

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before taking any action.

This document is an AIM admission document drawn up in compliance with the AIM Rules and does not constitute a prospectus under the Prospectus Rules published by the Financial Services Authority and has not been approved by or filed with the Financial Services Authority.

This document also comprises the Listing Document for the purposes of the application for the admission of the Ordinary Shares to the Daily Official List of the Channel Islands Stock Exchange, LBG (the "CISX") and includes particulars given in compliance with the Listing Rules of the CISX for the purpose of giving information with regard to the issuer in relation to the admission and listing of the Shares on the CISX. The CISX has been recognised by the UK Inland Revenue under Section 841 of the Income and Corporation Taxes Act 1988 ("ICTA") and approved by the UK Financial Services Authority as a Designated Investment Exchange within the meaning of the Financial Services and Markets Act 2000.

To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and is true and accurate in all material respects and there is no information the omission of which is likely to affect the import of such information. The Directors accept responsibility individually and collectively for the contents of this document accordingly. Neither the admission of the Ordinary Shares to the Daily Official List of the CISX nor the approval of the Admission Document pursuant to the listing requirements of the CISX shall constitute a warranty or a representation by the CISX as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in the Admission Document or the suitability of the Company for investment or for any other purpose.

Application has been made for the whole of the issued ordinary share capital of the Company immediately following the Placing to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective and that dealings in the issued ordinary share capital of the Company will commence on 26 July 2006. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with larger or more established companies tends to be attached. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. The rules of AIM are less demanding than those which apply to securities admitted to trading on the Official List. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

It is expected that the Shares of the Company, issued pursuant to the Placing will be admitted to listing and to trading on the CISX and that dealings on the CISX will commence in the Shares on 26 July 2006.

Collins Stewart Fund Management Limited is acting as sponsoring member in relation to the application for listing on the CISX of the Shares.

The whole of the text of this document should be read. You should be aware that an investment in the Company involves a high degree of risk and your attention is drawn to the risk factors set out in Part IV of this document.

ACP MEZZANINE LIMITED

(a company incorporated with limited liability under the laws of Jersey under registration number 93614)

(ISIN GB00B18J0278)

Placing by Collins Stewart Limited at €1 per share NOMINATED ADVISER and BROKER

**Collins Stewart Fund Management Limited
CISX Listing Sponsor**

**Admission to trading on AIM of up to
101,412,000 Ordinary Shares of no par value**

Collins Stewart Limited is authorised and regulated in the United Kingdom by the FSA and is acting exclusively for the Company and no-one else in connection with the Placing and Admission. Collins Stewart Fund Management Limited is acting exclusively for the Company in respect of the Company's listing on the Daily Official List of the CISX. Neither Collins Stewart Limited nor Collins Stewart Fund Management Limited will regard any other person as its customer or be responsible to any other person for providing the protection afforded to customers of Collins Stewart Limited or Collins Stewart Fund Management Limited respectively nor for providing advice in relation to the transactions and arrangements detailed in this document. Neither Collins Stewart Limited nor Collins Stewart Fund Management Limited is making any representation or warranty, express or implied, in relation to the contents of this document. Collins Stewart Limited has been appointed as nominated adviser and broker to the Company. In accordance with the AIM Rules, Collins Stewart Limited has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received satisfactory advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, to the best of its knowledge and belief, having made due and careful enquiry, all relevant requirements of the AIM Rules have been complied with and that it is satisfied that the Company and the Shares are appropriate to be admitted to AIM. No liability whatsoever is accepted by Collins Stewart Limited or Collins Stewart Fund Management Limited for the accuracy of any information or opinions contained in this document or for the omissions of any material information, for which it is not responsible.

The Ordinary Shares have not been, nor will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), any state securities laws in the United States or under any applicable securities laws of Australia, the Republic of Ireland, Republic of South Africa, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Australia, the Republic of Ireland, Republic of South Africa, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act ("Regulation S")). Collins Stewart Limited may arrange for the offer and sale of the Ordinary Shares in the United States to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A under the Securities Act in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or to US persons in offshore transactions meeting the requirements of Regulation S of the Securities Act. Subject to certain exceptions, this document must not be mailed or otherwise distributed or sent to or into the United States, Australia, the Republic of Ireland, the Republic of South Africa, Canada or Japan (including their territories, possessions and all areas subject to their jurisdiction) or to or by any natural resident or citizen of such countries or any other country where its distribution would require compliance by the Company with any governmental or regulatory procedure or any similar formalities. This document does not constitute an offer for, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this Admission Document. Any representation to the contrary is a criminal offence in the United States.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom into whose possession this document comes are required by the Company and Collins Stewart Limited to inform themselves about and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or Collins Stewart Limited that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where actions for that purpose is required. The Ordinary Shares are subject to restrictions on transfer, and may not be re-offered, re-sold, pledged or otherwise transferred except as permitted by the Articles and as provided in this document.

The Placing is conditional, *inter alia*, on Admission taking place on or before 26 July 2006 (or such later date as the Company and Collins Stewart Limited may agree). The Placing Shares will rank in full for dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all respects with the existing Ordinary Shares. The minimum consideration payable under the Placing by any underlying beneficial investor for the Shares is €75,000.

A copy of this document has been delivered to the Registrar of Companies in Jersey in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002 and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission (the "Commission") has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order, 1958 to the issue of the Placing Shares. It must be distinctly understood that, in giving these consents, neither the Registrar of Companies in Jersey nor the Jersey Financial Services Commission (the "Commission") takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. The Company is governed by the Collective Investment Funds (Jersey) Law 1988, as amended (the "Funds Law") and the subordinate legislation made thereunder. The Company, the Corporate Administrator, the Investment Manager and the Registrar have obtained permits under Article 5 of the Funds Law from the Commission to operate as functionaries within the Island. The Commission is protected by the Funds Law against liability arising from the discharge of its functions under the Funds Law.

Copies of this document which is dated 20 July 2006 will be available free of charge to the public during normal business hours on any day (except Saturdays, Sundays and public holidays) from the registered office of the Company and from the offices of Collins Stewart Limited at 9th Floor, 88 Wood Street, London EC2V 7QR from the date of Admission for not less than one month thereafter.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Derek Vago (<i>Non-executive Director</i>) Jeff Bennett (<i>Proposed Non-executive Director</i>) Christophe Tanghe (<i>Non-executive Director</i>) George Baird (<i>Non-executive Director</i>) Graeme Ross (<i>Non-executive Director</i>) <i>all of:</i> Ordnance House 31 Pier Road St Helier Jersey JE4 8PW Channel Islands
Registered Office and Principal Place of Business	Ordnance House 31 Pier Road St Helier Jersey JE4 8PW Channel Islands
Investment Manager	ACP Investment Management Limited Ordnance House 31 Pier Road St Helier Jersey JE4 8PW Channel Islands
Nominated Adviser and Broker to the Company	Collins Stewart Limited 9th Floor 88 Wood Street London EC2V 7QR United Kingdom
Reporting Accountants and Auditors to the Company	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD United Kingdom
Solicitors to the Company as to English law	Mishcon de Reya Summit House 12 Red Lion Square London WC1R 4QD United Kingdom
Solicitors to the Company as to Jersey law	Carey Olsen 47 Esplanade St. Helier Jersey JE1 0BD Channel Islands
Solicitors to the Placing	Nabarro Nathanson Lacon House 84 Theobald's Road London WC1X 8RW United Kingdom

Registrars	Computershare Investor Services (Channel Islands) Limited Ordnance House 31 Pier Road St Helier Jersey, JE4 8PW Channel Islands
Corporate Administrator	R & H Fund Services (Jersey) Limited Ordnance House 31 Pier Road St Helier Jersey, JE4 8PW Channel Islands
Secretary	R & H Fund Services (Jersey) Limited Ordnance House 31 Pier Road St Helier Jersey, JE4 8PW Channel Islands
Promoter	ACP Capital Limited Victoria Chambers 1/3 Esplanade St Helier Jersey JE2 3QA Channel Islands
CISX Listing Sponsor	Collins Stewart Fund Management Limited PO Box 8 2nd Floor No. 1 Le Truchot St Peter Port Guernsey GY1 4AE Channel Islands
Proposed Bankers	Deutsche Bank International Limited PO Box 727 St Paul's Gate New Street St Helier Jersey, JE4 8ZB Channel Islands

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Dealings in Ordinary Shares on AIM and CISX expected to commence	26 July 2006
CREST Accounts expected to be credited in respect of Ordinary Shares issued in uncertificated form	26 July 2006
Certificates in respect of Ordinary Shares issued in certificated form expected to be despatched	by 9 August 2006

PLACING STATISTICS

Placing Price	€1
Number of Ordinary Shares being placed	98,588,000
Number of Ordinary Shares in issue immediately following Placing (assuming that all the Placing Shares are placed)	101,412,000
Market capitalisation of Company on Admission at the Placing Price (assuming that all the Placing Shares are placed)	€101,412,000

All dates referred to in this document are subject to change at the discretion of the Company and Collins Stewart.

DEFINITIONS

“ABS”	asset backed securities, being bonds or notes secured on pools of financial assets including mortgages, leases, credit card debt and accounts receivables
“ACP Capital”	ACP Capital Limited
“ACP Capital Group”	ACP Capital and its subsidiaries and investment vehicles
“ACP Capital Options”	the options granted to ACP Capital to subscribe for an aggregate number of Ordinary Shares equal to 10 per cent of the issued share capital of the Company at Admission pursuant to the terms of the Investment Manager Option Deed
“ACP Capital Option Deed”	a conditional deed dated 20 July 2006 between (i) the Company and (ii) ACP Capital pursuant to which the Investment Manager Options are granted, a summary of which is set out in paragraph 6.8 of Part VI of this document
“ACP Mezzanine” or “Company”	ACP Mezzanine Limited
“Admission”	the admission of the Shares to trading on AIM becoming effective in accordance with paragraph 6 of the AIM Rules and admission of the Shares to listing on the Daily Official List of the Channel Islands Stock Exchange and trading on the CISX in accordance with the CISX Rules
“Administration Agreement”	a conditional agreement dated 20 July 2006 between (i) the Company and (ii) the Corporate Administrator, a summary of which is set out in paragraph 6.4 of Part VI of this document
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the rules of AIM in force at the date of this document or, where the context requires, as amended or modified after the date of this document and contained in the booklet called “The AIM Rules” issued by the London Stock Exchange and those other rules of the London Stock Exchange which govern the admission of securities to trading and regulation of AIM
“Articles”	the articles of association of the Company as amended from time to time
“Assets”	Mezzanine assets in which a member of the Group invests from time to time in accordance with its investment strategy
“Auditors”	Kingston Smith LLP
“Basel II”	Basel II is a round of deliberations by central bankers from around the world, under the auspices of the Basel Committee on Banking Supervision in Basel, Switzerland, aimed at producing uniformity in the way banks and banking regulators approach risk management across national borders
“BBB rated”	an Asset rated or shadow rated from BBB+ down to BBB- by either Fitch or S&P, or rated from Baa1 down to Baa3 by Moody’s
“BB rated”	an Asset rated or shadow rated from BB+ down to BB- by either Fitch or S&P, or rated from Ba1 down to Ba3 by Moody’s

“B rated”	an Asset rated or shadow rated from B+ down to B- by either Fitch or S&P, or rated from B1 down to B3 by Moody’s
“Board”	the board of Directors of the Company
“Book Value”	purchase price plus accrued interest
“Bridge Loan”	a loan or note which is typically structured to provide temporary funds for a transaction, such as an acquisition, with the intent to refinance such instrument with a longer-term/permanent source of capital when timing and/or other factors permit such refinancing to be executed
“Business Day”	any day on which banks are open for business in London and Jersey
“CDO”	collateralised debt obligations, being structured repackaging of debt assets
“CISX”	the Channel Islands Stock Exchange, LBG
“CISX Listing Sponsor”	Collins Stewart Fund Management Limited
“CISX Rules”	the Listing Rules published by CISX and applicable to securities listed on CISX
“CLO”	collateralised loan obligations, being a type of CDO specifically backed by a portfolio of corporate loans
“CMBS”	commercial mortgage backed securities, being bonds or notes secured on one or more commercial mortgages
“Collins Stewart”	Collins Stewart Limited
“Commission”	the Jersey Financial Services Commission
“Combined Code”	the Principles of Good Governance and Code of Best Practice published by the Financial Reporting Council
“Companies Law”	Companies (Jersey) Law 1991, as amended
“Corporate Administrator”	R & H Fund Services (Jersey) Limited
“Credit Default Swap” or “CDS”	an agreement between a protection buyer and a protection seller whereby the buyer can pay a periodic or up-front fee in return for the right for the buyer to put the underlying asset to the seller or receive a payment from the seller upon the occurrence of a pre-agreed event (such as a payment default)
“CREST”	the computerised settlement system (being the relevant system as defined in the CREST Regulations) which facilitates the transfer of title to shares in uncertificated form operated by CRESTCo Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Directors”	the board of directors of the Company on Admission, whose names are set out on page 4 of this document and “Director” means any of them
“Euribor”	the Euro Interbank Offered Rate
“Euro” or “€” or “cents”	means the single currency adopted by participating member states under the treaty establishing the European Union
“Eurozone”	means the countries that have adopted the Euro as their lawful currency
“First Loss Position”	an investment which represents the most junior source of capital in a capital structure
“Fitch”	Fitch Ratings Limited

“FSA”	the Financial Services Authority of the United Kingdom
“Funds Law”	the Collective Investment Funds (Jersey) Law 1988, as amended
“Group”	the Company and its subsidiary undertakings
“Gross Shareholder Equity”	the aggregate gross proceeds to the Company of all issues of shares in the capital of the Company, less any capital dividends paid or capital distributions or share buy-backs made by the Company
“High Yield Bond”	a bond that is rated below Investment Grade or unrated
“IFRS”	International Financial Reporting Standards
“Initial Portfolio”	the initial portfolio of Assets to be purchased, conditional on Admission, by members of the Group from ACP Capital pursuant to the Initial Portfolio Acquisition Agreement
“Initial Portfolio Acquisition Agreement”	a conditional agreement dated 20 July 2006 between (i) the Company and (ii) ACP Capital for the sale by ACP Capital and purchase by the Company of the entire issued share capital of ACP Mezzanine Asset Holdings 1 Limited and ACP Mezzanine Asset Holdings 2 Limited effecting the transfer of the Initial Portfolio, a summary of which is set out in paragraph 6.5 of Part VI of this document
“Integrated Finance”	financing consisting of a combination of senior debt, mezzanine debt and/or equity provided by any member of the ACP Capital Group with the objective of delivering a complete financing solution for prospective borrowers with the mezzanine debt element being provided by the Company
“Investment Grade”	having a rating greater than or equal to BBB- from S&P or Fitch or Baa3 from Moody’s
“Investment Management Agreement”	a conditional agreement dated 20 July 2006 between (i) the Company and (ii) the Investment Manager, a summary of which is set out in paragraph 6.1 of Part VI of this document
“Investment Manager”	ACP Investment Management Limited
“IRR”	the rate which, when applied to the net proceeds of a realised investment, would discount those net realised proceeds back from their date of receipt to the date of their investment to a net present value of zero
“KFRI”	Kamps Food Retail Investments GmbH
“LBO”	leveraged buy-out, being a transaction through which a purchaser acquires a target’s assets or equity, financing such acquisition with a high level of debt
“Leveraged Loan”	a corporate loan that is typically rated below Investment Grade
“Levered Assets”	Assets which will secure debt financing facilities available to the Group and which will initially have a rating no lower than B-/B3
“Libor”	the London Interbank Offered Rate
“Loan-to-Value” or “LTV”	the ratio of the total principal amount of indebtedness to the valuation of the underlying assets supporting such indebtedness
“Lock-In Deeds”	lock-in and orderly market deeds relating to the holding of Ordinary Shares dated 20 July 2006 in favour of Collins Stewart and the Company and entered into by (i) the Directors, (ii) ACP Capital, and (iii) certain members of the Management Team, summaries of which are set out in paragraph 6.7 of Part VI of this document

“London Stock Exchange”	London Stock Exchange plc
“Management Team”	the members of the management team of the ACP Capital Group referred to in the paragraph headed “Key Personnel” in Part I of this document
“Mezzanine”	a loan, bond or other instrument which is either unrated or has a rating lower than an Investment Grade level or a Credit Default Swap, and (in either case) which is not a First Loss Position
“Moody’s”	Moody’s Investors Service, Inc.
“Net Asset Value”	the net asset value of the Group determined in accordance with paragraph 16 of Part I of this document
“Placing”	the placing of the Placing Shares by Collins Stewart on behalf of the Company at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 20 July 2006 and made between (i) the Company, (ii) the Directors, (iii) ACP Capital and (iv) Collins Stewart, under which Collins Stewart agrees to use reasonable endeavours to procure subscribers for the Placing Shares, a summary of which is set out in paragraph 6.2 of Part VI of this document
“Placing Price”	the price of €1 per Placing Share
“Placing Shares”	the up to 98,588,000 new Ordinary Shares being issued and allotted by the Company pursuant to the Placing
“Pounds Sterling” or “£”	the lawful currency of the United Kingdom
“Portfolio”	the portfolio of Assets owned by the Group from time to time
“Principal Bases and Assumptions”	the principal bases and assumptions referred to in Part II of this document used to prepare the illustrative returns analysis set out in Part II of this document and as defined in Part II of this document
“Prospectus Rules”	as defined in The Prospectus Regulations 2005 (SI 2005 No. 1433)
“Registrar”	Computershare Investor Services (Channel Islands) Limited
“Regulatory Information Services Provider”	a primary information provider which has been approved by the FSA to disseminate regulatory information to the market
“Regulation S”	Regulation S promulgated under the Securities Act
“RMBS”	residential mortgage backed securities, being bonds or notes secured on a portfolio of residential mortgages
“Second Lien Loan”	a Leveraged Loan that benefits from a second priority ranking and/or pledge on a borrower’s underlying assets or stock. Such ranking can be achieved effectively through a first loss agreement with <i>pari passu</i> senior ranking debt through an intercreditor agreement
“Securities Act”	the United States Securities Act 1933, as amended
“Shareholder”	a person recorded as a holder of Shares in the Company’s register of shareholders from time to time
“Shares” or “Ordinary Shares”	the issued ordinary shares of no par value in the capital of the Company

“Sponsor’s Agreement”	the agreement between the Company and the CISX Listing Sponsor, a summary of which is set out in paragraph 6.13 of Part VI of this document
“SPV”	special purpose vehicle, being an entity whose operations are limited to the acquisition, ownership and financing of specific assets
“S&P”	Standard & Poor’s, a division of the McGraw-Hill Companies, Inc.
“Strategic Platform” or “Platform”	a company or vehicle which exhibits growth potential in areas where the Investment Manager, through a combination of its strategic/financial advice and integrated financing capabilities, believes it can add value by assisting such company or vehicle in the furthering of its growth
“Subscription”	the subscription by certain Directors and members of the Management Team for, in aggregate, 2,824,000 Ordinary Shares pursuant to the Subscription Letters
“Subscription Letters”	subscription letters dated 15 June 2006 and made between (i) certain Directors and members of the Management Team (the “Subscribers”) and (ii) the Company pursuant to which the Subscribers have undertaken the Subscription, a summary of which is set out in paragraph 6.9 of Part VI of this document
“UK Listing Authority”	the FSA
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“Uncertificated Securities Order”	as defined in SI 2001 No. 3755 (The Uncertificated Securities Regulations 2001)
“United States” or “US”	the United States of America (including any state of the United States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction
“Unlevered Assets”	Assets which will not secure the debt financing facilities available to the Company
“US Person”	a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States or any person falling within the definition of the term “United States Person” under Regulation S promulgated under the 1933 Act or under Rule 4.7 under the U.S. Commodity Exchange Act
“Vehicles”	vehicles where the Investment Manager has a management contract and may have an equity interest, including the Company
“Year 1”, “Year 2”, “Year 3”	the first, second and third 12 month periods subsequent to Admission, respectively
“\$”	US Dollars

KEY HIGHLIGHTS

The Directors intend that the Group should pursue a primary strategy as a Mezzanine lender, originating, structuring and underwriting the majority of its Mezzanine investments. The Group's investment strategy will be implemented and managed by the Investment Manager. The Directors believe that the Group's strategy is different from that followed by a number of participants in the Mezzanine financing market, which focus on acquiring Assets directly from third parties through a syndication process.

