	Micro-Cap	20,332	3.3%
Medplast/UPG Holdings	Micro-Cap	18,054	3.0%
<b>Top Ten Investments</b>		<b>\$295,460</b>	<b>48.4%</b>
<b>Remaining Investments</b>		<b>319,432</b>	<b>51.6%</b>
<b>Total Portfolio</b>		<b>\$610,422</b>	<b>100.0%</b>

Note that the largest non-public exposure is to Factor Energia, accounting for 7.7% of the total portfolio.

### Balance Sheet

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

(\$000's)	30/11/2012	31/8/2012
Cash	\$60,439	\$63,528

UK Treasury Gilts	33,785	33,629
Listed Equity	64,673	65,359
Listed Corporate Bonds	68,221	67,284
Bank Debt	13,510	32,200
Private Investments	464,019	444,284
Other Assets	7,602	712
<b>Total Assets</b>	<b>\$712,249</b>	<b>\$706,996</b>
- Liabilities	(7,458)	(7,130)
- Zero Dividend Preferred Shares	(93,044)	(90,301)
<b>Net Asset Value</b>	<b>\$611,747</b>	<b>\$609,565</b>

**For further information:**

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**About JZCP**

JZCP is a London listed private equity fund which invests in high quality US, European and Latin American micro cap companies. Our objective is to achieve a superior overall return comprised of a current yield and significant capital appreciation. JZCP receives investment advice from Jordan/Zalaznick Advisers, Inc. ("JZAI"), founded by David Zalaznick and Jay Jordan, which has advised JZCP for twenty six years and has investment professionals and offices in New York, Chicago, London and Madrid. JZAI's experts work with the existing management of micro cap companies to help build better businesses, create value and deliver strong returns to our investors. JZCP also invests in real estate, mezzanine loans, first and second lien investments and other publicly traded securities. For more information please visit [www.jzcp.com](http://www.jzcp.com)

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