- In pursuing this strategy, the Directors believe that the Group will benefit from greater control over the underwriting process as well as the ability to develop an ongoing flow of Assets through its relationship with ACP Capital that will serve as a competitive advantage compared to its peers and lead to attractive risk adjusted returns.
- The Company intends to invest in assets located primarily across Europe and which may be originated through a direct Integrated Finance approach alongside ACP Capital's Strategic Platforms and Vehicles, and, to a lesser extent, to purchase assets in the secondary market if expected risk adjusted returns are attractive.
- The Company intends to pursue an Integrated Finance approach in conjunction with ACP Capital. The Company intends to pursue this strategy with ACP Capital in niche markets where ACP Capital considers there to be an Integrated Finance opportunity, such as the German "Mittelstand" (small and middle-sized privately-owned companies). Additional examples of Integrated Finance opportunities may include funding to:
 - operators/banks in the non-conforming commercial and residential mortgage sectors; and
 - financial institutions in the real estate sector which are constrained in their lending capacity in terms of LTV as a result of pending changes to the regulatory framework applicable to financial institutions under Basel II.
- The Company also intends to benefit from its relationship with ACP Capital by having the ability to act as the preferred Mezzanine lender to ACP Capital's current and envisaged Strategic Platforms and Vehicles. The Strategic Platforms are companies and/or vehicles, which exhibit growth potential in areas where ACP Capital, through a combination of its strategic/financial advice and Integrated Finance capabilities, believes it can add value by assisting the Platforms in the furthering of their growth. An example of this strategy is the €20 million of Mezzanine financing provided to KFRI by ACP Capital (which forms part of the Initial Portfolio). Envisaged Vehicles where the Group would propose to provide Mezzanine funding include:
 - an infrastructure vehicle; and
 - a special situation vehicle that would focus on providing First Loss Positions in CDO/CLO portfolios of third party asset managers with which the Group, through ACP Capital, hopes to develop preferred relationships.
- The Investment Manager also intends to acquire Mezzanine Assets on behalf of the Group from third party originators and/or underwriters of such Assets to provide additional diversity to the Portfolio if the expected returns of such investments are expected to generate attractive risk-adjusted returns.
- The Company may, as part of its strategy to underwrite and syndicate loans, hold up to €75 million of Assets on a short-term basis prior to syndication of such Assets to third parties, with the intention of benefitting from additional revenues generated through, *inter alia*, underwriting fees and other income.
- The Directors' intention is for the Group to acquire a diversified portfolio of Assets in various sectors. By pursuing an investment strategy which covers a number of sectors, the Directors expect that the Investment Manager would be able to change the Group's portfolio mix

and/or origination strategy to focus on the sectors that generate the most attractive risk-adjusted returns from time to time. It is anticipated that this diversification will be achieved by investing in:

- asset-backed Assets, such as commercial and residential real estate Assets, CMBS, RMBS and other ABS transactions, and infrastructure Assets; and
- non asset-backed Assets, such as Leveraged Loans, Second Lien Loans, Mezzanine loans, Bridge Loans, High Yield Bonds, and Credit Default Swaps.
- All investments will be subject to an appropriate credit underwriting process to be carried out for the Group by the Investment Manager’s Management Team. The Management Team currently consists of professionals with a track record in sectors such as real estate, infrastructure, Leveraged Loans/High Yield Bonds, RMBS and CMBS.
- The Board includes Directors with significant experience in various aspects of the mezzanine market, as well as with proven origination capabilities in key markets in which the Group intends to focus.
- The Investment Manager is a wholly-owned subsidiary of ACP Capital which is a Jersey-registered AIM-listed niche fund and investment manager operating across diverse sectors and was founded by Derek Vago, who is its Chief Executive Officer as well as being a Director of the Company. The intention of ACP Capital is to develop a series of Platforms and Vehicles, including the Company.
- ACP Capital will subscribe at Admission for 47,000,000 Ordinary Shares at the Placing Price.
- The Investment Management Agreement provides that the Company shall be the only Vehicle managed by the Investment Manager which specialises primarily in providing and/or investing in Mezzanine assets (other than Mezzanine assets which represent senior debt instruments).
- The Company intends to raise, in aggregate, €100 million pursuant to the Placing and the subscription by certain Directors and members of the Management Team under the Subscription Letters.
- ACP Mezzanine Asset Holdings 1 Limited has entered into an initial committed leverage facility of €125 million with the Royal Bank of Scotland plc to finance the acquisition of rated Assets (which is summarised in paragraph 6.14 of Part VI). This facility is expected to enable the Group to finance up to approximately 65 per cent. of rated Assets, with the remaining 35 per cent. being funded by the Company’s equity. ACP Capital is currently in discussions relating to further leverage facilities for the Group, and expects to be able to increase the Group’s leverage to approximately 75 per cent. of the Assets’ value over time.
- It is intended that the Group, using the €100 million of capital intended to be raised at Admission, together with its initial €125 million debt facility and further debt facilities intended to be raised, and based on a projected secondary share issue by Year 3, will achieve a Portfolio of approximately €550 million of Assets by the end of its third year of operations. Subject to obtaining such further funding, it is proposed that the Group should acquire approximately €120 million of Assets during its first 12 month period, €170 million during its second 12 month period and a further €260 million during its third 12 month period. It should be noted, however, that the Group could achieve this growth objective earlier if its origination strategy is more successful than envisaged above. In such circumstances, the Company would require additional capital earlier than outlined above.
- Pursuant to the Initial Portfolio Acquisition Agreement, conditional upon Admission, ACP Capital will transfer to the Company the entire issued share capital of each of ACP Mezzanine Asset Holdings 1 Limited and ACP Mezzanine Asset Holdings 2 Limited thereby effecting the transfer at Book Value of the Initial Portfolio (being approximately €38 million of Assets). In consideration for this transfer ACP Capital will be paid the consideration by the Company in cash. ACP Capital has also transferred to ACP Mezzanine Asset Holdings 1 Limited rights to purchase, subject to satisfactory documentation and terms, further Assets with an expected value in aggregate of approximately €7 million. Assuming acquisition of this further €7 million of Assets, the Group’s portfolio would be approximately €45 million of Assets. This represents approximately 38 per cent. of the Group’s targeted volume for the first 12 months following Admission.

- Pursuant to the Subscription Letters, certain Directors and members of the Management Team have also subscribed for, in aggregate, approximately 2.8 million Ordinary Shares at a subscription price of €0.005 per Ordinary Share. The Company will make a call on the holders of such Ordinary Shares to pay a further €0.495 per Ordinary Share prior to Admission.
- ACP Capital will be granted the ACP Capital Options in recognition of its help in raising capital for the Company. In addition, and in line with market practice, the Investment Manager will receive management and incentive fees as remuneration for its services under the Investment Management Agreement. The arrangements between the Company and the Investment Manager are summarised in paragraph 8 of Part I and in paragraph 6.1 of Part VI of this document.
- Based on the Principal Bases and Assumptions detailed in Part II of this document, set out below is an illustrative returns analysis for the Company:

Income Statement

<i>All figures in €m</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
Net interest income	12.0	19.8	21.7
Operating Expenses	(0.4)	(0.4)	(0.4)
Management Fee	(2.5)	(2.5)	(2.5)
Net income before incentive fee and taxes	9.2	17.0	18.9
Incentive Fee	0.0	(1.3)	(1.8)
Taxes	(0.5)	(1.1)	(1.2)
Net income after incentive fee	8.7	14.6	15.9
Dividends per Share (€)	0.06	0.09	0.12

Part II of this document contains the Principal Bases and Assumptions on which the illustrative returns analysis is based. This analysis is a hypothetical model provided for illustrative purposes only and is not intended to be, nor should it be taken as, a forecast. The Principal Bases and Assumptions are simplified versions of the factors which may affect the Company's future business, and do not necessarily reflect the detailed expectations of the Directors. The illustrative returns analysis assumes that €150 million of equity funding will be raised by the Company at Admission; the actual amount invested varies from the assumed figure. Actual returns cannot be predicted with any certainty and may differ from the illustrative returns analysis. The sums of figures in columns may differ from the total lines as a result of rounding.

- It is the Directors' intention that the Company should target a dividend of no less than 1 cent per Share for the period ending 31 December 2006, no less than 9 cents per Share for the year ending 31 December 2007, no less than 11 cents per Share for the year ending 31 December 2008, and no less than 13 cents per Share for the year ending 31 December 2009. The Directors intend to pay half yearly approximately equal dividends. The Directors intend that the Company should aim to distribute circa 85 per cent. of its distributable profits each year, subject to the Company's working capital requirements from time to time.
- It is the intention of the Directors that the Company will be an active investor for the purposes of the AIM Rules.

PART I

Information about the Group

The following is a summary of the principal features of the Group and should be read in conjunction with the full text of this document. The attention of potential investors is drawn to the Risk Factors set out in Part IV of this document.

1. Overview

The Company is a closed-ended limited liability investment company incorporated under the Companies Law whose investment strategy will be implemented and managed by the Investment Manager. The Investment Manager is a Jersey-incorporated niche investment and fund manager and is a wholly-owned subsidiary of ACP Capital Limited whose shares were admitted to trading on AIM in January 2006.

The Directors intend that the Group should pursue a primary strategy as a Mezzanine lender, originating, structuring and underwriting the majority of its Mezzanine investments. The Group's investment strategy will be implemented and managed by the Investment Manager. The Directors believe that the Group's strategy is different from that followed by a number of participants in the Mezzanine financing market, which focus on acquiring Assets directly from third parties through a syndication process.

In pursuing this strategy, the Directors believe that the Group will benefit from greater control over the underwriting process as well as the ability to develop an ongoing flow of Assets through its relationship with ACP Capital that will serve as a competitive advantage compared to its peers and lead to attractive risk adjusted returns.

The Company intends to invest in assets located primarily across Europe, and which may originate through a direct Integrated Finance approach alongside ACP Capital's Strategic Platforms and Vehicles, and, to a lesser extent, to purchase assets in the secondary market if expected risk adjusted returns are attractive.

The Company intends to pursue an Integrated Finance approach in conjunction with ACP Capital. The Company intends to pursue this strategy with ACP Capital in niche markets where ACP Capital considers there to be an Integrated Finance opportunity, such as the German "Mittelstand" (small and middle-sized privately-owned companies). Additional examples of Integrated Finance opportunities may include funding:

- operators/banks in the non-conforming commercial and residential mortgage sectors; and
- financial institutions in the real estate sector which are constrained in their lending capacity in terms of LTV as a result of pending changes to the regulatory framework applicable to financial institutions under Basel II.

The Company also intends to benefit from its relationship with ACP Capital by having the ability to act as the preferred Mezzanine lender to ACP Capital's current and envisaged Strategic Platforms and Vehicles. The Strategic Platforms are companies and/or vehicles, which exhibit growth potential in areas where ACP Capital, through a combination of its strategic/financial advice and Integrated Finance capabilities, believes it can add value by assisting the Platforms in the furthering of their growth. An example of this strategy is the €20 million of Mezzanine financing provided to KFRI by ACP Capital (which forms part of the Initial Portfolio). Envisaged Vehicles where the Group would propose to provide Mezzanine funding include:

- an infrastructure vehicle; and
- a special situation vehicle that would focus on providing First Loss Positions in CDO/CLO portfolios of third party asset managers with which the Group, through ACP Capital's hopes to develop preferred relationships.

ACP Capital also intends to acquire Mezzanine Assets on behalf of the Group from third party originators and/or underwriters of such Assets to provide additional diversity to the Portfolio if the expected returns of such investments are expected to generate attractive risk-adjusted returns.

The Company may, as part of its strategy to underwrite and syndicate loans, hold up to €75 million of Assets on a short term basis prior to syndication of such Assets to third parties, with the intention of benefitting from additional revenues generated through, *inter alia*, underwriting fees and other income.

The Directors' intention is for the Group to acquire a diversified portfolio of Assets in various sectors. By pursuing an investment strategy which covers a number of sectors, the Directors expect that the Investment Manager would be able to change the Group's portfolio mix and/or origination strategy to focus on the sectors that generate the most attractive risk-adjusted returns from time to time. It is anticipated that this diversification will be achieved by investing in:

- asset backed Assets, such as commercial and residential real estate Assets, CMBS, RMBS and their ABS transactions and infrastructure Assets; and
- non asset backed Assets, such as Leveraged Loans, Second Lien Loans, mezzanine loans, Bridge Loans, High Yield Bonds, and Credit Default Swaps.

All investments will be subject to an appropriate credit underwriting process to be carried out for the Group by the Management Team. The Management Team currently consists of professionals with a track record in sectors such as real estate, infrastructure, Leveraged Loans/High Yield Bonds, RMBS and CMBS.

The Board includes Directors with significant experience in various aspects of the mezzanine market, as well as with proven origination capabilities in key markets in which the Group intends to focus.

The Investment Manager is a wholly-owned subsidiary of ACP Capital which is a Jersey-registered AIM-listed niche fund and investment manager operating across diverse sectors and was founded by Derek Vago, who is its Chief Executive Officer as well as being a Director of the Company. The intention of ACP Capital is to develop a series of Platforms and Vehicles, including the Company.

The ACP Capital will subscribe at Admission for 47,000,000 Ordinary Shares at the Placing Price.

The Investment Management Agreement provides that the Company shall be the only Vehicle managed by the Investment Manager or any other member of the ACP Capital Group which specialises primarily in providing and/or investing in Mezzanine assets (other than Mezzanine assets which represent senior debt instruments).

The Company intends to raise €100 million pursuant to the Placing and the subscription by certain Directors and members of the Management Team under the Subscription Letters.

ACP Mezzanine Asset Holdings 1 Limited has entered into an initial committed leverage facility of €125 million with the Royal Bank of Scotland to finance the acquisition of rated Assets (which is summarised in paragraph 6.14 of Part VI). This facility, is expected to enable the Group to finance up to approximately 65 per cent. of rated Assets, with the remaining 35 per cent. being funded by the Company's equity. ACP Capital is currently in discussions relating to further leverage facilities for the Group and expects to be able to increase the Group's overall leverage to approximately 75 per cent. of the Assets' value over time.

It is intended that the Group, using the €100 million of capital intended to be raised at Admission, together with its initial €125 million debt facility and further debt facilities intended to be raised, and based on a projected secondary share issue in Year 3, will achieve a Portfolio of approximately €550 million of Assets by the end of its third year of operations. Subject to obtaining such further funding, it is proposed that the Group should acquire approximately €120 million of Assets during its first 12 month period, €170 million during its second 12 month period and a further €260 million during its third 12 month period. It should be noted, however, that the Group could achieve this growth objective earlier if its origination strategy is more successful than envisaged above. In such circumstances, the Company would require additional capital earlier than outlined above.

Pursuant to the Initial Portfolio Acquisition Agreement, conditional upon Admission, ACP Capital will transfer to the Company the entire issued share capital of each of ACP Mezzanine Asset Holdings 1 Limited and ACP Mezzanine Asset Holdings 2 Limited thereby effecting the transfer at

Book Value of the Initial Portfolio (being approximately €38 million of Assets). In consideration for this transfer ACP Capital will be paid the consideration by the Company in cash. ACP Capital has also transferred to ACP Mezzanine Asset Holdings 1 Limited rights to purchase, subject to satisfactory documentation and terms, further Assets with an expected value in aggregate of approximately €7 million. Assuming acquisition of this further €7 million of Assets, the Group's portfolio would be approximately €45 million of Assets. This represents approximately 38 per cent. of the Group's targeted volume for the first 12 months following Admission.

Pursuant to the Subscription Letters, certain Directors and members of the Management Team have subscribed for, in aggregate, approximately 2.8 million Ordinary Shares at a subscription price of €0.005 per Ordinary Share. The Company will make a call on the holders of such Ordinary Shares to pay a further €0.495 per Ordinary Share prior to Admission.

Jeff Bennett will, conditional on, inter alia, Admission, be granted an option to subscribe for 483,000 Ordinary Shares in the Company at an exercise price of 1 cent per Ordinary Share. He will also receive further options to subscribe for no less than 483,000 Ordinary Shares in each case, at a similar nominal exercise price (or a scheme which provides equivalent financial incentives) on 31 December 2007 and 31 December 2008 subject to his continued employment by the ACP Capital Group. Each option is only exercisable by Mr Bennett at the end of a three year period following the achievement of various performance targets (which will include the Company meeting certain annual total shareholder returns). Further details of the performance targets are set out in paragraph 6.11 of Part VI.

ACP Capital will be granted the ACP Capital Options in recognition of its help in raising capital for the Company. In addition, and in line with market practice, the Investment Manager will receive management and incentive fees as remuneration for its services under the Investment Management Agreement. The arrangements between the Company and the Investment Manager are summarised in paragraph 8 of Part I and in paragraph 6.1 of Part VI of this document.

Based on the Principal Bases and Assumptions set out in Part II of this document, set out below is an illustrative returns analysis for the Company:

Income Statement

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Taxes	(0.5)	(1.1)	(1.2)
Net income after incentive fee	8.7	14.6	15.9
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Part II of this document contains the Principal Bases and Assumptions on which the illustrative returns analysis is based. This analysis is a hypothetical model provided for illustrative purposes only and is not intended to be, nor should it be taken as, a forecast. The Principal Bases and Assumptions are simplified versions of the factors which may affect the Company's future business, and do not necessarily reflect the detailed expectations of the Directors. The illustrative returns analysis assumes that €150 million of equity funding will be raised by the Company at Admission; the actual amount invested varies from the assumed figure. Actual returns cannot be predicted with any certainty and may differ from the illustrative returns analysis. The sums of figures in columns may differ from the total lines as a result of rounding.

It is the Directors' intention that the Company should target a dividend of no less than 1 cent per Share for the period ending 31 December 2006, no less than 9 cents per Share for the year ending 31 December 2007, no less than 11 cents per Share for the year ending 31 December 2008, and no less than 13 cents per Share for the year ending 31 December 2009. The Directors intend that the

Company should pay half yearly approximately equal dividends. The Directors intend that the Company should aim to distribute circa 85 per cent. of its distributable profits each year, subject to the Company's working capital requirements from time to time.

It is the intention of the Directors that the Company will be an active investor for the purposes of the AIM Rules.

2. Investment Objective and Strategies

The Group's investment objective, which the Investment Manager is mandated to pursue under the terms of the Investment Management Agreement, is to deliver risk-adjusted returns to Shareholders. The Company will not materially change its principal investment objectives and policies as set out in this document for a minimum period of three years from the date of Admission other than with the consent of a majority of shareholders.

Origination Strategy

The Directors intend that the Group should pursue a primary strategy as a Mezzanine lender, originating, structuring and underwriting the majority of its Mezzanine investments as part of a lending strategy, including actively syndicating such initial underwritings to the Group's desired final hold position. The Company may also opportunistically acquire Assets from third parties. In pursuing this strategy, the Directors believe that the Group will benefit from greater control over the underwriting process as well as developing an ongoing flow of Assets that should serve as a competitive advantage compared to its peers and should lead to attractive risk-adjusted returns.

The Company intends to be a mezzanine lender primarily across Europe. Origination may benefit from an Integrated Finance approach alongside ACP Capital and, to a lesser extent, through the purchase of assets in the secondary market if risk-adjusted returns are attractive.

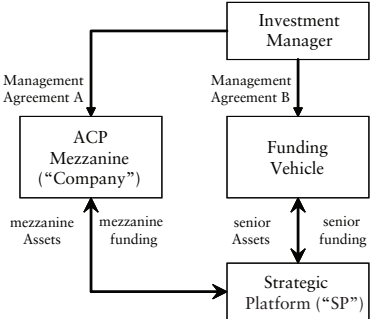
The Company intends to pursue an Integrated Finance approach in partnership with ACP Capital with the objective of delivering a financing solution for prospective borrowers. Pursuant to this strategy, ACP Capital could provide senior debt and, in some cases, equity funding, while the Company would provide the Mezzanine financing. The Company intends to pursue this strategy in niche markets where there may be such an opportunity, such as the German "Mittelstand" (small and middle-sized privately-owned companies). Additional examples of opportunities may include Mezzanine funding lines to:

- a. operators/banks in the non-conforming commercial and residential mortgage sectors; and
- b. financial institutions in the real estate sector which, pending changes to the regulatory framework applicable to financial institutions under Basel II, are constrained in their lending capacity in terms of LTV.

The Company also intends to benefit from its relationship with ACP Capital by having the ability to act as the preferred Mezzanine lender to the Investment Manager's envisaged Strategic Platforms and Vehicles. The Strategic Platforms are companies and/or vehicles, which exhibit growth potential in areas where ACP Capital, through a combination of its strategic/financial advice and integrated finance capabilities, believes it can add value by assisting the Platforms in the furthering of their growth. An example of this strategy is the €20 million of Mezzanine financing provided to KFRI by ACP Capital (which forms part of the Initial Portfolio). Envisaged vehicles where the Group would propose to provide Mezzanine funding include:

- a. an infrastructure vehicle; and
- b. a special situation vehicle that would focus on providing First Loss Positions in CDO/CLO portfolios of third party asset managers with which the Group, through ACP Capital, hopes to develop preferred relationships. It is intended that these relationships will create the ability to invest in the BB/B tranches of debt raised by such CDO/CLOs to finance their portfolios, as well as creating the ability to combine bids to purchase assets from third party underwriters in order to secure better pricing or allocations in syndication processes.

The flow chart below sets out an example of an envisaged Strategic Platform, with funding for the Strategic Platform provided by the Company at the Mezzanine level, and by an Investment Grade funding vehicle intended to be managed by a member of the ACP Capital Group at the senior funding level (a member of the ACP Capital Group may sometimes also provide some of the equity in the Strategic Platform):



As part of the origination strategy, the Investment Manager also intends to acquire Assets on behalf of the Group from third party originators and/or underwriters of such Assets to provide additional diversity to the Group’s portfolio if the expected returns of such investments are expected to generate attractive risk adjusted returns.

The Directors believe that the intended origination strategy will enable the Group to operate on a diversified basis across a series of sectors. The Directors expect that this strategy will result in an ongoing flow of Assets for the Group which will allow the Group to underwrite Assets with a value greater than €20 million, with a view to subsequently syndicating a portion at a profit.

Asset Diversification

The Directors believe that the Group will be able to acquire a wide and diversified range of Asset classes through the intended origination channels. The Directors believe that this will assist the Investment Manager in reacting to changes in the market on behalf of the Group, by decreasing or increasing origination levels in each sector from time to time, with the objective of achieving attractive risk-adjusted returns and a steady flow of Assets, even when any particular sector becomes less attractive to invest in.

The Directors believe that the Investment Manager will be able to achieve diversification in the Group’s Portfolio by investing on behalf of the Group as follows:

- (i) approximately 50 per cent. asset backed investments in sectors such as:
 - commercial and residential real estate;
 - infrastructure assets, such as energy distribution, waste processing, water distribution, energy generation and transport, containers, and railcars; and
 - RMBS, CMBS and ABS securitisation transactions;
- (ii) approximately 50 per cent. non-asset backed investments in sectors such as:
 - Leveraged Loans to European small and medium-size operating companies;
 - High Yield Bonds;
 - Second Lien Loans;
 - Credit Default Swaps;
 - Bridge Loans and Mezzanine loans;
 - Mezzanine lines in support of warehouse financing lines funding senior loans; and
 - CDO/CLO securitisation transactions.

The Investment Manager is mandated to manage the Group’s diversification through careful monitoring of the various markets and sectors to which it is exposed. In the event that a market or sector becomes less attractive, the Investment Manager will aim to reduce the Group’s exposure.

The Investment Manager may, from time to time, short bonds or sell CDS protection on behalf of the Group, in cases where the Investment Manager believes the underlying Assets are mispriced and/or represent attractive risk-adjusted return investment opportunities.

Indicative Portfolio diversification

The Investment Manager will seek to diversify the Group's investments by Asset type, credit-rating, industry, location, and issuer/obligor in order to minimise the risk of capital loss. The Directors believe that the Investment Manager should be able to achieve a portfolio mix approximately as set out below by the end of a three year investment period, assuming a total Portfolio Value of €550 million at the end of the third year following Admission:

<i>Investment Type</i>	<i>% of Portfolio</i>
Asset Backed sector	45-55%
Non-asset Backed sector	45-55%
Total	<u>100%</u>
<i>Rating</i>	<i>% of Portfolio</i>
BBB Rated	0%-5%
BB Rated	35%-45%
B Rated	35%-45%
Unrated	15%-20%
Total	<u>100%</u>
<i>Location</i>	<i>% of Portfolio</i>
Germany	30%-45%
United Kingdom	20%-35%
France/Italy	15%-30%
Other EU	10%-25%
Other	0%-15%
Total	<u>100%</u>

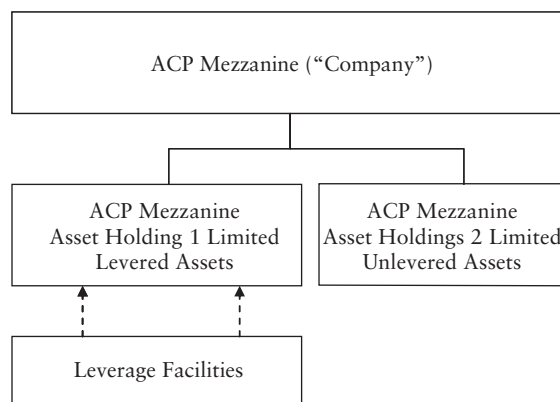
The average size of an individual Asset post-syndication is expected by the Directors to be between €5 million and €15 million.

Whilst it is intended that the Portfolio will be diversified along the lines presented in the tables above, the eventual allocations cannot be predicted with any certainty. The diversification strategy may be changed by the Investment Manager in its discretion from time to time in response to a number of factors, including changes in market and other conditions, asset availability and other matters considered relevant.

In addition, while the portfolio is being built up, it is possible that certain of the above diversification criteria will not be met in the short-term.

Furthermore, the Company may, as part of its strategy to underwrite and syndicate loans, hold up to €75 million of Assets on a short-term basis prior to syndication of such Assets to third parties, with the intention of benefitting from additional revenues generated through, *inter alia*, underwriting fees and other income. As a result, it is again possible that the diversification strategy will not be met during this period.

The Directors intend that the Group will initially hold Assets through two wholly-owned subsidiaries (as illustrated by the chart below) which will hold the following Asset types: ACP Mezzanine Asset Holdings 1 Limited – Assets securing the Group's leverage facilities (the "Levered Assets") and ACP Mezzanine Asset Holdings 2 Limited – Assets which do not secure the Group's debt facilities (the "Unlevered Assets").



3. Investment Appraisal Process

All investments will be subject to a credit underwriting due diligence process carried out by the Investment Manager pursuant to the Investment Management Agreement. This process is expected to cover the financial results and potential risks under various scenarios and stress tests, as well as the tax, legal, accounting and regulatory impact of the investment. The due diligence process may include a bespoke financial model, market risk analysis, comparables and other forms of due diligence (including legal, accounting, tax, environmental and other matters, depending on the type of Asset). The Investment Manager may also, where appropriate, undertake in-depth discussions with key parties who have an influence on the risk and value of the proposed investment (e.g. seller, servicer, company management). This process may also apply to publicly traded debt securities acquired through the market. The Investment Manager’s final decision to make such an investment will only be made upon satisfactory completion of the due diligence process. The Investment Manager has a broad discretion to commit the Group to an investment subject to the terms of the Investment Management Agreement save that in cases where there is: (i) a proposed investment or a series of proposed linked investments greater than €30 million or (ii) an investment which is part of an Integrated Finance transaction then the Investment Manager will require the approval of the Board of Directors of the Company.

Potential investments generated by Strategic Platforms, which may be on a “flow” basis (i.e. with pre-agreed underwriting criteria for an ongoing series of investments), are expected to be subject to a due diligence and underwriting process prior to concluding such investments, with ongoing revaluation and monitoring conducted by the Investment Manager on behalf of the Group to ensure that the investments remain within the criteria and maintain the proposed risk/reward profile.

Depending on the nature of the Asset, the key steps of the underwriting process are expected to include:

Asset allocation and concentration/correlation analysis

Any prospective investment will first be analysed to assess its appropriateness for the Portfolio, taking into account how it would affect concentrations with respect to Asset type, industry, location, credit-rating, and issuer/obligor and any potential correlations between the prospective investment and the existing Assets in the Portfolio.

Due diligence

Due diligence will be tailored to the type of Asset. For example, a property-related investment may involve environmental due diligence, while a securitised note purchase may involve servicing due diligence. As an example, the due diligence process for a real estate investment is likely to be as follows:

- full property valuation report prepared by a valuation firm with expertise in the relevant jurisdiction;
- financial and tax due diligence performed by an accounting firm;
- legal due diligence on the asset and its ownership structure performed by a reputable local law firm;
- insurance due diligence; and
- environmental due diligence.

Where the cash flows arising from the potential Assets are collected by a servicer and, in particular, where such servicer is involved with the collection of any non-performing Assets, due diligence will be undertaken on the servicer itself. Analysis of a servicer will include its historical track record, size of total serviced portfolio, an understanding of staff capacity, and its reputation amongst not only the persons involved with the particular investment, but also in the market generally. A servicer rating or analysis from an internationally recognised rating agency may also be taken into consideration.

Where the investment is in an Asset which is managed by an asset manager (for example, an investment into a CLO note), an analysis will be undertaken on the relevant asset manager. This may include face-to-face meetings with the asset manager, as well as separate and independent analysis of its track record, underwriting/approval processes and market reputation.

Analysis of credit risk

A full analysis of the credit risk inherent in the Asset will be performed by the Investment Manager. Such analysis will cover underlying fundamentals (such as financial data) in the case of single name obligors (for example for an LBO loan), and a statistical analysis in the case of diverse portfolios of underlying obligors (for example for a residential mortgage portfolio). Structural and legal factors will be analysed, such as first/second lien position and the security package. External factors will also be considered, such as economic conditions, industry trends or dependencies on third parties.

Analysis of other risks

The Investment Manager will not seek to commit the Group to material risks other than credit exposure, although factors such as interest rate risk, foreign exchange risk, asset manager performance risk and servicer risk, may exist in any investment. A full analysis of the relevant risks will be undertaken, including any potential structures or instruments used to hedge such risks. Any residual risks will be subjected to stress tests to ensure (insofar as is reasonably possible) that their impact is not likely to be significant on the performance of the Assets. The Investment Manager may choose to hedge certain of these risks on behalf of the Group.

Sensitivity analysis

Sensitivity analysis will be performed on every proposed investment. The type and scope of such analysis will be determined on an Asset by Asset basis. All material structural features and Asset characteristics will be modelled and stress cases defined accordingly. Base case stresses will be defined in the first instance as appropriate to the rating or risk/return level of the investment. Further stresses and loss analyses will be performed in order to understand break-even cases for interest and capital repayments.

Risk/return profile analysis

Each investment will be analysed on the basis of the appropriate level of return for the level of risk undertaken. This balance may vary according to Asset type, jurisdiction, size of investment, tenor of investment, and whether the Investment Manager believes that the Group is likely to benefit from synergies arising from the investment.

4. Initial Portfolio

The Assets listed below are legally and beneficially owned by subsidiary companies ACP Mezzanine Asset Holdings 1 Limited and ACP Mezzanine Asset Holdings 2 Limited. The entire issued share capital of ACP Mezzanine Asset Holdings 1 Limited and ACP Mezzanine Asset Holdings 2 Limited will be transferred by ACP Capital to the Company at Admission at Book Value pursuant to the Initial Portfolio Acquisition Agreement for a total consideration of approximately €38 million. The Assets are as follows:

Mezzanine loans to KFRI

KFRI is an acquisition Platform led by German entrepreneur Heiner Kamps, a non-executive director of and shareholder in ACP Capital. The stated strategy of KFRI is to consolidate the continental European small and mid-market food retail industry. The Directors understand that KFRI has stated its intention to transform itself into a major food retail group through a number of selected acquisitions.

KFRI, in which ACP Capital holds 12 per cent. of the equity, represents the establishment of ACP Capital's first Strategic Platform. This Strategic Platform is intended to enable ACP Capital to use its Integrated Finance approach in underwriting/arranging future funding required by KFRI to achieve its expansion strategy, including the use of mezzanine funding proposed to be provided by the Group.

The following senior and junior mezzanine loans to KFRI form part of the Initial Portfolio:

- an unrated senior mezzanine Leveraged Loan for an amount of €10 million, with a current margin of 5.5 per cent. above Euribor-3Mth and an all-in return (IRR) of 11.5 per cent.;
- an unrated junior mezzanine Leveraged Loan for an amount of €10 million, with no current margin and an all-in return (IRR) of 20.0 per cent.

These loans are repayable on 29 December 2006.

CLO bonds

ACP Capital has purchased or committed to acquire the following bonds issued as part of 5 different CLO transactions, and has transferred to ACP Mezzanine Asset Holdings 1 Limited its rights in respect thereof:

- a BB rated bond issued as part of Harbourmaster Pro Rata CLO V, for an amount of €4 million with a current margin of 4.5 per cent. above 3 month Euribor. The asset manager for this CLO, Harbourmaster Capital Management, manages approximately €4.5 billion of assets and has launched seven CLOs to date;
- a BB rated bond issued as part of Cadogan Square CLO II, for an amount of €4 million with a current margin of 4.0 per cent. above 6 month Euribor. The asset manager is the Leveraged Investment Group of Credit Suisse, which manages more than \$10 billion of assets in more than 10 CLOs;
- two BB rated bonds issued or to be issued as part of Marquette Europe/USA CLO, for an amount of \$3 million and €2.381 million with a current margin of 4.35 per cent. above 3 month US Dollar Libor and Euribor respectively. The asset manager is LightPoint Capital Management, with IXIS acting as advisor, each of which have significant experience in the Leveraged Loan market, in the US and Europe respectively. The Directors believe that there is an opportunity for the Investment Manager to build a long term relationship with this asset manager;
- a BB rated bond issued as part of Mercator CLO I, for an amount of €1.5 million with a current margin of 5.0 per cent. above 3 month Euribor. The asset manager is New Amsterdam Capital, the senior managers of which have significant experience in the Leveraged Loan market, although this is their debut CLO. The Directors believe that there is an opportunity for the Investment Manager to build a long term relationship with the asset manager; and
- a BB rated bond issued as part of Dalradian European CLO I, for an amount of €4 million with a current margin of 4.8 per cent. above 6 month Euribor. The asset manager is Elgin Capital, the senior managers of which have significant experience in the Leveraged Loan market, although this is their debut CLO. The Directors believe that there is an opportunity for the Investment Manager to build a long term relationship with this asset manager.

Acquisition of RMBS bonds

ACP Capital has transferred to ACP Mezzanine Asset Holdings 1 Limited such rights as it has in respect of its agreement to purchase the following bonds, subject to satisfactory final documentation:

- a BB rated bond issued as part of Bluestone Securities 2006-1, for an amount of approximately £4.2 million, with a current margin expected to be at least 3.75 per cent. above 3 month Libor. This is a securitisation of UK residential mortgages originated by Amber Homeloans Limited and Beacon Homeloans Limited;
- a B rated bond also issued as part of Bluestone Securities 2006-1, for an amount of approximately £0.8 million, with a current margin expected to be at least 5.75 per cent. above 3 month Libor.

5. Borrowing Powers

Under its memorandum of association, the Company has the power to borrow money in any manner. Under the terms of the Investment Manager Agreement the Investment Manager has the discretion to commit the Company to use leverage with no limit although it has been agreed with the Commission that borrowing against the Assets and cash of the Company shall not exceed 90 per cent. of the current market value of such Assets and cash without the prior written consent of the Commission. It is the intention of the Directors that the Group's borrowings shall not exceed 75 per cent. of the value of all Assets and cash in the Group's portfolio.

6. Dividend Policy

The Directors intend that the Company should commence the payment of dividends for the period ending 31 December 2006 and, subject to satisfactory trading and the availability of distributable reserves, it is the Directors' intention that the Company should target a dividend of no less than 1 cent per Share for the period ending 31 December 2006, no less than 9 cents per Share for the year ending 31 December 2007, no less than 11 cents per Share for the year ending 31 December 2008, and no less than 13 cents per Share for the year ending 31 December 2009. The Directors intend that the Company should pay half yearly approximately equal dividends.

Following Admission, the Ordinary Shares will rank *pari passu* for all dividends or other distributions declared, paid or made in respect of the share capital of the Company.

7. Board of Directors

Biographies of the Directors and proposed Director are set out below.

Derek Vago, *Non-executive Director (aged 43)*

Derek was Managing Director and co-head of the Asset Finance Group ("AFG") at Nomura International plc, where he worked from July 2002 until September 2005. His responsibilities included all balance-sheet usage including equity, mezzanine and senior debt, underwriting, syndication, and repackaging of assets in the real estate, non asset-backed, CDO and ABS/CMBS sectors. Derek has approximately 15 years experience of international finance markets and has corporate finance experience in European and Asian markets. Prior to AFG, Derek was co-head of the European Real Estate Investment Banking Group of Credit Suisse First Boston in London and, before that, he was responsible for putting in place the direct investment business within the European Real Estate Group at Bankers Trust (subsequently acquired by Deutsche Bank). Derek has a Masters of Science degree in Real Estate Finance from New York University and both a BSc and a B Architecture degree from McGill University in Canada.

Jeff Bennett, *Proposed Non-executive Director (aged 40)*

Jeff Bennett has agreed, conditional upon, *inter alia*, Admission, to become a non-executive director of the Company and ACP Capital's Chief Investment Officer for the Company on 4 September 2006. Jeff was a Managing Director in the Leveraged Finance Group of Morgan Stanley & Co. International Limited ("Morgan Stanley") where he worked from September 1999 until June 2006. His responsibilities included pan-European origination and execution of leveraged and event-driven financings, with a focus on the media and telecommunications sectors. Jeff's 18 years of non Investment Grade financing experience includes product skills across Leveraged Loans, Second Lien Loans, Mezzanine loans, Bridge Loans and High Yield Bonds utilised in leveraged buyouts, leveraged acquisitions, recapitalisations, refinancings and debt restructurings. Prior to Morgan Stanley, Jeff worked for Bankers Trust (subsequently acquired by Deutsche Bank) from July 1987 to September 1999 in a variety of capacities, including in the Media Group, the Portfolio Group and the Corporate Banking Group. Jeff has a Master of Business Administration degree from the Wharton School of the University of Pennsylvania and a Bachelor of Arts degree from Hamilton College.

Christophe Tanghe, *Non-executive Director (aged 42)*

With over 17 years' experience of real estate investment and advisory work in Europe and the United States, Christophe Tanghe has originated and/or executed several billion Euros of real estate transactions, encompassing various property types. As a Managing Director of Hines, a privately

owned international real estate firm, Christophe supported the Chief Executive Officer in identifying and securing external growth opportunities, furthering investor and banking relationships, negotiating complex investment, financing and development transactions. Prior to this, Christophe was one of the founding partners of Lehman Brothers Real Estate Partners (“LBREP”) in Europe and participated in the fund capital raising (\$1.6 billion of commitments), recruiting the fund’s European team and co-managing LBREP’s real estate investment and asset management activities in Europe. Additionally during his five years at LBREP, he coordinated the set up of Lehman Brothers European Mezzanine Partners with a successful fund capital raising in excess of €750 million. Prior to LBREP, he was at Security Capital European Realty, where he was in charge of acquisitions and was a member of the board of directors of Bernheim Comofi, Interparking, and Access Self Storage and a Member of the Executive Committee of Bernheim Comofi and Interparking. Prior to this, he was at J.P. Morgan in Real Estate Investment Banking and Corporate Finance. He has a BA equivalent in Economics from Notre Dame de la Paix and Sint Ignatius (Belgium).

George Baird, *Non-executive Director (aged 56)*

George Baird (Jersey resident) graduated from Dundee University in 1971, joined Arthur Young McLelland Moores & Co. and became a member of the Institute of Chartered Accountants of Scotland in 1975. After working in finance in local government in Scotland, he moved to Jersey in 1980 and was appointed Treasurer of the States of Jersey in 1991. Prior to his retirement in 2002 he was Finance Director with the Mourant Group. He is now a non-executive director with several Channel Islands based companies including Chairman of Invesco Leveraged High Yield Fund Limited.

Graeme Ross, *Non-executive Director (aged 45)*

Graeme Ross (Jersey resident) graduated from Dundee College of Technology in 1980 and joined Arthur Young McClelland Moores, Chartered Accountants in Perth, Scotland. He qualified as a Chartered Accountant in 1984 and joined KPMG Peat Marwick’s practice in Jersey shortly afterwards. Graeme joined the Jersey practice of Rawlinson & Hunter, Chartered Accountants in 1986 as a manager in the Fund administration division. In 1994 he was admitted to the Jersey partnership of Rawlinson & Hunter. Graeme has been the Managing Director of R&H Fund Services (Jersey) Limited since 1996 and has in-depth knowledge and experience of the fund management industry generally and retail funds in particular. He has worked in the offshore fund management industry for 20 years and also served as a committee member of the Jersey Fund Managers Association for three years.

The Company is in the process of finalising selection of a further board member focused primarily on German market opportunities, including but not limited to the Mittelstand and may appoint a further board member focused on continental Europe. The Company intends to issue such further directors and certain support staff with, in aggregate, up to 500,000 Ordinary Shares at a subscription price of €0.50 per share.

8. Investment Manager

The Investment Manager is a Jersey-incorporated niche investment and fund manager and wholly-owned subsidiary of ACP Capital whose shares were admitted to trading on AIM in January 2006. The Investment Manager’s strategy is to manage investments in niche product sectors and Vehicles, such as the Company. In parallel with these strategic objectives, ACP Capital will seek to invest in and develop relationships with Strategic Platforms. These Strategic Platforms are companies or vehicles identified by ACP Capital to which it intends to become the preferred lender, either directly or through Vehicles such as the Company, across the capital structure (senior and mezzanine debt and sometimes equity), and in so doing procure a flow of investment opportunities for its various Vehicles, including the Company.

Under the terms of the Investment Management Agreement, the Investment Manager has agreed that it will not manage any other company or Vehicle which primarily specialises in providing and/or investing in Mezzanine assets (other than Mezzanine assets which represent senior debt instruments).

ACP Capital proposes to provide the Group with access to investment opportunities through ACP Capital’s existing and future business relationships and expertise.

Investment Manager's Strategic Platforms and niche lending Vehicles

Strategic Platforms are companies or Vehicles which exhibit growth potential in areas where ACP Capital, through a combination of its strategic/financial advice and Integrated Finance capabilities, believes it can add value by assisting such Platforms in the furthering of their growth. It is the intention of ACP Capital that such Integrated Finance strategy will be achieved directly by ACP Capital or in combination with Vehicles which ACP Capital or the Investment Manager manages, such as the Company.

ACP Capital has already identified a number of Platforms and Vehicles, and has initiated discussions with relevant parties, with the intention that the Group should benefit from a 'first look' option over Mezzanine investment opportunities generated by those Platforms. The intention is that the Group would become the preferred lender/purchaser of Assets in relation to these Platforms. Investments arising from such Platforms are intended to give the Group direct access to a diversified range of Assets across a series of sectors and are expected to result in an ongoing flow of investment opportunities.

The following possible Platforms and Vehicles have been identified by ACP Capital:

- a senior Leveraged Loan funding vehicle and/or provider of Investment Grade funding lines which is expected to enable ACP Capital to compete more effectively across the capital structure when acquiring Assets for the Group;
- an SPV, sponsored by a large investment bank, formed for the purpose of acquiring portfolios of non-conforming residential mortgages in the UK. The Group may be provided the opportunity to provide Mezzanine financing to the SPV and/or retain a 'first look' option over Mezzanine securities issued by the SPV;
- an infrastructure vehicle focussing on equity investment in sectors such as energy generation and distribution, waste processing, water distribution and treatment, and transport. It is intended that the Group would be the preferred provider of Mezzanine financing alongside such vehicle, thereby providing an ongoing flow of Mezzanine Assets for the Group to invest in;
- an asset manager of CLOs, in which ACP Capital may provide equity funding lines with a view to partnering with it in expanding its geographic and asset class diversification. The intention is that the Group would have a 'first look' option over issuance of Mezzanine securities managed by the asset manager, may also provide warehousing facilities to the asset manager, and may benefit from the asset manager's origination capabilities giving the Group the ability to co-invest in suitable assets (for example, providing the Mezzanine portion of a loan while the asset manager provides the senior debt element);
- a special situations Vehicle focusing on providing first loss equity positions in CDO/CLO portfolios in which ACP Capital considers there to be significant value, and which could also result in opportunities for the Group to acquire the rated BB/B tranches of such portfolios;
- a continental European large-ticket equipment leasing company, with which ACP Capital may have the opportunity to create a joint-venture to acquire and fund a series of portfolios of leasing Assets. The Group could provide the Mezzanine financing for such acquisitions, with syndication of the senior debt element underwritten and distributed by ACP Capital;
- operators in the sub-prime commercial and residential lending sectors where ACP Capital may put in place a pre-agreed "program" on behalf of the Group to acquire mortgage Assets. ACP Capital may also provide funding through a funding vehicle in parallel; and
- banks in the real estate sector who, as a result of Basel II restrictions, are constrained in their lending, with a view to the Group offering to provide them with Mezzanine funding lines with pre-agreed underwriting criteria, enabling such banks to provide a combined senior and mezzanine line to their clients, in order to increase their lending capabilities.

Investment Management Agreement

The Company is party to an Investment Management Agreement with the Investment Manager, pursuant to which the Company has agreed to appoint the Investment Manager with effect from Admission as the discretionary investment manager of all of the Company's assets.

The Investment Manager is given complete discretion to deal with the Company's assets, to make or dispose of investments as agent on the Company's behalf, and to take all day-to-day decisions in relation to the Company's assets, subject to the investment objectives and restrictions contained in the Investment Management Agreement, the Articles and this document and subject to cases where there is (i) a proposed investment or a series of proposed linked investments which is greater than €30 million or (ii) an investment which is part of an Integrated Finance transaction requiring the approval of the Board of Directors of the Company.

Save as set out in the Articles or this document, there are no restrictions on the types or categories of assets in which transactions may be carried out, the markets or exchanges on or through which transactions may be carried out, or the amount or proportion of the Company's assets which may be invested in any category of investment or cash. The Investment Manager has the discretion to exercise any voting rights attaching to any of the Company's assets. The Investment Manager has the discretion, where permitted by this document, to commit the Company to secured and unsecured borrowing arrangements. The Investment Manager is required to keep under review the objectives and investment restrictions of the Company, and may suggest amendments to them from time to time. The attention of potential investors is drawn to the risk factor in Part IV of this document headed "Conflicts of interest and the role of the Investment Manager and ACP Capital".

The Investment Management Agreement will provide for the Investment Manager to receive from the Company an annual management fee equal to 1.75 per cent. of the Gross Shareholder Equity of the Company, payable monthly in arrears.

The Investment Manager is entitled to receive a performance-related fee in respect of each incentive period which will be paid quarterly in arrears. An incentive period will comprise each successive 3 month period, except the first period which shall be from Admission to 30 September 2006. The performance-related fee is equivalent to 25 per cent. of the amount by which A exceeds (B x C) where:

- A. the Company's consolidated net income before tax and as shown in the Company's consolidated management accounts for the relevant period, and before payment of the performance related fee;
- B. Gross Shareholder Equity; and
- C. the greater of (i) 2 per cent. or (ii) one quarter of the interest of the 10-year German Bund (or any successor benchmark from time to time, as the case may be) as at the beginning of the relevant incentive period plus 1 per cent.

At Admission, the Company will grant the ACP Capital Options to ACP Capital in recognition of its work in raising the capital for the Company. The Options will be fully vested and immediately exercisable on the date of the grant, at an exercise price per Share equal to the Placing Price.

Key Personnel

The Management Team consists of professionals with a track record in real estate, infrastructure, leveraged loan, repackaging of credit risk, RMBS/CMBS, and in different types of mezzanine structure, such as High Yield Bonds, Second Lien Loans, Bridge Loans, Mezzanine loans, senior and junior real estate Mezzanine and First Loss Positions.

The Management Team's experience covers the Group's range of targeted Assets, and the Directors believe that this will facilitate the informed assessment of relative asset value, as well as access to transactions. The Management Team has experience in underwriting, structuring and executing transactions, involving many types of Assets.

Biographies of the key members of the Management Team are set out below.

Derek Vago, *Chief Executive Officer of ACP Capital*
(see biography in paragraph 7 above)

Jeff Bennett, *Proposed Chief Investment Officer (“CIO”) of ACP Capital for the Company*
(see biography in paragraph 7 above)

Jeff Bennett has agreed to become ACP Capital’s CIO for the Company conditional upon, *inter alia*, Admission on 4 September 2006.

Eric Youngblood, *Chief Financial Officer of ACP Capital (age 43)*

As CFO of the Investment Manager, Eric has primary responsibility for warehouse, acquisition and other funding facilities, including those which will be for the benefit the Company, and primary responsibility for managing financial risks, including joint responsibility along with the CIO for credit underwriting. Eric was most recently head of asset-backed securitisation at Nomura International plc and has almost 18 years of structured finance experience in the US, European and Asian markets, with an emphasis on securitisation.

Nikolaj Larsen, *Head of Strategic Investments of ACP Capital (age 31)*

Nikolaj is responsible for the Investment Manager’s strategic investments, which currently includes the recent acquisition of shares in KFRI. KFRI represents the first transaction for the Investment Manager in the German Mittelstand sector. Prior to the KFRI transaction, Nikolaj worked at Nomura Asset Finance Group for three years focusing on underwriting debt and equity for AFG in both the asset backed and non-asset backed sectors. During the last 12 months at Nomura Nikolaj spent much time on non-asset backed transactions in Germany, Austria and Switzerland with Mittelstand companies.

Prior to Nomura, Nikolaj gained experience in M&A and private equity with CSFB and Permira respectively. At CSFB, Nikolaj focused on infrastructure, energy and utility sectors for almost three years.

Jean-Christophe Gas, *Vice President (age 30)*

Jean-Christophe focuses on analysis of investments. Jean-Christophe was an Assistant Vice-President in the Asset Finance Group at Nomura International plc, where he focused on executing ABS, CDO, CMBS, and real estate transactions.

Stefan Fallgren, *Vice President (age 28)*

At ACP Capital, Stefan focuses on the strategic platforms, which currently includes the recent acquisitions of shares in KFRI. Stefan worked at Deutsche Bank Global Corporate Finance for approximately three years focusing on Northern Europe and Switzerland. At Deutsche Bank, Stefan executed a number of acquisitions and disposals, both publicly listed and private. Stefan has also worked as a Partner at InVivo Communications, a specialised financial communications agency out of Stockholm, Sweden.

Track Records

Highlights of the track record of the senior members of the Management Team are set out as follows:

Derek Vago

AFG, Nomura

Derek Vago has a proven track record in advising on financings involving over €2 billion of senior debt, senior and junior mezzanine debt and equity capital, as demonstrated by his track record at AFG.

The IRR returns generated from the mezzanine, preferred equity and equity products in these transactions were in the range of approximately 17 to 27 per cent.

Brief descriptions of some of the deals in which Derek was either actively involved or oversaw whilst Managing Director and Co-Head of AFG are set out below. Please note that * indicates transactions for which Derek was responsible as Co-head of the Asset Finance Group team, but in which he was not personally active.

- **Laurel Pubs:* In December 2002, Nomura International provided £320 million of debt (senior, senior mezzanine and junior mezzanine facilities) to finance the acquisition by London & Regional Properties Limited and Morgan Grenfell Private Equity from the Laurel Pub Company of a portfolio of 280 managed pubs (267 freehold and 13 long leasehold).
- *Center Parcs Europe:* In September 2003, Nomura International completed the (€440 million multi-jurisdiction sale and leaseback of seven Center Parcs Europe sites located in the Netherlands, Germany and Belgium for Pierre & Vacances, where Nomura International led the structuring and underwrote the entire balance of debt (senior, senior mezzanine and junior mezzanine facilities) and equity funding necessary to close the transaction.
- *Earls Court & Olympia:* In May 2004, Nomura International completed the acquisition of the £245 million London exhibition complex Earls Court & Olympia from Candover, in which it led the structuring and underwrote the entire necessary debt funding (senior, senior mezzanine, junior mezzanine and working capital facilities and preferred equity) alongside St James Capital.
- **DFS plc:* In July 2004, Nomura International completed the £521 million public to private acquisition of DFS plc, a leading retailer of upholstered furniture in the UK. Nomura International led the structuring and provided the entire debt financing (senior, capex, working capital, senior mezzanine and junior mezzanine facilities) to support Lord Kirkham's successful bid.
- *Project Shaft:* In December 2004, Nomura International closed the €155.1 million acquisition of a mixed use real estate portfolio of 10 properties located in western Germany from Deutsche Bank Real Estate. Nomura International led the structuring and provided the entire debt financing (senior, capex, senior mezzanine and junior mezzanine facilities) needed for the transaction as well as preferred equity alongside Shaftesbury.
- **SVG Diamond:* In September 2004, Nomura International won the IFR European CDO Deal of the Year for completing the first arbitrage CDO backed by private equity assets.
- *CBR:* In November 2004, Nomura International acquired senior mezzanine debt of €10 million as part of a debt syndicate to this German fashion company which was acquired by Cinven and Apax. This was the first acquisition realised by the newly formed mezzanine team recruited by Derek.
- *Nordsee:* In August 2005, Nomura International underwrote and completed the acquisition of Nordsee, a European fast food business, for €140 million, in a joint acquisition with Heiner Kamps.

Prior to AFG

Brief descriptions of some of the transactions in which Derek was involved prior to his appointment at Nomura International, with Credit Suisse First Boston and Bankers Trust (now Deutsche Bank), are set out below:

- *Cofinimmo:* In July 2000, Credit Suisse First Boston underwrote off-balance sheet financing of €355 million of senior debt and €50 million of mezzanine debt for the acquisition of AXA office portfolio owned by Primaedis S.A. in Belgium. The facilities were successfully syndicated and the Directors reasonably believe that the mezzanine target IRR of approximately 15 per cent. was achieved.
- *Shurgard Europe:* In 1999, Derek Vago led an investment consortium investing Euros 120 million of preferred private equity and underwrote Euros 300 million of syndicated debt facilities. The IRR achieved was 25 per cent. on the equity.
- *GL Trust Belgium:* In December 1999, Bankers Trust invested Euros 10 million in preferred equity and arranged Euros 50 million of senior debt financing to a new Belgian vehicle specialising in the retail-warehouse sector. On sale of the Company, the final IRR was 40 per cent., well ahead of the 22.5 per cent. target IRR.

- *Regus*: In August 1998, Bankers Trust made a \$100 million preferred equity investment in Regus, 50 per cent. of which was later sold to Apollo. The preferred equity investment achieved an IRR of 75 per cent.
- *Grupo Filo*: In October 1997, Bankers Trust provided a bridge debt standby facility during a capital increase period to this Spanish listed real estate company, together with a first preferred equity investment of Euros 30 million, 50 per cent. of which was sold to Ivanhoe. A final IRR of 25 per cent. was achieved. Derek developed a business plan that led to the restructuring of Filo, which at the time was virtually insolvent. This included a detailed asset disposal strategy and restructuring of the company's debt facilities.
- *Hemingway Properties PLC*: In February 1996, Bankers Trust provided £20 million of structured mezzanine financing with a term of 3 years for the acquisition by Hemingway of office property in the UK.
- *Barclays Bank (France) 1995*: In 1995, Derek structured and executed the first sale of non-performing bank loans in continental Europe.

Jeff Bennett

Jeff Bennett has agreed, conditional upon, *inter alia*, Admission, to become on 4 September 2006 a non-executive director of the Company and the Chief Investment Officer of ACP Capital for the Company. Jeff Bennett has an extensive track record in the origination, structuring and execution of leveraged finance and event driven financings. Jeff's 18 years of non-investment grade financing experience includes product skills across leveraged loans, second lien loans, mezzanine loans, high yield bonds and bridge loans utilized in leveraged buyouts, leveraged acquisitions, recapitalizations, refinancings and debt restructurings. Jeff has also acted as the financial advisor to borrowers seeking to raise financing to optimize their capital structures and facilitate the achievement of their strategic goals.

During his eight and a half years in Europe with Morgan Stanley and Bankers Trust Company, Jeff has worked on over 20 closed financing/advisory transactions totaling over €100 billion equivalent across the media, telecommunications, chemical, pharmaceutical, retail, gaming, energy, and industrial sectors.

Notable transactions include:

- *Ineos Group Holdings plc* – €10 billion financing package to support Ineos Group Holdings plc's acquisition of Innovene from BP. The combined financing was one of the largest European financings at the time and included senior bank debt, a second lien loan, a borrowing base bridge loan and high yield bonds. Other transaction highlights include the bank facility being one of the largest European syndicated leveraged loans at the time and the €1.75 billion 7.875 per cent. Senior Notes being one of the largest Euro denominated high yield bond issued in Europe.
- *Ono Finance Plc* – €100 million Floating Rate Note for ONO. The Ono floating rate note was one of the first subordinated, 10 NC2 European Floating Rate Note rated below B3/B- issued in the European high yield market.
- *NTL Incorporated* – £375 million 9.75 per cent. Senior Notes for NTL Cable PLC, one of the largest Sterling high yield notes issued in Europe. Other notable transactions for NTL include a £3.8 billion loan facility NTL Investment Holdings Limited and its affiliates, which was one of the largest European single B telecom loans at the time.
- *Debenhams* – £1.4 billion financing to support the LBO of Debenhams plc, one of the largest UK Public to Private transactions at the time. The financing package to support this acquisition included an innovative property bridge facility, senior bank debt, and a subordinated mezzanine bridge facility, which was subsequently refinanced in the high yield market.
- *France Telecom SA* – €30 billion senior bank loan for France Telecom to support its acquisition of Orange PLC, which was one of the largest European syndicated loans at the time. Another notable transaction is the Financing Advisory assignment for France Telecom in refinancing its €30 billion senior bank loan with a new €15 billion senior bank loan.

Jeff has also worked on financings or advisory assignments for the following selected European companies: Invensys plc, Eircom Group Plc, Kabel BW Holdings GmbH, Codere S.A., International Power plc, Primacom AG, Millicom International Cellular S.A., Carrier 1 International S.A., Versatel Telecom International N.V., Elan Corporation plc, and Cablecom GmbH. Jeff's deal experience includes transactions in the following jurisdictions: United States, United Kingdom, Spain, Netherlands, France, Luxembourg, Germany, and Switzerland.

Eric Youngblood

Eric Youngblood has a track record spanning almost 18 years in structured finance, primarily in securitisation.

He has worked on transactions in the following asset classes (amongst others): residential mortgages (RMBS), commercial mortgages (CMBS), consumer loans, auto loans, equipment leases, revolving consumer credit, corporate loans (CLO), aircraft leases, utility stranded costs, healthcare receivables, trade receivables and insurance premium finance. He has worked on transactions in the following jurisdictions (amongst others): US, UK, France, Spain, Belgium, Netherlands, Italy, Germany, Japan and Turkey.

In addition to arranging and structuring securitisation transactions, Eric has been responsible for arranging warehouse financing for residential mortgages, commercial mortgages, and government receivables. He has also been responsible for arranging liquidity facilities for trade receivables in asset-backed commercial paper conduits (ABCP), a residential mortgage funding vehicle and a bond repackaging vehicle.

Highlights include:

- *Titulización de Activos*: a joint venture with several Spanish savings banks to develop the Spanish RMBS market
- *TDA 1*: the first Spanish multi-issuer transaction where three banks pooled their portfolios in one transaction
- *SHL 1999-1*: the first RMBS transaction in Japan, for Sanwa Bank
- *Belsca SA*: first securitisation of social housing in Belgium, a complicated multi-issuer RMBS with the 13 banks pooled in a single transaction
- *FTA MN*: a milestone EUR 4 billion equivalent securitisation of electricity stranded costs arising from the Spanish Nuclear Moratorium
- *(private transaction)*: the largest ever securitisation of government healthcare receivables, including current and future receivables, implemented via an innovative partly-paid bond (approximately EUR 1.8 billion)
- *(private transactions)*: two multi-billion EUR liquidity facilities to support the ABCP conduits of two German banks upon the downgrading of their ratings
- *Residence 2000-1*: one of the first hybrid partially funded synthetic RMBS transactions, for Commerzbank AG
- *(private transaction)*: innovative fully synthetic CLO for a German bank

Nikolaj Larsen

Nikolaj Larsen has a proven track record in advising on various types of financing which has involved senior debt, senior mezzanine debt, junior mezzanine debt and equity capital. Key highlights of successful transactions are listed below:

AFG, Nomura

- *Nordsee*: In August 2005, Nomura International underwrote and completed the acquisition of Nordsee, a European fast food business, for €140 million, in a joint acquisition with Heiner Kamps. Nomura underwrote the entire debt financing and part of the equity.

- *Kamps Food Retail Investments (KFRI)*: In August 2005, Heiner Kamps and Nomura International along with high net worth individuals funded KFRI with equity to build a continental European food retail platform with the aim of acquiring several other companies during the next few years.
- *Earls Court & Olympia*: In May 2004, Nomura International completed the acquisition of the £245 million London exhibition complex Earls Court & Olympia from Candover, in which it led the structuring and underwrote the entire necessary debt funding (senior, senior mezzanine, junior mezzanine and working capital facilities and preferred equity) alongside St James Capital.
- *Center Parcs Europe*: In September 2003, Nomura International completed the (€440 million multi-jurisdiction sale and leaseback of seven Center Parcs Europe sites located in the Netherlands, Germany and Belgium for Pierre & Vacances, where Nomura International led the structuring and underwrote the entire balance of debt (senior, senior mezzanine and junior mezzanine facilities) and equity funding necessary to close the transaction.

Energy Group, Credit Suisse First Boston

- *Chemical Company (€11.0 billion market cap)*: During 2002, CSFB provided strategic defence advice on possible takeover scenarios on an on-going basis including strategy and valuation.
- *DSM*: In 2002, CSFB advised DSM on its divestiture of its petrochemical assets to SABIC (Saudi Arabian Basic Industrial Chemical) for €2.25 billion. The transaction aimed to transform a commodity chemical company into a specialty player and release cash for future acquisitions in the specialty chemical sector. It was the first sale in this industry to a Middle Eastern purchaser.
- *Statoil IPO*: In 2001, CSFB advised Statoil on their Initial Public Offering with an initial market capitalisation of approximately \$2.9 billion. Statoil was the largest Norwegian oil & gas company and the IPO was one of the largest in 2001 in Europe.

9. Corporate Administrator

Pursuant to the Administration Agreement, the Corporate Administrator agrees to provide services to the Group including maintenance of accounting reports, preparation of financial statements for audit purposes and liaison with auditors.

The Administration Agreement provides for the indemnification of the Corporate Administrator and its employees from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence or wilful default on its part or on the part of its employees) which may be imposed on, incurred by or asserted against the Corporate Administrator in performing its obligations or duties thereunder. The Administration Agreement may be terminated by the Company or the Corporate Administrator upon 90 days' written notice.

10. Corporate Governance

The Directors are committed to maintaining high standards of corporate governance. The Company is incorporated in Jersey. Jersey law does not contain a mandatory code of corporate governance, although Companies Law does impose statutory obligations on directors to act in good faith and with a view to the best interests of the company. The Company currently complies with applicable corporate governance requirements in Jersey.

The Directors do not consider it necessary to establish an audit committee given the nature of its board structure and operations. The Board will undertake all functions that would normally be delegated to the audit committee including reviewing annual and interim results, receiving reports from its auditors, agreeing the auditors' remuneration and assessing the effectiveness of the audit and internal control environment. Where necessary, the Board will obtain specialist external advice from either its auditors or other advisers.

The Directors do not intend to establish remuneration and nomination committees, as such committees would not be appropriate given the nature of the Company's board structure and operations. The Board will review annually the remuneration of the Directors and agree a reasonable and market standard level of non-executive fees, based upon market information sourced from appropriate external consultants. Consideration will be given by the Board as to whether the Board has the skills required to manage the Company effectively, and particularly its relationship with the Corporate Administrator. The Company will take all reasonable steps to ensure compliance by the Directors with the provisions of the AIM Rules relating to dealings in securities of the Company and has adopted a share dealing code for this purpose. The Company is also aware of the CISX Model Code for Securities transactions by directors of a listed company and will take all reasonable steps to ensure compliance by the Directors with the relevant provisions of this code.

11. Details of the Placing

The Placing comprises the issue by the Company of up to 98,588,000 Placing Shares, which will raise up to approximately €95,938,000 net of expenses payable by the Company.

The Placing Agreement is conditional upon, *inter alia*, Admission taking place on or before 8.00 a.m. on 26 July 2006 (or such later date, being not later than 8.00 a.m. on 4 August 2006 as the Company and Collins Stewart shall agree).

Under the Placing Agreement, Collins Stewart has agreed conditionally, *inter alia*, on Admission to use its reasonable endeavours to procure places for the Placing Shares at the Placing Price. The Placing Agreement contains, subject to certain limitations (including as to the amounts of claims that may be made against the Company and the Directors), indemnities from the Company and warranties and undertakings from the Company and the Directors in favour of Collins Stewart together with provisions which enable Collins Stewart to terminate the Placing Agreement in certain circumstances prior to Admission. In addition, the Company is entitled to terminate the Placing Agreement upon notice to Collins Stewart no later than 5.30 p.m. on 24 July if subscribers for 51,588,000 Shares have not been procured by Collins Stewart by that time.

Collins Stewart Fund Management Limited is the CISX Listing Sponsor for the Admission of the Shares to listing and trading on CISX.

The minimum consideration payable under the Placing by any underlying beneficial investor for the Shares is €75,000.

12. Subscription by certain of the Directors and Management Team

Pursuant to the terms of the Subscription Letters, certain of the Directors and Management Team have subscribed on a partly paid basis for, in aggregate, 2,824,000 Ordinary Shares at €0.005 per Ordinary Share, representing 2.8 per cent. of the enlarged issued share capital of the Company immediately following Admission. The Company will make a call on the holders of such Ordinary Shares to pay a further €0.495 per Ordinary Share prior to Admission. A summary of the Subscription Letters is set out in paragraph 6.9 of Part VI of this document.

13. Lock-in and Orderly Market Arrangements

Pursuant to a Lock-In Deed, Christophe Tanghe has agreed, conditionally on Admission, that he will not, subject to certain exceptions, dispose of any of his Ordinary Shares prior to the third anniversary of Admission, save that he shall be entitled to sell one-third of his Ordinary Shares subject to the Lock-In Deed following each of the first, second and third anniversaries of Admission. In the event that any further directors are appointed and subscribe for shares upon their appointment, it is expected that they will enter into a lock-in deed on similar terms.

Pursuant to Lock-In Deeds, certain members of the Management Team and support staff of ACP Capital Group have agreed, conditionally on Admission, that it/he will not, subject to certain exceptions, dispose of any of its Ordinary Shares until the first anniversary of Admission (the "Initial Period") and ACP Capital has agreed, conditionally on Admission, that it will not, subject to certain exceptions, dispose of 22,000,000 of its Ordinary Shares during the Initial Period or dispose of 10,000,000 of its Ordinary Shares after the expiry of the Initial Period but prior to the

expiry of the initial term of the Investment Management Agreement. ACP Capital and certain members of the Management Team and support staff of ACP Capital Group have further agreed, subject to certain exceptions, that for a period of one year following the Initial Period and in order to maintain an orderly market in the Shares, if it/he wishes to dispose of any of its/his Ordinary Shares subject to the lock-in, it/he will first be required to notify and consult with the Company's then nominated adviser and broker for a period of 5 business days prior to any sale.

14. Share Repurchases

The Company may conduct share repurchases in the market with a view to addressing any imbalance between the supply of and demand for its Shares, to increase the Net Asset Value per Share and to attempt to minimise any discount to Net Asset Value per Share in relation to the price at which shares may be trading. Any such repurchases will be made at the price prevailing in the market.

Written resolutions, which will take effect on Admission, have been passed granting the Company authority to make market purchases of up to 14.99 per cent. of its own issued Ordinary Shares immediately following Admission. The Company's authority to make purchases of its own issued Ordinary Shares will expire at the earlier of the date falling 18 months after the passing of the special resolution referred to above and the conclusion of the first annual general meeting of the Company. A renewal of the authority to make purchases of shares will be sought from Shareholders at each annual general meeting of the Company or, more frequently, at a general meeting of Shareholders, if required. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Directors and in accordance with the Companies Law. The timing of any purchases will be decided by the Directors.

Prospective Shareholders should note that the exercise of the Company's powers to repurchase shares is entirely discretionary and they should place no expectation or reliance on the Directors exercising that discretion on any one or more occasions.

15. Reports and Financial Statements

Annual financial statements of the Group will be made up to 31 December in each year and interim financial statements will be made up to 30 June in each year. An annual report and the audited financial statements of the Group will be sent to Shareholders as soon as practicable and in any event within seven months of the financial year end.

The Company's financial statements will be prepared in accordance with IFRS, with the interim financial statements presented and prepared in a form consistent with that which will be adopted in the annual financial statements.

16. Net Asset Value Publication and Calculations

The Company intends to publish, through a Regulatory Information Services Provider, the unaudited Net Asset Value per Ordinary Share as prepared by the Company as at each quarter end. The Company intends to publish such Net Asset Value within 30 Business Days after the quarter end and to notify the CISX of such Net Asset Value as soon as practicable after calculation.

The CISX will publish the reported Net Asset Value of the Shares on the CISX website www.cisx.com and via the Reuters network <CISXINDEX>.

The Net Asset Value of the Group will be determined by the Company by deducting the value of the liabilities of the Group from the value of the Group's assets or as required in accordance with IFRS accounting policies. The Company's assets and liabilities will be valued in accordance with IFRS accounting policies.

The Directors may, at their discretion, permit any other method of valuation to be used if they consider that method of valuation better reflects value and is in accordance with good accounting practice.

17. Further issues of Shares

There are no provisions under Jersey law equivalent to section 89 to 96 of the English Companies Act 1985 which confer pre-emption rights on existing shareholders in connection with the allotment of equity securities for cash or otherwise. However, it is the intention of the Directors that no Ordinary Shares will be issued for cash on a non-pre-emptive basis if such issue would result in a dilution to the Net Asset Value per existing Ordinary Share without obtaining prior Shareholders' consent to so doing, save as otherwise provided for in this document.

18. The City Code on Takeovers and Mergers (the "City Code")

The City Code is issued and administered by the Takeover Panel. The Company is subject to the City Code and therefore its shareholders are entitled to the protection afforded by the City Code.

Under Rule 9 of the City Code when (i) a person acquires an interest in shares which (taken together with shares in which he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code, or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of the voting rights of the company subject to the City Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Panel on Takeovers and Mergers should be consulted in advance in such cases.

ACP Capital will, on Admission, be interested in 47,000,000 Ordinary Shares, representing 47 per cent. of the issued share capital of the Company. The members of the Management Team whom are subscribing for Ordinary Shares under the Subscription Letters and Alexandra Macintosh, each by virtue of their employment by the ACP Capital Group, and Christophe Tanghe, by virtue of his being a Director, are deemed to be acting in concert (under the City Code) with ACP Capital (the "Concert Party"). The members of the Management Team whom are subscribing for Ordinary Shares under the Subscription Letters, Alexandra Macintosh and Christophe Tanghe will, on Admission, hold in aggregate 2,824,000 Ordinary Shares representing 2.82 per cent. of the issued share capital of the Company.

Accordingly, the Concert Party will hold, on Admission, in aggregate 49,824,000 Ordinary Shares representing 49.82 per cent. of the issued share capital of the Company. In addition, ACP Capital will be entitled to subscribe for a further 10,000,000 Ordinary Shares at the Placing Price at any time prior to the fifth anniversary of Admission in accordance with the terms of the ACP Capital Option Deed (details of which are set out in paragraph 6.1.8 of Part VI of this document). Should ACP Capital subscribe for all of the shares it is entitled to under the ACP Capital Option Deed, and should there be no other change in the number of shares issued by the Company, it will hold 57,000,000 Ordinary Shares, representing 51.82 per cent. of the issued share capital of the Company at that time and the Concert Party will hold 59,824,000 Ordinary Shares, representing 54.39 per cent. of the issued share capital of the Company at that time.

It is also intended that following Admission each member of the Management Team, Christophe Tanghe and Alexandra Macintosh will grant an option to ACP Capital pursuant to which ACP Capital shall be entitled, in certain circumstances, to acquire all of his or her Ordinary Shares referred to above (the "ACP Call Options").

The Takeover Panel has confirmed that the exercise of the ACP Capital Option or the exercise of the ACP Call Options will not result in ACP Capital being obliged to make a general offer to all shareholders of the Company to acquire their shares.

Shareholders should be aware that, following Admission, the Concert Party, subject to the subscription by ACP Capital for all of the Ordinary Shares it is entitled to under the ACP Capital Option Deed, will hold more than 50 per cent. of the voting rights attaching to the Company's issued share capital. Accordingly, the Concert Party, for so long as the members of the Concert

Party continue to be treated as acting in concert, may be able to increase its aggregate interests in shares without incurring any further obligation under Rule 9 of the City Code to make a general offer to all shareholders of the Company to acquire their shares. However, save for the exercise by ACP Capital of the ACP Capital Option or the ACP Call Options, individual members of the Concert Party will not be able to increase their percentage interests in shares through a Rule 9 threshold without the consent of the Takeover Panel.

19. Admission, Settlement and CREST

The Company has, through Collins Stewart, applied for its entire issued and to be issued share capital to be admitted to trading on AIM and to listing and trading on CISX. It is expected that Admission will take place and that dealings in the Ordinary Shares will commence on AIM on 26 July 2006. The Placing Shares will be placed free of expenses and will rank *pari passu* in all respects with the Ordinary Shares of the Company which will be in issue immediately prior to completion of the Placing, including the right to receive all dividends and other distributions declared, paid or made (after the date of allotment of the Ordinary Shares) in respect of the share capital of the Company.

It is expected that definitive certificates in respect of the Ordinary Shares will be despatched by first class post by 9 August 2006. In respect of uncertificated securities, it is expected that applicants' CREST stock accounts will be credited on 26 July 2006.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. CREST is a voluntary system and applicants who wish to receive and retain certificates will be able to do so. The Articles of the Company permit the holding of Ordinary Shares under the CREST system. The Company will apply for the entire issued share capital of the Company to be admitted to CREST on the date of Admission. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 26 July 2006. Accordingly, settlement of transactions in the uncertificated Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

20. Taxation

The Company intends to manage the Group's business in the most tax efficient way.

ISAs and PEPs

The Shares, subject to applicable subscription limits, will be eligible for inclusion in the stocks and shares component of an ISA provided that the ISA manager has acquired such Shares by purchase in the market. This does not include any Shares acquired in the Placing.

The Directors intend to manage the affairs of the Company so as to maintain the eligibility of the Shares for inclusion in an ISA. Investors are reminded that they cannot subscribe for both a maxi-ISA and a mini-ISA in the same tax year. Maxi-ISAs may consist of a stocks and shares component and a cash component whereas mini-ISAs may only be invested in one of these components (although one mini-ISA of each component may be subscribed for in any one tax year).

Although no new PEPs may be opened and no further subscriptions made to existing PEPs, the Shares will be qualifying investments for existing PEPs provided that the PEP manager has acquired such Shares by purchase in the market. This does not include any Shares acquired in the Placing.

UK SSAS & SIPPS

The Directors have been advised that Shares will be eligible for inclusion in a UK SSAS or a UK SIPPS, subject to the discretion of the trustees of the UK SSAS or the UK SIPPS as the case may be.

General information regarding taxation is set out in paragraph 7 of Part VI of this document. A prospective investor should consult his or her own appropriate professional advisers immediately if he or she is in any doubt as to his or her tax position.

21. Risk Factors

The Group's business is dependent on many factors and prospective investors are advised to read the whole of this document and, in particular, Part IV entitled "Risk Factors".

22. Further Information

In addition to the risk factors set out in Part IV below, the attention of prospective investors is drawn to the information contained in Parts II, III, V and VI of this document, which provide additional information on the Group, its business and the Placing.

PART II

Illustrative Returns Analysis

Illustrative Returns Analysis

Set out below is the illustrative returns analysis that has been prepared on the Principal Bases and Assumptions set out below and is given only after due and careful enquiry by the Directors.

Income Statement

<i>All figures in €m</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
Net interest income	12.0	19.8	21.7
Operating Expenses	(0.4)	(0.4)	(0.4)
Management Fee	(2.5)	(2.5)	(2.5)
Net income before incentive fee and taxes	9.2	17.0	18.9
Incentive Fee	0.0	(1.3)	(1.8)
Taxes	(0.5)	(1.1)	(1.2)
Net income after incentive fee	8.7	14.6	15.9
Dividends per Share (€)	0.06	0.09	0.12
<i>Mezzanine assets originated and held on balance sheet*</i>	<i>120.0</i>	<i>113.6</i>	<i>96.5</i>
<i>Cumulative mezzanine assets held on balance sheet*</i>	<i>119.3</i>	<i>230.5</i>	<i>303.5</i>

*Mezzanine origination assumes leverage no higher than 65 per cent. and no further ordinary shares issued.

This illustrative returns analysis is provided for illustrative purposes only and is not intended to be, nor should it be taken as, a forecast. It has been calculated using the hypothetical Principal Bases and Assumptions detailed below. Actual returns cannot be predicted with any certainty and may differ from the illustrative returns analysis set out above. The Principal Bases and Assumptions set out below are hypothetical and are used for illustrative purposes only. The Principal Bases and Assumptions are simplified versions of the factors which may affect the Company's future business, and will not necessarily occur in the future and do not necessarily reflect the detailed expectations of the Directors. For example, the Principal Bases and Assumptions include an assumption that the Company will suffer no losses nor any defaults and/or delinquencies in relation to its Assets. In addition, the illustrative returns analysis assumes that €150 million of equity funding will be raised by the Company at Admission; the actual amount invested varies from the assumed figure. The sums of figures in columns may differ from the total lines as a result of rounding.

Principal Bases and Assumptions

The illustrative returns analysis has been prepared on the following hypothetical principal bases and assumptions (the "Principal Bases and Assumptions"):

- 150 million Ordinary Shares are issued as at Admission and leverage no higher than 65 per cent. LTV on rated mezzanine assets with an initial €125 million leverage facility, which increases to €180 million in Year 3. It is assumed that no further Ordinary Shares will be issued;
- the funds available to the Group set out in (a) above are, inter alia, committed or invested in mezzanine assets and held on balance sheet as to the following investment pattern in Euro denominated assets:

Year 1:	€120 million
Year 2:	€113.6 million
Year 3:	€96.5 million

with the following characteristic:

- asset rating breakdown:
BBB assets: 3%
BB assets: 39%
B assets: 42%
Unrated assets: 16%
- asset category breakdown:
Asset backed: 54%
Non-asset backed: 46%
- Illustrative return ranges in terms of margin above the base rate used for the projections are as follows and are based on current and accrued interest:

Asset-backed investments

BBB	2.50%
BB	3.50% to 4.50%
B	4.75% to 7.00%
Unrated	7.00% to 14.00%

Non-asset backed investments

BB	2.75% to 4.50%
B	5.00% to 6.50%
Unrated	7.00% to 14.00%

- (c) the Euribor forward curve is assumed to initially start at 2.85 per cent. and gradually increase towards 3.75 per cent. at the end of the third year following Admission;
- (d) interest is earned on cash balances, each quarter, at a rate of 0.50 per cent. per annum below the relevant Euribor interest period, and interest is charged on borrowings drawn down with a margin of 1.50 per cent. per annum over the relevant Euribor interest period;
- (e) the Investment Manager's fees are charged, monthly in arrears, at an annual rate of 1.75 per cent. of the Company's Gross Shareholder Equity. In addition, the Investment Manager's performance-related fee calculated at the rate of 25.0 per cent. of the excess total return to Shareholders over a minimum rate of 2.0 per cent. per quarter has been assumed;
- (f) a dividend of 6 per cent. is paid in respect of Year 1, 9 per cent. in respect of Year 2 and a dividend of 12 per cent. per Ordinary Share is paid in respect of Year 3;
- (g) applicable income tax has been assumed on income arising from the United Kingdom and Belgium. No material changes occur during the life of the Company in relevant taxation law and practice;
- (h) no losses nor any default and/or delinquencies have been assumed;
- (i) no prepayment penalties have been assumed;
- (j) no syndication profits have been assumed;
- (k) average ongoing cash balance of €18 million to allow for payments of dividends;
- (l) no expenses from unsuccessful transactions have been assumed; and
- (m) €5.8 million of placing expenses have been assumed.

Collins Stewart has confirmed to the Company that the indicative analysis set out above and prepared in accordance with the Principal Bases and Assumptions has been made after due and careful enquiry by the Directors.

PART III

Market Overview – The European Mezzanine Market

The European market for mezzanine instruments across all asset classes has experienced significant growth over the last decade. While mezzanine instruments have been a common tool for LBO financing, mezzanine finance has also become an important source of capital for real estate acquisitions (i) as traditional first ranking mortgage providers will potentially become more reluctant to finance projects with high LTV ratios, and (ii) as a result of the growth of the CMBS and RMBS volumes which represent the largest growing component of sub-investment grade bonds across the entire ABS market. Additionally, the development and growth of the second lien loan market in Europe has resulted in this source of junior capital representing a common source of financing in current LBO capital structures.

European Mezzanine Market

Financing with mezzanine instruments was introduced to Europe from the US in the late 1980s, and has matured over the past few years, both in terms of the number of deals and their size (mezzanine loan tranches now range from the very small to several hundred million euros). The European mezzanine loan market has now shown itself capable of funding large transactions (the largest mezzanine loan completed in Europe in 2005 was £460 million¹).

The Directors would expect to see further growth in Europe driven by the implementation of Basel II by banks:

- (1) As a result of Basel II, it is expected that many banks may potentially seek either (i) to sell various sub-investment grade and residual risk positions due to the high regulatory capital requirement, or (ii) to create partnerships and/or alliances with parties able to finance and hold the sub-investment grade positions to keep them off balance-sheet. Some banks have already initiated a process to move their unrated assets off balance-sheet using the CDO/CLO technique such as the expected CLO structured by the Royal Bank of Scotland and currently being marketed, Arran Corporate Loans No1.
- (2) The Directors would expect to see more small and medium unrated companies not able to use traditional financing partners and move towards new mezzanine financing providers to support their growth. The German Mittelstand companies are a good example, with approximately 300,000 companies with a turnover between €1 million and €49 million and 8,000 companies with a turnover above €50 million². Because the majority of these companies do not have credit ratings, which leads to a high capital requirement for lending banks under Basel II, the Directors believe that these companies may find it increasingly difficult to obtain adequate debt leverage from traditional lenders and may look for new, non-bank, lenders to finance their activities.

Key European Market Outlook

Germany

The Directors believe the potential loss of the Landesbanks' state guarantees combined with the possible increase in their cost of funds and the possible transition to the Basel II capital adequacy requirements, will cause the Landesbanks to possibly review and dispose of sub-investment grade and unrated assets, and focus on their core senior debt lending business. The Directors expect that this combination may possibly create a strong flow of investment opportunity for mezzanine lenders.

Italy

The Italian mezzanine market is estimated to be worth between €250 million and €350 million annually over the next 3 years³ and is mainly driven by: (i) the overall growth in Italian private equity transactions, (ii) significant undercapitalisation of Italian companies and (iii) the anticipated reduction in availability of bank debt following Basel II minimum capital requirements.

1 As part of Gala supporting its acquisition of Coral Eurobet

2 Source: Fitch Ratings

3 Source: Directors estimate based on published research

United Kingdom

The Directors believe the outlook for the UK mezzanine market in 2006 is positive with high levels of investment activity backed up by stable market conditions and the ongoing availability of funding. In 2005, there were 14 public-to-private transactions with a total value of £7.4 billion. These public-to-private transactions are expected to continue to be an important source of investment opportunities with increasing capital committed in the UK.

Non-asset backed transactions

High Yield Bonds

The market has enjoyed three relatively strong years of issuance volume driven by increased issuance from LBO's and industrial/corporate issuers. This greater diversity of bonds for investor portfolios coupled with low default rates has created a favourable market environment for High Yield Bonds. While 2005 issuance of €26 billion was down from 2004's record volume of €29.2 billion, the Directors believe that the high yield market will continue to grow as the expected volume of LBOs continues and corporates increasingly turn to the high yield market to term out bank financing at attractive long term rates and terms.

Second Lien Loans

The Second Lien Loan market has grown with total issuance in 2005 at €5.7 billion compared to €1.9 billion in 2004⁴. The Directors believe that the Second Lien Loan market will continue to grow as this instrument is increasingly used in transactions as a source of capital which enables financial sponsors to optimise senior leverage.

CDO/CLOs

With €68.6 billion of volume in 2005 and more than 50 per cent. growth from 2004⁵, the Directors expect to see issuance volume of CDOs and CLOs to keep rising in 2006, coming from both the traditional sectors of the market (such as Leveraged Loan CLOs and balance-sheet CLOs) and also from new structures, such as hybrid transactions (which give investors tailor-made exposure to specific risks). In particular, the Directors expect that the Leveraged Loan CLO market will grow, as a number of US-based CLO managers are establishing operations in Europe to take advantage of the active European market. As of June 2006, there have been approximately €19.0 billion of CDOs issued in the market since the beginning of the year.

Asset backed transactions

Real estate

The Directors believe that opportunities for real estate mezzanine finance are currently driven by three significant factors affecting the commercial property markets. First, property valuations have increased while providers of debt financing have not always expanded their lending programs to meet the resulting demand. Thus, the Directors believe that opportunities exist to bridge the financing gap between equity and senior debt. Second, changes in banking regulation, primarily as a result of Basel II, will potentially result in banks being more focused on the products they intend to offer with a view to reducing the capital charge resulting from these assets being held on their balance sheet. Finally, the Directors believe there is significant growth to be expected from private property funds in need of more leverage to acquire real estate assets to be able to compete with newly created listed real estate and more tax-efficient vehicles as they become available throughout Europe⁶ (the French SIIC, the Dutch FBI, the Belgium SICAFI, the UK and the German REIT).

In particular, the Directors believe that there is an opportunity for investment in sale-leaseback transactions. European companies have recently been looking for ways to raise capital and are entering into such sale-leaseback transactions. The growing volume of these transactions marks a departure from a long held practice among European corporations of holding property on-balance

4 Source: Fitch Ratings

5 Source: JP Morgan Securities

6 Source: PriceWaterhouseCoopers

sheet. It is also part of a bigger transformation in the way European companies finance, lease and manage property. DTZ Research estimates that in the UK alone there could be more than €13 billion in corporate sale and leaseback activity over the next 5 years.

CMBS/RMBS

In 2005, CMBS issuance reached a new record high of more than €40 billion, which was more than double the 2004 level of more than €19 billion. The dominant source of growth was CMBS conduit programs, which accounted for 59 per cent. of total issuance⁷. These are programmes set up by commercial and investment banks with the specific intention to originate loans for securitisation. There were 17 European CMBS conduits in 2005 but their number is still growing.

The Directors believe that further substantial growth in CMBS issuance for 2006 will be driven by rising numbers of conduit programs and the fact that this is an alternative form of real estate finance for many borrowers. As a result, the Directors believe that B-note (that is, second ranking real estate mortgage loans) and sub-investment grade issuance will grow as it enables CMBS arrangers to achieve higher leverage and better pricing on the senior, or A-note. In 2005, around 23 per cent. of CMBS issuance⁷ was supported by loans that also had B-notes.

Conclusion

Overall, the Directors expect significant growth in the mezzanine market throughout Europe driven by all the aforementioned factors and across all mezzanine assets across Europe. The Directors believe there is even greater growth potential in specific countries such as Germany and Italy.

⁷ Source: PriceWaterhouseCoopers

PART IV

Risk Factors

An investment in Ordinary Shares is subject to a number of risks. Investors are referred to the risks set out below. No assurance can be given that Shareholders will realise a profit or will not avoid a loss on their investment. There can be no assurance that the Company's investment objectives will be achieved or its investment strategy implemented successfully. Investment in the Company is suitable only for persons who can bear the economic risk of a substantial or entire loss of their investment and who can accept that there may be limited liquidity in the underlying investments of the Group. The risks referred to below do not purport to be exhaustive and potential investors should review this document carefully and in its entirety and consult with their professional advisers before making an application for Ordinary Shares.

The investment described in this document may not be suitable for all those who receive this document. Before making a final decision, prospective investors in any doubt are recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 or other adviser who specialises in advising on the acquisition of shares and other securities. Prospective investors should be aware that the value of the Ordinary Shares and the income from them may decrease and that they may not realise their initial investment. In addition, the market price of the Ordinary Shares may be less than the underlying value of the Company's net assets.

General

Prospective investments

No guarantee or representation is made that the Group, ACP Capital or the Investment Manager will be successful. There is a risk that an investment in the Group will be lost entirely or in part. There can be no guarantee that the investments identified (other than the Initial Portfolio) will be available, nor that the Group, ACP Capital and the Investment Manager will be able to identify suitable investments with appropriate risk-adjusted returns in the future in which to invest. There can be no assurance that the specific trading strategies utilised by the Group, ACP Capital or the Investment Manager or the investments will produce profitable results. No assurance can be given that the techniques and strategies of the Company, ACP Capital and/or the Investment Manager or third party investment managers will be profitable in the future.

The Company's Shares will be traded on AIM

The Ordinary Shares will be traded on AIM. Investments in AIM are generally considered to be of higher risk than those traded on the Official List of the UK Listing Authority, because the regulatory regime applicable to AIM is less stringent than that for the Official List. The market for shares in smaller public companies, and those listed on AIM, may be less liquid than for larger public companies or those listed on the Official List. Investors should therefore be aware that an investment in the Company may be difficult to realise. In addition, investors must be aware that the share price of the Company, as for any publicly quoted company, may be volatile and go down as well as up.

General market risk

The Group and any of its investments may be affected by general market and economic trends which are unrelated to the performance of the Group itself.

Forward-looking statements

All statements other than statements of historical facts included in this document, including (without limitation) those regarding the Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectation in relation to dividends, returns or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expression or their negative, are forward-looking statements. Those forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance, achievement or dividends paid by the Company to be materially different from any future results, performance

or achievements or dividend payment expressed or implied by such forward-looking statements. Those forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document or reflect any change in the Company's expectations with regard to these, any new information or any change in events, or any conditions or circumstances on which any such statements are based, unless required to do so by the AIM Rules or any other regulations to which it is subject.

Litigation

The Company's investment activities are subject to the normal risks of becoming involved in litigation by third parties. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments may have to be borne by the Company. In addition, certain of the Company's strategies may be subject to claims for the return of profits or the recovery of losses on the basis of certain statutory, regulatory or administrative entitlements or prohibitions.

Risks Relating to the Business of the Company

The Group has no operating history and it is difficult to evaluate an investment in the Shares

The Company was incorporated on 31 May 2006 and as at the date of Admission will not have made any acquisitions (other than the Initial Portfolio) and will not have traded. The Company, therefore, has no operating history. It is difficult to evaluate the Group's future prospects and an investment in the Ordinary Shares due to its absence of operating history. The results of the Group's operations will depend on many factors, including the availability of opportunities for the acquisition of Assets, the level and volatility of interest rates, readily accessible short-term and long-term funding alternatives, conditions in the financial markets and general economic conditions.

The Group's income will depend on the Investment Manager and its ability successfully to implement the investment strategy and objectives of the Company

Although the Group will monitor the performance of the Investment Manager and the underlying investments, it will rely substantially on the Investment Manager's advice, expertise and experience and the accuracy of the information provided by the Investment Manager. If the Investment Manager does not operate in accordance with the Group's investment strategy or guidelines or if the information furnished by the Investment Manager is not accurate, the Group might sustain losses with respect to its investments managed by the Investment Manager. The success of the Group's investment activities will depend on the Investment Manager's ability to identify investment opportunities as well as to assess the import of news and events that may affect the financial markets. Implementation and exploitation of the investment strategy to be pursued by the Group involves a high degree of uncertainty.

The success of the Group's strategy depends largely on the benefit it may derive from the origination capabilities of ACP Capital's future Strategic Platforms and Vehicles. Until such time as the Group is able to benefit from ACP Capital's Strategic Platforms and Vehicles, its funds may not be fully invested. Some of the Group's funds may be held on cash deposit pending investment.

New strategies

Whilst the Company might develop new investment strategies in the future, any such strategies might not be thoroughly tested before being employed and might not, in any event, be successful. If the Company was to attempt to implement new strategies, the risk/reward profile of the Company could be shifted significantly towards increased levels of risk.

The Group's return on its investments is dependent on access to leverage facilities

The Group intends to utilise leverage facilities to finance a significant portion of its investments. ACP Mezzanine Asset Holdings 1 Limited has entered into a two-year leverage facility with the Royal Bank of Scotland of €125 million to finance the acquisition of rated mezzanine assets. The

Group's return on its investments may be significantly affected if such leverage facility is not extended, renewed or replaced at the end of such two-year period on similar or better terms and conditions at or prior to such maturity. The Group also intends to raise further leverage facilities in the future to facilitate the intended growth of Assets owned by the Group and to increase the portion of financing to fund the purchase of Assets under such facilities above 65 per cent. There can be no assurance that such further facilities will be made available to the Group, and if so, with similar or better terms and conditions, and that such increased leverage will be achieved. In the event that such further facilities are not obtained or increased leverage is not achieved, the Group's returns on its investments will be materially affected.

The Group may not be able to acquire Assets at favourable yields due to competition in the market or adverse market conditions

The Company's ability to generate its desired return will depend on the Investment Manager's ability to acquire Assets on behalf of the Group at a favourable spread over the Group's borrowing costs. However, some of the Group's competitors may have greater financial resources, and the Group may not be able to compete successfully for investments.

Additionally, the general availability of Assets may be adversely impacted by a downturn in the issuance of such Assets as a result of adverse markets and other conditions.

The use of financial leverage by the Group may adversely affect the Group's return on its investments and may reduce the amount of cash available for distribution to shareholders

It is the Directors' intention that the Investment Manager should use leverage on behalf of the Group on the Group's Portfolio through borrowings, generally through the use of bank credit facilities, repurchase agreements, mortgage loans, securitisations, including the issuance of CDOs, and other borrowings to maximise the Shareholders' return.

The Directors expect that the application of leverage to highly subordinated investments will significantly increase the adverse impact caused by defaults in the Portfolio. As the Group's earnings are expected to come from the difference between income received and interest expense, the Group's return on investments and cash available for distribution to holders of the Ordinary Shares may be reduced to the extent that its interest expense increases in the event of a general rise in interest rates.

Due to its intended financial leverage and its reliance upon income from its Assets to service these borrowings, the Group may not be able to meet its debt service obligations, and, to the extent that it cannot, it will risk the loss of some or all of its assets to foreclosure or sale to satisfy its debt obligations.

The Group's ability to use leverage to acquire Assets will be subject to a number of conditions, such as the credit-rating of the such Assets. In the event that the Company acquires an Asset which subsequently ceases to comply with the Group's leverage conditions, such Asset would become ineligible for leverage and this may result in a decrease in the Company's returns.

The Investment Manager may use repurchase agreements on behalf of the Group to finance its investments on a short term basis. A decrease in the value of an Asset due to a default for example, could lead to margin calls which will have to be satisfied. Such margin calls may have the effect of reducing the value of the overall value of the Shareholders' investment in the Company. In the case that the Group does not have the necessary funds to satisfy such margin calls, this would result in foreclosure by the lenders on the Assets.

In certain circumstances, the use of leverage may lead to a complete loss of the value of Shareholders' investment in the Company.

The Structure of the financing agreements could lead to a forced sale of Assets

It is the Directors' intention that the Investment Manager should arrange for the Group to enter into loans, repurchase and other financing agreements to finance the acquisition of Assets and potentially enhance returns for the Shareholders. However, such agreements may contain specific

clauses requiring the Group, amongst other things, to maintain certain financial ratios. Should the Group breach these financial covenants, the Group may be required to repay immediately in whole or in part the relevant facilities together with any costs pertaining to the default and may be forced to dispose of Assets to comply with the relevant agreements. Additionally, such breach may force a sale of Assets at an inopportune time, leading to further losses and a further requirement for Asset Sales. In certain circumstances, breaches of covenant may prevent the Company from distributing any dividends to its Shareholders.

The Group's financing agreements may also contain cross-default provisions that could also magnify the effect of an individual default and trigger defaults under other financing arrangements. If such a provision was to be exercised, it could result in significant losses for the Group.

Legal and regulatory risk

The Company and the investments it makes will be subject to various regulatory regimes and legal requirements, including tax, pensions and securities laws in various jurisdictions. If those laws or regulations change, the Company and the Shareholders may be adversely affected.

Changes in tax treatment or their interpretation could affect investments using SPVs

It is the Directors' intention to use SPVs to acquire and hold investments. The Directors intend where possible to structure such SPVs to be substantially exempt from or neutral to income tax in the relevant jurisdiction of incorporation and conduct their affairs so as not to be subject to, or subject to minimal, income tax in the jurisdictions in which they operate. Further the Directors intend where possible to generally structure the SPVs so that they are not subject to withhold taxes on distributions made by, or on realisations of, the Assets.

However, tax laws may change or be subject to differing interpretations, possibly with retroactive effect, so that the tax consequences of a particular investment or structure may change after the investment has been made or the structure has been established with the result that investments held may be subject to withholding tax or the SPVs may need to be unwound or restructured, in each case resulting in the Group's returns being reduced. The Group and the SPVs will be subject to such risk both in the jurisdiction of their respective incorporation and in each jurisdiction of their respective operations.

Many of the Group's Assets will be subordinated securities

A significant portion of the Group's investments will consist of limited recourse securities that are subordinated in right of payment and ranked junior to other securities that are secured by or represent ownership in the same pool of assets. In the event of a default and the exhaustion of any equity support together with any classes of securities junior to which the Group invests, the Group may not be able to entirely recover its original investment in such subordinated debt instruments. Moreover, if the underlying asset has been initially overvalued, this will further magnify the loss potential of the Group's investment.

In addition, certain of the Group's investments may have structural features that divert payments of interest and/or principal to more senior classes when certain thresholds of delinquency or loss experience of the pool are reached. As a result of these features, subordinated securities have a higher risk of loss as a result of delinquencies or losses on the underlying assets.

Subordinated securities may not always have the right to call a default, vote on remedies following a default or may have to accept long standstill periods. This will lead, as a result, to a minimum time period elapsing before the Group would be in a position to declare a default on the relevant investment and to take appropriate measures.

Underwriting/Syndication strategy

The Group, as a result of its ability to underwrite up to €75 million in Assets at any one time with a view to syndication to its final hold position, may be exposed to greater concentration risks in the short term than is anticipated on a stabilised basis. Furthermore, the Group is dependent on the Investment Manager's ability to syndicate such positions on a profitable basis.

Initial growth phase of the Group

The Group, during at least the first year of operations, while the Portfolio is being built up, may have greater exposure by asset type, rating or geographic exposure than is intended on a stabilised basis.

Defaults on investments or underlying assets may have a negative impact on the value of the Group's portfolio and cash flows received

A default on an investment will reduce the value of the investment and, consequently, the value of the Group's portfolio. To the extent that actual defaults exceed the level of defaults factored into the purchase price of the relevant investment by the Investment Manager, the value of the anticipated return from the investment will be reduced. The more deeply subordinated the position in which the Group invests, the greater the risk of loss. While the Investment Manager takes into account estimated levels of default when determining the prices for investments and the values at which those investments are carried in its books, any defaults in excess of expectations will have a negative impact on the value of the Group's investments, will reduce the cash flows that the Group receives from its investments and could adversely impact the Company's ability to pay dividends.

The Company may be exposed to counterparty risk

The Company may enter into financing transactions (including transactions in over the counter markets) and hold investments (including synthetic securities) which would expose the Company to the credit risk of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of such a counterparty, the Company could experience delays in liquidating its position and significant losses, including the loss of that part of the Company's portfolio financed through such a transaction, declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

The performance of many of the Group's investments may depend to a significant extent upon the performance of the servicers of the underlying asset portfolio

In some cases, the Group will not control the portfolios of assets underlying an investment in which it invests, such as in an ABS, CMBS or RMBS transaction, and will rely on the servicers of the transaction to administer and review the portfolios. Particularly in the case of deeply subordinated positions, the actions of the servicer, including its ability to identify and report on issues affecting the portfolio on a timely basis, may affect the Company's return on its investments, in some cases significantly. In addition, concentration of a significant number of the Group's investments with one servicer could affect the Company adversely in the event that the servicer fails to fulfil its function effectively or at all. In the event of fraud by any entity in which the Group invests or by other parties involved with the entity, such as servicers or cash managers, the Group may suffer a partial or total loss of the amounts invested in that entity.

The Group may be subject to liability following the disposal of investments

While the Group intends to hold the majority of its investments to maturity, the Group may dispose of investments in some circumstances and may be required to give representations and warranties about those investments and to pay damages to the extent that any such representation or warranties turn out to be inaccurate. The Group may become involved in disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result of such disputes or litigation. If the Group does not have cash available to conduct such litigation or make such payments it may be required to borrow funds. Any such payments and borrowings to finance those payments could have an adverse impact on the Group's ability to pay dividends. In addition, if the Group is unable to borrow funds to make such payments, it may be forced to sell investments to obtain funds. There can be no assurance that any such sales could be effected on satisfactory terms.

A decline in the value or credit profile of the Group's investments may result in margin calls being made on the Group

A decline in the value or credit profile of the investments contained in the Group's investment

portfolio may result in the Group's lenders initiating margin calls. If a lender initiates a margin call the Group may be required to pledge additional collateral to re-establish the ratio of the value of the collateral to the amount of the borrowing. Although the Group intends generally to invest primarily in floating rate securities and funds itself primarily through floating rate borrowings and other financings, it may to a lesser extent invest in fixed rate securities. Fixed-rate securities are generally more susceptible to margin calls than floating rate securities as increases in interest rates tend more negatively to affect the market value of fixed-rate securities. If the Group is unable to satisfy margin calls in relation to its secured borrowings and repurchase agreements, the Group's lenders may foreclose on the Group's collateral. This could, under adverse market conditions, force the sale of securities in the Group's investment portfolio, possibly at reduced prices. There can be no assurance that in those circumstances, the Group or such lender would be able to sell any such assets at their market value.

Distressed and high yield securities

The Company may invest in mezzanine of issuers in weak financial condition, experiencing poor operating results, needing substantial capital investment, perhaps having negative net worth, facing special competitive or product obsolescence problems or involved in or potentially facing bankruptcy or reorganisation proceedings. Investments of this type may involve substantial financial and business risks that can result in significant or even total losses. Among the risks inherent in investments in financially troubled issuers is the fact that it is frequently difficult to obtain reliable information as to their true financial condition. The market prices of distressed and high yield securities are subject to abrupt and erratic market movements and excessive price volatility. The spread between the bid and ask prices of such securities may be abnormally large, and the markets for such securities illiquid.

Concentration in any one industry, region, asset class, rating category or country may increase risk of defaults on debt obligations

Whilst the Directors have instructed the Investment Manager to pursue an investment strategy of diversifying the Group's portfolio in the manner described in Part I of this document, the risk that payments on the Group's investments could be adversely affected by defaults on debt obligations is likely to be increased to the extent that the Portfolio is concentrated in any one industry, region, asset class, rating category or country as a result of the increased potential for correlated defaults in respect of a single industry, region, asset class, rating category or country to arise from downturns relating generally to such industry, region, asset class, rating category or country.

The investments which the Group intends to acquire are generally illiquid

The investments which the Directors intend that the Group should acquire are generally illiquid. Such illiquidity may affect the Investment Manager's ability to vary the Group's portfolio in a timely manner and/or receive a fair price or sell such investment in response to changes in economic, real estate market or other conditions.

This could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the market value of the Ordinary Shares or on the Company's ability to make distributions to Shareholders.

Fluctuations and changes in interest rates may cause losses

In the event of a significant rise in interest rates and/or an economic downturn, defaults on the Group's investments may increase and result in credit losses that may be expected to affect the Group's liquidity and operating results adversely. Interest rates are highly sensitive to many factors outside of the Group's control, including governmental monetary and tax policies, domestic and international economic and political conditions, and other factors.

Hedging transactions may limit gains or result in losses

The Company may instruct the Investment Manager to use derivatives transactions (including forwards, futures, swaps and options) where it deems it appropriate to reduce the Group's exposure to interest rate and currency fluctuation for the purposes of efficient portfolio management. The Investment Manager may also use Credit Default Swaps to hedge the Group's

portfolio against adverse market volatility. Hedging strategies have certain risks, including the risk that losses on a hedge position will reduce the cash available for distribution to shareholders and that such losses may exceed the amount invested in such instruments. A hedge may not be effective in eliminating all of the risks inherent in any particular position. The Group will also be exposed to the credit risk of the relevant counterparty with respect to relevant payments under derivative instruments.

Unsuccessful transaction costs

There is a risk that the Group may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include expenses incurred in relation to public offers and in dealing with transaction documentation and legal, accounting and environmental due diligence.

Insolvency of debtors under investments may prevent payment in full or on time

The insolvency of any debtor in respect of an Asset may affect its ability to use its funds to make payments in full or on time. Investments made by the Group may be subject to various laws for the protection of creditors in the jurisdiction of incorporation of the debtor and, if different, the jurisdiction from which the debtor conducts its business and in which it holds its assets, which may adversely affect such debtor's ability to make payments on time on a full or timely basis. These insolvency considerations will differ depending on the country in which the debtor or its assets are located and may differ depending on the legal status of the debtor.

The ability of the Group to reinvest proceeds may be restricted

The Investment Manager may dispose of, or receive prepayments of capital on, certain of the Group's investments and reinvest the proceeds thereof in substitute investments subject to compliance with the Group's investment guidelines and certain other conditions. The earnings with respect to such substitute investments will depend, among other factors, on reinvestment rates available at the time and on the availability of investments satisfying the investment guidelines and otherwise acceptable to the Investment Manager. The need to satisfy such guidelines and identify acceptable investments may require the Investment Manager to purchase substitute investments on behalf of the Group with a lower yield than those initially acquired or require that the sale proceeds be maintained temporarily in cash which may reduce the yield.

Asset valuation is inherently subjective and uncertain

The valuation of Assets is inherently subjective due to the individual nature of each Asset, the debtor or debtors responsible for making payment in respect of such Asset, and the security interests of any other lenders. As a result, valuations are subject to uncertainty. There is no assurance that any Asset will produce returns sufficient to justify the costs incurred by the Group to acquire such Assets.

Risks Relating to the Company

The Company's ability to pay dividends will depend on it receiving sufficient earnings from underlying investments as well as certain legal and regulatory restrictions

The level of dividends, if any, paid on the Ordinary Shares is not guaranteed and may fluctuate. The income derived from Ordinary Shares (if any) can go down as well as up. If under Jersey law there were to be a change to the basis on which dividends could be paid by Jersey companies, or if there are changes to accounting standards or to the interpretation of accounting standards, this could have an adverse effect on the Company's ability to pay dividends.

The Company currently intends to pay dividends semi-annually to the Shareholders out of investment income, but it has no obligation to do so and there can be no assurances that the Company will be able to pay dividends in the future. All dividends or other distributions will be made at the discretion of the Directors and will depend on the Company's earnings, financial condition, and such other factors as the Directors may deem relevant from time to time.

United Kingdom Taxation

The Directors intend that the Group will continue to be managed and controlled in such a way that it should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment, the Company will not be subject to United Kingdom income tax or corporation tax on its profits other than on any United Kingdom source income.

The Company intends that it shall never become tax resident in the UK. To achieve this the management and control of the Company must be exercised outside the UK. The management and control is exercised in the place where the Directors' functions are carried out even if those functions are not, in fact, carried out by the Directors themselves. So long as these functions are carried out outside the UK then the Company will not be UK tax resident. In practice, the location of the meetings of the Company's board, the residence of the individual Directors and the place where director-level decisions are taken are important factors in determining where the Company's management and control is exercised.

An adverse change in the Company's tax status or applicable tax legislation could have a negative effect on the Company's financial condition or prospects.

Any change in the Company's tax status or in taxation legislation in Jersey or any other tax jurisdiction affecting the Company could affect the value of the investments held by the Company or affect the Company's ability to achieve its investment objective or alter the post-tax returns to Shareholders. Any such change could adversely affect the net amount of any dividends payable to Shareholders.

In addition, if the Company were treated as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax on a net basis.

Foreign investment risk and currency rate exposure

The Group may invest in Assets denominated in currencies other than Euro. The value of such investments may therefore be affected by fluctuations in foreign exchange rates.

Future Share issues will not require the consent of existing ordinary Shareholders and lower the price of the Shares

The Directors may wish to raise further funds through further equity issues, and this will dilute a Shareholder's existing shareholding in the Company. The Company is not required under Jersey law nor under its Articles to offer any new Ordinary Shares to existing Shareholders on a pre-emptive basis. Therefore, participation in such future issues of Ordinary Shares may not be offered to existing Shareholders, which may dilute the existing Shareholder's interests in the Company. In addition, the issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline. However, the Company does not propose to issue any additional Ordinary Shares following Admission without first offering them to existing Shareholders on a pre-emptive basis where the proposed subscription price for the additional Ordinary Shares is materially less than the Net Asset Value of the Company when calculated on a per share basis.

Risks Relating to the Investment Manager and ACP Capital

Conflicts of interest and the role of the Investment Manager and ACP Capital

The Investment Manager may manage other Vehicles besides the Company that may lead to conflicts of interest. The Investment Management Agreement provides that the Investment Manager will not manage any other company or Vehicle that primarily specialises in providing and/or investing in Mezzanine assets (other than Mezzanine assets which represent senior debt instruments). The Investment Manager is not otherwise limited or restricted from engaging in any business or managing any other Vehicle.

Certain investments appropriate for the Company may also be appropriate for one or more of these other Vehicles managed by the Investment Manager or managed or owned (in whole or in part) by ACP Capital. Where an investment in a Mezzanine asset (other than a Mezzanine asset which represents senior debt instruments, such as CLOs) is deemed to be suitable for the Company and any other Vehicle managed by the Investment Manager or managed or owned (in whole or in part) by ACP Capital, the Investment Manager will use best efforts to allocate such asset to the Company in priority any other Vehicle, subject to the Company's ability successfully to acquire such asset. However, in the case of investments which are not Mezzanine assets, or investments which represent senior debt instruments (such as CLOs), the Investment Manager may decide to allocate such investment to another Vehicle rather than to the Company.

The liability of the Investment Manager to the Company in respect of the Investment Manager's default is limited to circumstances in which the Investment Manager has been negligent, in wilful default of its obligations or fraudulent.

Additionally, the ability of the Investment Manager and the ACP Capital Group's officers and employees to engage in other business activities will reduce the time the Investment Manager spends managing the Company.

The Investment Manager may be involved in other financial, investment or professional activities which may, on occasions, give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management advice or other services to debtors of the Company. It is possible that there may be conflicts of interest in the integrated approach to Strategic Platforms and Vehicles between investments held by the Investment Manager or its managed funds in different securities of the same entity.

The Investment Manager's compensation structure may encourage the Investment Manager to invest in high-risk investments

In addition to its management fee, the Investment Manager is entitled under the Investment Management Agreement to receive a performance related fee based upon the Company's net income. In evaluating investments and other management strategies, the opportunity to earn a performance related fee based on net income may lead the Investment Manager to place undue emphasis on the maximization of net income at the expense of other criteria, such as preservation of capital, in order to achieve higher performance related fees. Investments with higher yield potential are generally riskier or more speculative.

The Group is dependent on key personnel and Directors of both the Group and the Investment Manager

The Group's performance is highly dependant on the ability of the Investment Manger and its key personnel (including Derek Vago) to select appropriate investments and to manage the Portfolio. If any one of them (or more) ceased to provide his services to the Company and/or the Investment Manager, the business may be affected. Specifically, if Derek Vago ceased to provide his services for whatever reason to the Company and/or the Investment Manager, the business will be affected.

The compensation of the personnel providing services to the Investment Manager contains significant performance related elements. Poor performance by the Company or other of the Investment Manager's funds may make it difficult for the ACP Capital Group to retain staff.

In common with most investment managers, the compensation of ACP Capital Group's personnel who provide services to the Investment Manager contains significant performance-related elements which are funded by performance-related fees payable to the Investment Manager by its funds in respect of strong performance. Poor performance by any of the Investment Manager's funds, including the Company, may reduce the amount available to pay performance-related compensation to the relevant personnel in the ACP Capital Group, which may result in those persons obtaining other employment. In that case, poor performance of the funds may be further compounded by ACP Capital Group staff departures. In addition, as the performance-related compensation of the ACP Capital Group's personnel will depend on the performance of more than one fund and not just the Company, poor performance of one fund could adversely impact another, better performing, fund if it led to the departure of ACP Capital Group's personnel.

The past performance of key executives cannot guarantee future performance of the Group

The past performance of Derek Vago, the Directors and the Management Team is not a guarantee of future performance by the Group or the Investment Manager.

The Investment Management Agreement may be difficult and costly to terminate

Termination of the Investment Management Agreement may be costly and difficult. The term of the Investment Management Agreement is for an initial term of three years which may thereafter be terminated by the Company on not less than 24 months' notice (see section 6.1 of Part VI for further details). The Company will however be able to terminate with immediate effect after the initial three year period by paying a termination fee to the Investment Manager equal to twice the four most recent quarterly performance-related and management fees paid to the Investment Manager by the Company. These provisions may increase the effective cost to the Company of terminating the Investment Management Agreement.

Broad investment guidelines provide the Investment Manager with a wide range of potential investments each of which the Directors will not specifically review

The Investment Manager is authorised to follow very broad investment guidelines. The Directors will periodically review the Company's investment guidelines and the Company's investments. However, the Directors do not review each proposed investment. Transactions entered into by the Investment Manager may be difficult or impossible to unwind by the time they are reviewed by the Directors.

The foregoing risk factors describe the risks which the Directors currently consider to be material but are not the only risks relating to the Company or an investment in the Company. There may be additional risks that the Company does not currently consider to be material or of which the Company is not aware.

PART V

Accountants' Report on the Company



The Directors
ACP Mezzanine Limited
Ordnance House
31 Pier Road
St Helier JE4 8PW

The Directors
Collins Stewart Limited
9th Floor
88 Wood Street
London EC2V 7QR

20 July 2006

Dear Sirs

ACP MEZZANINE LIMITED (the "Company")

Introduction

We report on the financial information relating to the Company, as set out below, prepared for inclusion in the Admission Document dated 20 July 2006 of the Company (the "Admission Document") relating to the admission of the Company's share capital to trading on AIM, a market operated by London Stock Exchange plc and admission to the Daily Official List of the Channel Islands Stock Exchange, LBG. This financial information has been prepared for inclusion in the Admission Document and is based on the transactions of the company from incorporation on 31 May 2006 to 20 July 2006. This report is required by paragraph a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that requirement and no other purpose.

Responsibility

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards ("IFRS"). It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

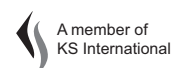
Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed. We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

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David Goodridge Keith Halstead Cliff Ireton Andrew Shaw Paul Samrah Geraint Howells Graham Morgan David Benton Christopher Hughes Jonathan Sutcliffe Jonathan Seymour
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Registered in England and Wales as a Limited Liability Partnership: No. OC317343 Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD



Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document dated 20 July 2006 a true and fair view of the state of affairs of the Company as at the date stated in accordance with IFRS.

Financial information

The Company was incorporated on 31 May 2006. The Company has not completed its first accounting period. No statutory financial statements have been prepared, audited or filed since its incorporation.

On 31 May 2006, consent was granted by the Jersey Financial Services Commission for the company to issue an unlimited number of no par value shares.

On Incorporation, the Company issued 1 Share of no par value to Carey Olsen Nominees Jersey Ltd and 1 Share of no par value to Carey Olsen Corporate Services Jersey Ltd at a price of €0.50 per Share.

Both of the shares in issue at that date were transferred to Rakison Services Ltd at a price of €0.50 per Share pursuant to transfers dated 14 June 2006.

On 15 June 2006, 2,823,998 Ordinary Shares of no par value were issued in aggregate to Rakison Services Ltd, Alexandra Macintosh, Eric Youngblood, Nikolaj Larsen, Stefan Fallgren, Jeff Bennett and Christophe Tanghe at a price of €0.50 per share.

As at today's date, the Company has carried out no trading.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM admission document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM admission document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

KINGSTON SMITH LLP

PART VI

Additional Information

The information in this section includes a summary of some of the provisions of the Memorandum of Association and the Articles and material contracts described below and is provided subject to the general provisions of each of such documents.

1. Responsibility

To the best of the knowledge of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and there is no information the omission of which is likely to affect the import of such information. The Directors, whose names, functions and business addresses are set out on page 4 of this document, accept responsibility, individually and collectively, for the information contained in this document.

2. Company and its subsidiaries

The Company was incorporated with limited liability in Jersey on 31 May 2006 as a closed-ended no par value investment company under the Companies Law with registered number 93614. The legal name and commercial name of the Company is “ACP Mezzanine Limited”. The registered office of the Company is at Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, Channel Islands. The Company is domiciled in Jersey. The address of the Company’s principal place of business is Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, and its telephone number is +44 (0) 1534 825 200.

The Directors confirm that the Company has not traded and no accounts of the Company been made up since its incorporation on 31 May 2006. The Company’s accounting period will terminate on 31 December of each year, with the first year ending on 31 December 2006.

Save for its entry into the material contracts listed in paragraph 6 of this Part VI and certain other non-material contracts, since its incorporation the Company has not carried on business nor incurred borrowings. Changes in the authorised and issued share capital of the Company since incorporation appear in paragraph 3 below.

Kingston Smith has been the only auditor of the Company since its incorporation. The annual report and accounts will be prepared according to IFRS.

Upon Admission, pursuant to the terms of the Initial Portfolio Acquisition Agreement, the Company will acquire the entire issued share capital of ACP Mezzanine Asset Holdings 1 Limited and ACP Mezzanine Asset Holdings 2 Limited (the “Subsidiaries”). Each of the Subsidiaries was incorporated with limited liability in Jersey on 5 June 2006 as no par value private companies under the Companies Law under registered number 93660 and 93661 respectively. Upon Admission the Company will hold the entire issued share capital, and control all voting rights, of each of the Subsidiaries. Neither of the Subsidiaries has traded since incorporation, other than by virtue of acquiring the Initial Portfolio from ACP Capital as further described in paragraph 4 of Part I and, in the case of ACP Mezzanine Asset Holdings 1 Limited, by virtue of entering into a leverage facility with the Royal Bank of Scotland plc. The registered office of each of the Subsidiaries is at Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, Channel Islands. Each of the subsidiaries will conduct business as the holder of mezzanine assets and other investments.

3. Share Capital

There is no limit on the number of Shares that may be issued by the Company.

The issued share capital of the Company as at the date of this document is 2,824,000 Ordinary Shares.

On the assumption that all of the Ordinary Shares available under the Placing are fully taken up, the anticipated issued share capital of the Company will be 101,412,000 Ordinary Shares at Admission.

Pursuant to the terms of the Subscription Letters and a resolution of the Directors passed on 15 June 2006, 2,824,000 Ordinary Shares were issued on a partly paid basis to certain Directors and key personnel within the Investment Manager. All such shares will be fully paid up by Admission.

Subject to the exceptions set out in the section “Transfer of Shares” in paragraph 4 below, Ordinary Shares are freely transferable and Shareholders are entitled to participate (in accordance with their rights specified in the Articles) in the assets of the Company attributable to their Shares in a winding up of the Company or a winding up of the business of the Company.

Save as disclosed in this paragraph 3, since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital. Save as disclosed in paragraph 6 of this Part VI or elsewhere in this document, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

All of the Shares will be in registered form and eligible for settlement in CREST. Temporary documents of title will not be issued.

4. Memorandum and Articles of Association

Memorandum of Association

In accordance with the Companies Law, the Memorandum of Association of the Company does not contain an objects clause. The Company intends to carry on the business of an investment holding and management company and may issue an unlimited number of shares.

Articles of Association

Unissued Shares are at the disposal of the Directors who may offer, allot, grant option over or otherwise dispose of them to such persons and on such terms as they may decide. The Articles contain no pre-emption rights upon the Issue of Shares, and no such rights are authorised under Jersey law.

The Articles contain (among others) provisions to the following effect:

Voting

The Ordinary Shares carry the following voting rights at any general meeting:

- (i) on a show of hands every member who is present in person and every person present who is the duly authorised representative of one or more corporations shall have one vote; and
- (ii) on a poll every member who is present in person or by proxy has one vote for every share of which he is the holder.

Unless the Board decides otherwise, a member is not entitled to vote if any calls or other monies due in respect of his shares remain unpaid and a shareholder may be disenfranchised where he, or a person appearing to be interested in shares fails to comply with a notice from the Company requiring him to indicate the capacity in which he holds such shares or any interest in them.

Dividends and distributions

Dividends may be declared by ordinary resolution but shall in no event exceed the amount recommended by the Directors.

Subject to the rights of persons (if any) entitled to shares with special dividend rights, all dividends will be paid according to the amounts paid up (otherwise than in advance of calls) on the nominal value of the shares on which the dividend is paid.

The Directors may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company. If any member shall be in default in supplying to the Company any information required by any notice given pursuant to Article 44 of the Articles, the

Directors, provided the relevant shares represent at least 0.25 per cent of the issued shares of their class at the date of the notice, may by notice to such member direct that any dividend (or any part thereof) or other monies payable on such shares (except on a winding up of the Company) shall be retained by the Company which shall have no obligation to pay interest and that any right to receive any additional shares in the Company in lieu of any dividends in accordance with the articles shall be of no effect.

On a winding up of the Company, the Company's assets available for distribution shall be divided among the members in proportion to the amounts of capital paid up or credited as paid up on the shares held by them, subject to the terms of issue of or rights attached to any shares.

Unclaimed dividends

Any dividends unclaimed may be used for the benefit of the Company until claimed. Any dividend which is still unclaimed twelve years after having become due for payment shall be forfeited and shall revert to the Company.

Untraced shareholders

The Company may sell any shares in the Company of a member who is untraceable if, during a period of twelve years:

- (i) no cheque order or warrant addressed to the member or the person entitled to such shares by transmission has been cashed;
- (ii) no communication has been received from such member or any person entitled to the shares by transmission;
- (iii) the Company has paid at least three cash dividends (whether interim or final) and no such dividend has been claimed; and
- (iv) the Company gives notice to the London Stock Exchange and in both a national newspaper and a newspaper circulating in the area where the member's last known address is located of its intention to sell.

Variation of rights

If at any time the capital of the Company is divided into different classes of shares, all or any of the rights or privileges attached to any class of share may be varied or abrogated in such manner (if any) as may be provided by such rights, or, in the absence of any such provision, with the consent in writing of the holders of two thirds of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Alteration of capital

The Company may by special resolution alter its memorandum of association:

- (i) to increase or reduce the number of shares that it is authorised to issue;
- (ii) to consolidate all or any of its shares (whether issued or not) into fewer shares; or
- (ii) to divide all or any of its shares (whether issued or not) into more shares

and may by the resolution decide that one or more of the shares resulting from any such division or sub-division may have any preference or other advantages as compared with the others or may be made subject to restrictions as compared with the others.

Allotment of shares

Unissued shares are at the disposal of the Directors, who may offer, allot, grant options over, or otherwise dispose of them to such persons and on such terms as they may decide. Shares may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, if the Company has not so determined, as the Directors may determine).

Transfer of shares

All transfers of certificated shares shall be effected by instrument in writing, in any usual or common form or in any other form acceptable to the Directors and shall be signed by or on behalf of

the transferor and, if the share is partly paid, by the transferee. Uncertificated shares may be transferred in accordance with the Uncertificated Securities Order and the facilities and requirements of the relevant scheme concerned. The Directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of a share:

- (i) to more than four joint holders;
- (ii) where the share is not fully paid, provided that such action does not prevent dealings in the shares from taking place on an open and proper basis;
- (iii) on which the Company has a lien;
- (iv) which is in respect of more than one class of share;
- (v) which has not been duly stamped (if so required by law); and
- (vi) which has not been delivered for registration or is not supported by evidence of transfer of title.

In respect of shares held in certificated form (and in respect of shares held in uncertificated form to the extent compatible with the CREST Regulations), the Board may refuse to register any transfer of shares, or may require the transfer of shares owned or which appear to be owned directly by any person who, by virtue of his holding, may in the opinion of the Directors give rise to a breach of any applicable law or requirement in any jurisdiction or may cause or be likely to cause the Company or shareholders of the Company some legal, pecuniary or material disadvantage or cause or be likely to cause the assets of the Company to be considered “plan assets” within the meaning of the regulations adopted under the United States Employee Retirement Income Security Act of 1974, as amended, or which holding would or might result in the Company being required to register or qualify under the United States Investment Company Act of 1940 or other US law or if the Directors consider that the continued investment by such shareholder would contravene the criteria for eligibility for investing in the Company determined by Directors from time to time.

Disclosure of interest in shares

Under the Articles, a Shareholder is required to notify the Company when he acquires an interest in, or ceases to have an interest in, shares equal to 3 per cent. or more of the Company’s share capital. A further obligation for Shareholders to notify the Company will arise, once this threshold is reached, for each transaction that either increases or decreases Shareholders’ interests in the Company through a whole percentage point.

Takeover Offers and Minority Shareholders

The Companies Law contains provisions enabling an offeror under a takeover offer (being broadly on offer to acquire all the shares of a company on terms which are the same in relation to all the shares to which the offer relates) compulsory to acquire the shares of minority shareholders once the offeror has acquired or contracted to acquire not less than 9/10ths in number of the shares to which the offer relates. Corresponding rights are conferred on minority shareholders to require an offeror to buy out the minority shareholders once the offeror has acquired or contracted to acquire not less than 9/10ths in number of the shares to which the offer relates. Takeovers of listed Jersey companies are subject to the City Code of Takeovers and Mergers.

Directors

- (i) Unless otherwise determined by ordinary resolution, the number of the Directors shall not be less than two.
- (ii) A majority of the Directors shall not be resident in the United Kingdom for United Kingdom domestic taxation purposes. Meetings of Directors shall only be held in a jurisdiction such that their meeting will not constitute a place of business in that jurisdiction other than Jersey.
- (iii) Each of the Directors is entitled to receive, by way of ordinary remuneration for his services in each year, such sum as the Board may determine, provided that such fees shall not exceed in aggregate £150,000 per annum or such larger amount as the Company may by ordinary

resolution decide. The Directors are also entitled to be repaid all travelling, hotel and other expenses necessarily incurred by them in or about the performance of their duties as Directors. The Board may also grant additional special remuneration to any Director who, being called upon, performs any special duties outside his ordinary duties as a Director.

- (iv) A Director shall not be disqualified from his office by contracting with the Company, nor is any contract or arrangement entered into on behalf of the Company in which any Director is in any way interested liable to be avoided, nor is any Director so contracting or being so interested liable to account to the Company for the profit realised thereby, but the nature of his interest must be declared by the Director at a meeting of the Company Board.
- (v) A Director shall (in the absence of a material interest other than those indicated below) be entitled to vote (and be counted in a quorum) in respect of any resolution concerning any of the following matters:
 - (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (c) any proposal concerning an offer of shares or debentures or other securities in or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - (d) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of a beneficial interest in one per cent or more of any class of share capital of such company or of the voting rights available to the members of the relevant company;
 - (e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefit scheme which is approved by or subject to the approval of the Inland Revenue or relating to any arrangement for the benefit of employees generally which does not accord to him as a Director any privilege or advantage not generally accorded; or
 - (f) any proposal concerning the purchase and/or maintenance of an insurance policy under which a Director may benefit.
- (vi) There is no requirement for Directors to hold qualification shares.
- (vii) The articles do not specify any age limit for Directors, who may remain in office when they are over 70. However, any Director who reaches the age of 70 shall retire and, if willing to act, must seek re-appointment at each subsequent annual general meeting.

General meetings

The Company shall hold an annual general meeting within 15 months of the last annual general meeting of the Company. All general meetings other than annual general meetings shall be called extraordinary general meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit and Shareholders may convene an extraordinary general meeting in accordance with the Companies Law.

An annual general meeting, and an extraordinary general meeting convened for the passing of a special resolution or a resolution of which special notice has to be given, shall be convened by at least 21 clear days' notice. All other extraordinary general meetings shall be convened by at least 14 clear days' notice.

The notice shall specify the place, day and time of the meeting together with the general nature of the business to be transacted at the meeting. The notice may also specify the time by which a person must be entered on the Register of Members in order for such a person to have the right to attend and vote at the meeting. No business shall be transacted at a general meeting unless at least two Shareholders entitled to attend and vote are present in person or by proxy.

Powers of borrowing and mortgaging

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and assets and uncalled capital, and to issue debentures and other securities.

5. Directors' and Other Interests

5.1 The interests of each Director, including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, such Director whether or not held through another party, in the share capital of the Company, together with any options in respect of such capital immediately before and immediately following Admission, are set out below. All such Shares allotted and issued will be beneficially held by such Directors unless otherwise stated.

Name	Prior to Admission		Following Admission		
	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of issued share capital	Number of shares under Option
Derek Vago*	1,000,000	35.41	1,000,000	0.99	—
Jeff Bennett**	480,000	17.00	480,000	0.47	483,000
Christophe Tanghe	700,000	24.79	700,000	0.69	—

* through Rakison Services Limited

** Jeff Bennett has agreed, conditional upon, *inter alia*, Admission, to become a non-executive director of the Company on 4 September 2006. In the event that his appointment does not take effect, his Ordinary Shares will be repurchased at cost and his Options will be cancelled.

As at the date hereof, in so far as is known to the Company, the following persons are or will be, immediately following the Placing, directly or indirectly interested in 3 per cent. or more of the Company's issued share capital:

Name	Prior to Admission		Following Admission		
	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of issued share capital	Number of shares under Option
ACP Capital Limited	—	—	47,000,000	46.35	10,000,000

Save for the interests of the Directors and ACP Capital disclosed in this paragraph 5.1, as at the date hereof, in so far as is known to the Company, no person is or will, immediately following the Placing, be directly or indirectly interested in 3 per cent. or more of the Company's share capital.

5.2 None of the Directors nor the Investment Manager have shareholder voting rights which are different from other holders of Ordinary Shares.

5.3 The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 December 2006 which will be payable out of the assets of the Company are not expected to exceed £12,000.

5.4 None of the Directors will have a service contract with the Company.

5.5 Derek Vago was appointed as a non-executive director by the subscribers to the memorandum of association on 14 June 2006 and the terms of his appointment are governed by a letter of appointment dated 20 July 2006. His appointment is for an initial period of 3 years and may be terminated by either the Company or Derek Vago serving six months written notice on the other at any time. No director's fees are to be paid to Derek

Vago during the initial three year period of his appointment. Reasonable and proper expenses incurred by Derek Vago in connection with the performance of his duties are to be reimbursed by the Company.

- 5.6 Jeff Bennett has agreed, conditional upon, *inter alia*, Admission, pursuant to a letter of agreement to become a non-executive director on 4 September 2006. His appointment shall be for an initial period of 3 years and may be terminated by either the Company or Jeff Bennett serving six months written notice on the other at any time. No director's fees are to be paid to Jeff Bennett during the initial three year period of his appointment. Reasonable and proper expenses incurred by Jeff Bennett in connection with the performance of his duties are to be reimbursed by the Company.
- 5.7 Christophe Tanghe was appointed as a non-executive director by the subscribers to the memorandum of association on 14 June 2006 and the terms of his appointment are governed by a letter of appointment dated 20 July 2006. His appointment is for an initial period of 3 years and may be terminated by either the Company or Christophe Tanghe serving three months written notice on the other at any time. No director's fees are to be paid to Christophe Tanghe during the initial three year period of his appointment. Reasonable and proper expenses incurred by Christophe Tanghe in connection with the performance of his duties are to be reimbursed by the Company.
- 5.8 George Baird was appointed as a non-executive director by the subscribers to the memorandum of association on 14 June 2006 and the terms of his appointment are governed by a letter of appointment dated 20 July 2006. His appointment is for an initial period of 3 years and may be terminated by either the Company or George Baird serving three months written notice on the other at any time. A director's fee of £12,000 per annum is payable to George Baird. Reasonable and proper expenses incurred by George Baird in connection with the performance of his duties are to be reimbursed by the Company.
- 5.9 Graeme Ross was appointed as a non-executive director by the subscribers to the memorandum of association on 14 June 2006 and the terms of his appointment are governed by a letter of appointment dated 20 July 2006. His appointment is for an initial period of 3 years and may be terminated by either the Company or Graeme Ross serving three months written notice on the other at any time. A director's fee of £12,000 per annum is payable to the Corporate Administrator in accordance with the Administration Agreement. Reasonable and proper expenses incurred by Graeme Ross in connection with the performance of his duties are to be reimbursed by the Company.
- 5.10 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 5.11 Except as disclosed in this paragraph 5 above, none of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.
- 5.12 In addition to their directorships of the Company and other members of the Group, the following Directors hold or have held the following directorships, and are or were members of the following partnerships, over or within the past five years:

<i>Name, Age</i>	<i>Current directorship/ partnerships</i>	<i>Past directorships/partnerships</i>
Derek Vago	ACP Capital Limited ACP Capital LLP Olympia Limited Olympia Property Limited Opex Exhibitions Limited Spare Propco Limited St James Capital Casino & Hospitality Limited St James Capital ECO Holdings Limited	Barrett Brothers (London) Limited Clarion Events Limited Earls Court Limited Earls Court & Olympia Catering Company Limited Earls Court & Olympia Group Limited Earls Court & Olympia Group Pension Earls Court & Olympia Holdings Limited Earls Court & Olympia Limited

<i>Name, Age</i>	<i>Current directorship/ partnerships</i>	<i>Past directorships/partnerships</i>
Derek Vago (continued)	St James Capital G Gate Property Limited St James Capital Olympia Two Limited St James Capital Seagrave Road Limited The Environment, Wildlife and Conservation Exhibition and Conference Limited Trustees Limited	Earls Court & Olympia Management Limited Earls Court Property Limited Earls Court Realty Limited Earls Court Real Estate Limited ECANDO Systems Limited Femston Limited Olympia Conferences Limited Olympia Exhibitions Limited
George Baird	Invesco Leveraged High Yield Fund Ltd New Star Financial Opportunities Fund Ltd Acencia Debt Strategies Ltd Economic Lifestyle Property Investment Co. Ltd Geiger Counter Ltd.	—
Graeme Ross	Ararimu Holdings Limited Billion ESOP Trustee Limited Brewin Dolphin Portfolios Limited British Airways Employee Benefits Trustees Limited Commerzbank Global Alternatives Limited Commodity Securities Limited ETF Securities Limited Gold Bullion Holdings (Jersey) Limited Gold Bullion Securities Limited HB Multi-Strategy Fund Limited Investor Resources International Limited Libgroup Jersey Holdings Limited N.P. Finance Limited Geiger Counter Limited Personal Portfolios Limited Northgate Unit Trust Managers (Jersey) Limited Ocarina Properties Limited Oil Securities Limited Personal Choice Portfolios Limited Reckitt Benckiser Employees' Trustees Limited Scawton Limited Scott Gordon Limited	Aitchison & Colgrave International Portfolio Burrage Gilt Fund Limited Commodity Investments Limited Cover Investments Limited Fountain Arts Limited Gold Bullion Securities April 2004 Limited Lonworld Fund of Funds Limited – In Lowes Agressive Portfolio Limited Lowes Collective Portfolio Limited Lowes U.K. Portfolio Limited Ocean Finance Limited Pridewood Management Limited Samotraca Limited Royal Bank of Scotland Fund Managers (Jsy) Limited SG Hambros Fund Managers (Jersey) Limited Renaissance Fund Management (Jersey) Limited Murray Johnstone (Jersey) Limited

<i>Name, Age</i>	<i>Current directorship/ partnerships</i>	<i>Past directorships/partnerships</i>
Graeme Ross (continued)	Stamford House (Jersey) Limited Brewin Dolphin Portfolios Limited MB Venture Capital (Jersey) Limited Thompson Clive (Jersey No.4) Limited Burrage Funds Limited Computer Sales Concepts Limited Computershare Investor Services (Channel Islands) Limited Computershare Nominees (Channel Islands) Limited Computershare Trustees (C.I.) Limited Lockley Holdings Limited OH Securities Limited Parket Limited Practice Services Limited R&H Fund Services (Guernsey) Limited R&H Fund Services (Jersey) Limited R&H Investments Limited R&H Registrars (Jersey) Limited R&H Trust Co (Jersey) Limited RHM Trust Co Limited RHR Trust Co Limited Toplaw Secretarial Services Limited Woodbourne Nominees Limited Woodbourne Secretaries (Jersey) Limited Ordnance Nominees Limited R&H Trust Co. (BVI) Ltd	
Christophe Tanghe	none	none
Jeffrey Bennett	none	none

5.13 As at the date of this document, none of the Directors:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been bankrupt or entered into an individual voluntary arrangement;
- (c) was a director with an executive function of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;

- (d) has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership or voluntary arrangement of such partnership; has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership; or
 - (e) has been subject to any public criticism by any statutory or regulatory authority (including any designated professional bodies) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 5.14 The Company or ACP Capital will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 5.15 The Company is not aware of any person who directly or indirectly, jointly or severally, exercises or, immediately following the Placing, could exercise control over the Company. The Company is not aware of any arrangements that are in place which may result in a change of control of the Company.

6. Material Contracts

The following contracts (i) not being contracts entered into in the ordinary course of business, have been entered into by a member of the Group in the two years immediately preceding the date of this document and are, or may be material, or (ii) have been entered into by a member of the Group and contain provisions under which such member of the Group has any obligation or entitlement which is material to the Group as at the date of this document:

6.1 *Investment Management Agreement*

The Company is party to an Investment Management Agreement with the Investment Manager dated 20 July 2006, pursuant to which the Company has agreed to appoint the Investment Manager with effect from Admission as the discretionary investment manager of all of the Company's assets.

Subject as set out below the Investment Manager is given complete discretion to deal with the Company's assets, to make or dispose of investments as agent on the Company's behalf, and to take all day-to-day decisions in relation to the Company's assets, subject to the investment objectives and restrictions contained in the Investment Management Agreement, the Articles and this document.

The Investment Manager must seek approval of the board of the Company in the following circumstances:

- (a) when entering into a transaction or series of linked transactions involving the underwriting of Mezzanine assets worth €30,000,000 or more;
- (b) when entering into an Integrated Finance transaction; and
- (c) when entering into all third party debt facility negotiations.

Save as set out in the Articles or this document, there are no restrictions on the types or categories of assets in which transactions may be carried out, the markets or exchanges on or through which transactions may be carried out, or the amount or proportion of the Company's assets which may be invested in any category of investment or cash. The Investment Manager has the discretion to exercise any voting rights attaching to any of the Company's assets. The Investment Manager has the discretion, where permitted by this document, to commit the Company to secured and unsecured borrowing arrangements. The Investment Manager is required to keep under review the objectives and investment restrictions of the Company, and may suggest amendments to them from time to time.

The Investment Manager may with the consent of the Company (such consent not to be unreasonably delayed or withheld), at its own cost, delegate any of its functions under the Investment Management Agreement to a third party, including an Associate and may

provide information about the Company to any such delegate but the Investment Manager's liability to the Company for all matters so delegated shall not be affected by the delegation.

The Investment Manager and any subsidiary or holding body of it (an "Associate") may undertake transactions in which the Investment Manager or Associate has, directly or indirectly, a material interest or a relationship of any description with another party, which may involve a potential conflict with the Investment Manager's duty to the Company subject always to any restrictions set out in this document. Neither the Investment Manager nor any Associate shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor shall the Investment Manager's fees, unless otherwise provided, be abated provided always that the Investment Manager must ensure that all such transactions are undertaken on terms which are no less favourable to the Company than if the potential conflict had not existed.

The Investment Management Agreement provides that the Investment Manager will not manage any other company or Vehicle that primarily specialises in providing and/or investing in Mezzanine assets (other than Mezzanine assets which are primarily senior debt instruments). The Investment Manager is not otherwise limited or restricted from engaging in any business or managing any other Vehicle. In particular, the Investment Manager may establish and/or manage other Vehicles that acquire Mezzanine assets as part of a secondary investment strategy, or Vehicles whose primary focus is to acquire Mezzanine assets which represent senior debt instruments (such as CLOs). Certain investments appropriate for the Company may also be appropriate for one or more of these other Vehicles managed by the Investment Manager. Where an investment in a Mezzanine asset (other than a Mezzanine asset which represents a senior debt instrument, such as CLOs) is deemed to be suitable for the Company and any other Vehicle managed by the Investment Manager, the Investment Manager will use best efforts to allocate such asset to the Company in priority to such other Vehicle, subject to the Company's ability successfully to acquire such asset. However, in the case of investments which are not Mezzanine assets, or investments which represent senior debt instrument (such as CLOs), the Investment Manager may decide to allocate such investment to another Vehicle rather than to the Company.

The Company has agreed to indemnify the Investment Manager for any costs, losses, liabilities, damages, expenses, actions or demands whatsoever which may be suffered or incurred by the Investment Manager under the Investment Management Agreement directly or indirectly in connection with or as a result of the Company's or its respective directors', officers', employees' or agents' negligence, wilful default, fraud or breach of the terms of the Investment Management Agreement. The Investment Manager has agreed to indemnify the Company for any costs, losses, liabilities, damages, expenses, actions or demands whatsoever which may be suffered or incurred by the Company under the Investment Management Agreement directly or indirectly in connection with or as a result of the Investment Manager's or its respective directors', officers', employees' or agents' negligence, wilful default, fraud, bad faith or breach of the terms of the Investment Management Agreement.

See Part I of this document for a summary of the fees and incentive compensation payable to the Investment Manager under the Investment Management Agreement.

The Investment Management Agreement has a minimum term of three years unless terminated by mutual consent or as follows:

- Termination by notice: Either party may terminate the Investment Management Agreement after three years by giving not less than twenty-four months written notice to the other party. The termination shall take effect on the date specified in the notice. After the initial three year period, the Company may terminate the Investment Management Agreement immediately on notice by payment of a termination fee to the Investment Manager equal to twice the four most recent quarterly performance related and management fees paid to the Investment Manager by the Company.

- Automatic termination: The Investment Management Agreement can terminate automatically if either party ceases to be empowered to perform its obligations under the Investment Management Agreement by virtue of any applicable law.
- Termination for material breach: Either party may terminate the Investment Management Agreement with immediate effect if the other party is in material breach of an obligation under the Investment Management Agreement and, if the breach is capable of remedy, that other party has failed to remedy the breach within 30 days of receipt of written notice from the other party giving full details of the breach and requiring that other party to remedy it.

The Investment Management Agreement is governed by the law of Jersey.

6.2 *Placing Agreement*

- On 20 July 2006, the Company entered into the Placing Agreement with the Directors, the Investment Manager and Collins Stewart. Under the Placing Agreement, Collins Stewart has agreed, on and subject to the terms and conditions of the Placing Agreement as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.
- The obligations of Collins Stewart under the Placing Agreement are conditional, *inter alia*, on Admission becoming effective not later than 8.00 a.m. on 26 July 2006 (or such later time, not being later than 8.00 a.m. on 4 August 2006, as the Company and Collins Stewart may agree). Collins Stewart is entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission. In addition, the Company is entitled to terminate the Placing Agreement upon notice to Collins Stewart no later than 5.30 p.m. on 24 July 2006 if subscribers for 51,588,000 Shares have not been procured by Collins Stewart by that time.
- Subject to and on Admission, the Company has agreed to pay to Collins Stewart commission of 3.5 per cent. of the aggregate subscription price of 51,588,000 Placing Shares.
- The Placing Agreement contains indemnities given to Collins Stewart by the Company and warranties given to Collins Stewart by the Company and the Directors as to the accuracy of information contained in this document and other matters relating to the Company and its business.
- The Company is placing the Placing Shares pursuant to the Placing. The Placing Price of €1 per Ordinary Share is payable in full on acceptance.
- The period within which placing participations may be accepted pursuant to the Placing and arrangements for the payment and holding of monies payable under the Placing Agreement pending Admission are set out in the Placing Agreement and in the placing letters to be sent to prospective placees (the “Placing Letters”).
- The Placing Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreement and in the Placing Letters. The Placing Shares are to be conditionally placed.
- The Directors have applied for the Ordinary Shares (including the Placing Shares) to be admitted to CREST with effect from Admission. Accordingly, it is expected that the Ordinary Shares will be enabled for settlement in CREST following Admission.
- Other than the proposed application for Admission and the application for listing on the Daily Official List of the CISX, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for an admission been made. The Directors do not currently intend to make any other arrangements for dealings in the Ordinary Shares on any other exchanges.

6.3 *Offshore Registrar Agreement*

Pursuant to an Offshore Registrar Agreement between Computershare Investor Services (Channel Islands) Limited (“Computershare”) and the Company dated 20 July 2006, Computershare has been retained by the Company to maintain the Company’s register of members and provide related services. The agreement may be terminated by the Company on serving 6 months notice on Computershare. The agreement may be terminated by Computershare on serving 6 months notice on the Company. The agreement may be terminated immediately by either party in certain specified circumstances. The fee payable by the Company to Computershare is £4,500 per annum.

6.4 *Administration Agreement*

Pursuant to an Administration Agreement between the Corporate Administrator and the Company dated 20 July 2006, the Corporate Administrator has been engaged by the Company to provide management and administration services to the Company and, in particular:

- (a) to act as corporate administrator and secretary of the Company;
- (b) to procure the services of one person to act as a director of the Company; and
- (c) to provide or arrange suitable office accommodation in Jersey at which meetings of the Directors may be held.

The fees, charges and expenses payable by the Company to the Corporate Administrator are prescribed in accordance with the Corporate Administrator’s published terms from time to time or such other terms as may be agreed between the Corporate Administrator and the Company from time to time. The fee payable by the Company is £12,000 per annum. Either the Corporate Administrator or the Company may terminate the agreement on serving not less than 90 days written notice of termination on the other.

6.5 *Initial Portfolio Acquisition Agreement*

A conditional agreement dated 20 July 2006 and made between the Company and the Investment Manager whereby the Investment Manager sells and the Company purchases the entire issued share capital of each of ACP Mezzanine Asset Holdings 1 Limited and ACP Mezzanine Asset Holdings 2 Limited, thereby effecting the transfer of the Initial Portfolio to the Company, in consideration of payment of €38,281,000 by the Company to ACP Capital in cash together with a sum equivalent to the interest accrued but unpaid up until the date of Admission in relation to each of the Assets held by ACP Mezzanine Asset Holdings 1 Limited and ACP Mezzanine Asset Holdings 2 Limited. The Initial Portfolio Acquisition Agreement contains limited warranties given by the Investment Manager to the Company as to title, capacity and material information.

6.6 *Collins Stewart Option Deed*

Pursuant to an option deed dated 20 July 2006 and made between the Company and Collins Stewart, the Company has granted an option to Collins Stewart to purchase 515,880 Ordinary Shares. The subscription price for each such Share is the Placing Price and the option can be exercised in whole or in part and any time during the five years following Admission.

6.7 *Lock-In Deeds*

Pursuant to a lock-in deed dated 20 July 2006, Christophe Tanghe has agreed, conditionally on Admission, that he will not, subject to certain exceptions, dispose of any of his Ordinary Shares prior to the third anniversary of Admission, save that he shall be entitled to sell one-third of the Ordinary Shares subject to the lock-in deed following each of the first, second and third anniversaries of Admission.

Pursuant to lock-in deeds dated 20 July 2006, certain members of the Management Team have agreed, conditionally on Admission, that he will not, subject to certain exceptions, dispose of any of his Ordinary Shares until the first anniversary of Admission (the “**Initial Period**”) and ACP Capital has agreed, conditionally on Admission, that it will not, subject

to certain exceptions, dispose of 22,000,000 of its Ordinary Shares during the Initial Period or dispose of 10,000,000 of its Ordinary Shares after the expiry of the Initial Period but prior to the expiry of the initial term of the Investment Management Agreement. ACP Capital and certain members of the Management Team have further agreed, subject to certain exceptions, that for a period of 12 months following the Initial Period and in order to maintain an orderly market in the Shares, if ACP Capital or the relevant member of the Management Team wished to dispose of any of his/its Ordinary Shares subject to the lock-in, he/it would first notify and consult with the Company's then nominated adviser and broker for a period of 5 business days prior to any sale.

Each of the lock-in deeds referred to in this paragraph contains certain exceptions. These provide that the relevant covenantor may dispose of an interest in his Ordinary Shares upon: (1) the acceptance of a partial offer, tender offer or general offer for the share capital of the company or the giving of an irrevocable undertaking in respect of a public offer, (2) a disposal pursuant to an intervening court order, (3) a disposal pursuant to an arrangement between the Company and its creditors or members (or any class of them) as agreed by the creditors and/or members, (4) a disposal pursuant to any scheme of reconstruction, (5) a disposal to the Company pursuant to an offer by the company to purchase its own shares, (6) if the relevant covenantor is a body corporate and subject to various further provisions, any disposal to any other body corporate which is a member of the relevant covenantor's group, and (7) if the relevant covenantor is an individual and subject to various further provisions, any disposal to a connected person (as defined in section 346 of the Companies Act 1985) of that individual, or to a member of the family of that individual, or in certain circumstances to a person acting in the capacity of trustee of a trust created by that individual, or by the trustee of any such trust to any person beneficially interested under that trust. Each of the lock-in deeds also provides that the restrictions on disposals will be binding on each person to whom any of the locked-in Shares, or any interest in such Shares, are transferred and his or its successors and assigns, except where expressly provided to the contrary.

6.8 *ACP Capital Option Deed*

Pursuant to an option deed dated 20 July 2006 and made between the Company and ACP Capital, the Company has granted an option, conditional on Admission to the Investment Manager to subscribe for an aggregate number of Ordinary Shares equal to 10 per cent. of the issued share capital of the Company at Admission. The options will be fully vested and immediately exercisable on the date of grant at an exercise price per Ordinary Share equal to the Placing Price for a period of five years.

6.9 *Subscription Letters*

Pursuant to the terms of subscription letters dated 15 June 2006, certain of the Directors and Management Team have subscribed for, in aggregate, 2,824,000 Ordinary Shares at €0.005 per Ordinary Share, representing approximately 2.8 per cent. of the enlarged issued share capital of the Company immediately following Admission. The Company intends to call on the holders of such part-paid Ordinary Shares to pay a further €0.495 per Ordinary Share prior to Admission.

6.10 *Trademark Licence Agreement*

Pursuant to a Trademark Licence Agreement dated 20 July 2006 and made between the Company and the Investment Manager, the Investment Manager has granted the Company a non-exclusive royalty-free licence to use the "ACP" trade mark in connection with its business in any territory in the world (the "Licence"). The Licence is to continue in force until terminated. Termination events include termination of the Investment Management Agreement and a change of control of the Company.

6.11 *Grant of Options*

Jeff Bennett will, conditional on, inter alia, Admission, be granted an option to subscribe for 483,000 Ordinary Shares in the Company at an exercise price of 1 cent per Ordinary Share. He will also receive further options to subscribe, in each case, for no less than

483,000 Ordinary Shares, at a similar nominal exercise price, (or a scheme which provides equivalent financial incentives) on 31 December 2007 and 31 December 2008, subject to his continued employment by a member of the ACP Capital Group. Each option is only exercisable by Mr Bennett at the end of a three year period following the achievement of various performance targets (which will include the Company meeting certain annual total shareholder returns). Mr. Bennet's entitlement to options will be in full if an annual total shareholder return ("TSR") (being a consolidation of dividend and share price appreciation) target of 12.5 per cent. is achieved and will decline on a straight-line basis to 50 per cent. at an annual TSR of 10 per cent., with no entitlement below that level. It is also intended that, should the target in a given year be missed, Mr. Bennett will have up to the relevant vesting period for those Options to achieve the return so long as the subsequent average (over the period) is the same.

6.12 *Nominated Adviser and Broker Appointment*

Pursuant to an engagement letter dated 20 July 2006 and made between the Company and Collins Stewart, the Company appointed Collins Stewart to act as its nominated adviser and broker for the purposes of the AIM Rules for an annual retainer fee of €35,000 payable half-yearly in advance. Such appointment shall continue until terminated either by the Company or Collins Stewart giving the other 3 months' notice following the initial term and on various other grounds.

6.13 *Sponsor Agreement*

A Sponsor's Agreement dated 18 July 2006 between the Company and Collins Stewart Fund Management Limited whereby the Company appoints Collins Stewart Fund Management Limited as the CISX Listing Sponsor in respect of the Shares. The Company has agreed to pay the CISX Listing Sponsor an annual retainer of £5,000 in respect of each class of Shares listed on the CISX, the first such fee becoming due and payable on the Admission and, thereafter, payable on or about each anniversary of Admission during the continuance of the appointment. The Sponsor's Agreement is terminable by either party on 30 days' notice.

6.14 *Royal Bank of Scotland leverage facility*

ACP Mezzanine Asset Holdings 1 has entered into a two-year leverage facility with the Royal Bank of Scotland Plc ("RBS") of €125 million to finance the acquisition of rated mezzanine assets. The facility took the form of a total return swap whereby RBS pays ACP Mezzanine Asset Holdings 1 Limited the return on a basket of mezzanine assets and ACP Mezzanine Asset Holdings 1 Limited pays RBS a floating rate of 1.5 per cent. over EURIBOR/LIBOR (the "Swap"). The Swap is governed by the 1992 ISDA Master Agreement. ACP Mezzanine Asset Holdings 1 Limited can nominate a varied portfolio of mezzanine assets including but not limited to: commercial mortgage loans, residential mortgage loans, consumer loans, subordinated leveraged loans, leased assets, utility assets and tradable securities. RBS can finance up to approximately 65 per cent. of the value of the asset depending upon the credit risk of the particular asset, with the remaining part being financed by ACP Mezzanine Asset Holdings 1 Limited. The Swap allows ACP Mezzanine Asset Holdings 1 Limited to derive the economic benefit of owning an asset without putting the full value of the asset on its balance sheet (i.e. 35 per cent. of the value of the asset will be on ACP Mezzanine Asset Holdings 1 Limited's balance sheet), and allows RBS (which does retain 65 per cent. of the value of the asset on its balance sheet) to derive a regular floating rate of return on the principal value of the Swap.

7. **Taxation – United Kingdom**

The information is not exhaustive and does not constitute legal or taxation advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares. The following is a brief summary of certain aspects of United Kingdom tax law and practice relevant to the transactions contemplated in this document. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.

This summary of the United Kingdom tax consequences applicable to the Group and the Shareholders is based upon the intention of the Directors to conduct the affairs and business of the Group so that, as far as possible, save for any tax which may be withheld at source in certain countries in respect of income and gains, the Company will not be liable to tax in any jurisdiction on the income (or gains) derived from its investments. However, there can be no guarantee that the tax position of the Company will not be challenged by the revenue authorities of one or more countries. Moreover, while this summary is considered to be a correct interpretation of existing laws and practices as at the date of this document, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws or practices will agree with the interpretations or changes in such laws will not occur.

7.1 *The Company*

The Directors intend that the Company will continue to be managed and controlled in such a way that it should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment, the Company will not be subject to United Kingdom income tax or corporation tax on its profits other than on any United Kingdom source income.

7.2 *Shareholders*

UK resident individual Shareholders will be liable to income tax on the amount of any dividends received. Higher rate taxpayers will be liable to income tax at 32.5 per cent., and other individual taxpayers at 10 per cent. Since the Company will not be UK resident there will be no tax credit in respect of the dividends. UK resident corporate Shareholders will be liable to corporation tax in respect of any dividends received from the Company.

7.3 *Capital Gains Tax*

The Directors have been advised that the Company should not be an offshore fund for the purposes of United Kingdom taxation and the provisions of Chapter V of Part XVII of the Taxes Act will not apply. Accordingly, Shareholders (other than those holding shares as dealing stock, who are subject to separate rules) who are resident or ordinarily resident in the United Kingdom, or who carry on business in the United Kingdom through a permanent establishment with which their investment in the Company is connected may, depending on their circumstances and subject as mentioned below, be liable to United Kingdom tax on capital gains realised on the disposal of their Shares.

On a subsequent disposal by an individual Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes, the Shares may attract taper relief which reduces the amount of chargeable gain according to how long, measured in years, the Shares have been held. Holders of Shares who are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index.

The Directors have been advised that the Company should not be an offshore fund for the purposes of United Kingdom taxation, but should the Company become an offshore fund for the purposes of United Kingdom taxation as a result of changes in current UK law and/or practice, this will, compared to current UK law and practice, have adverse tax consequences for UK Shareholders.

The attention of United Kingdom Shareholders resident or ordinarily resident and, if an individual, domiciled in the United Kingdom, is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 10 per cent. of the Shares.

7.4 *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

Generally, no United Kingdom stamp duty or SDRT is payable on a transfer of or agreement to transfer Shares of non-UK incorporated companies, where the register is not kept in the UK. No share register will be kept in the United Kingdom.

7.5 *Other United Kingdom tax considerations*

The UK has controlled foreign company legislation which applies where the Company is controlled by UK resident persons (which can include an UK resident owner of a 40 per cent. interest in a joint venture where 2 persons own at least 80 per cent. of the Company) and an UK resident company owns directly or indirectly 25 per cent. or more of the shares or an interest in or rights to the profits or events of the Company. In such case, the Company’s income profits will be attributed to the UK company unless, (broadly) the Company pays 90 per cent. or more of those profits by way of dividend. There is also a public quotation exemption but this does not extend to the Company as it is quoted on the AIM market and not listed.

Individuals ordinarily resident in the United Kingdom should note that Chapter III of Part XVII of the Taxes Act, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

7.6 *Shareholders resident in other jurisdictions*

In view of the number of different jurisdictions the laws of which may be applicable to Shareholders, no attempt is made in this document to summarise the possible tax consequences of the acquisition, holding or disposal of Shares. Investors should consult their professional advisers on the possible tax, exchange control or other consequences of buying, holding, selling or redeeming Shares under the laws of their country of citizenship, residence or domicile.

If any Shareholder is in doubt as to his taxation position, he is strongly recommended to consult an independent professional adviser without delay.

Jersey

The Company

The Company is registered in Jersey as an exempt company and is, therefore, not liable to Jersey income tax on profits derived outside Jersey. Confirmation has been obtained from the Comptroller of Income Tax in Jersey that, by concession, the Company will only be liable to tax in Jersey in respect of income arising in Jersey other than bank interest income. It is not anticipated that any income other than bank interest income will arise in Jersey. A fee (currently £600 per annum) is payable to the Jersey Comptroller of Income Tax in respect of the Company’s exempt status.

On 3 June 2003, the EU Council of Economic and Finance Ministers reached political agreement on the adoption of a code of conduct on Business Taxation. Jersey is not a member of the European Union. However, the Finance & Economics Committee of the States of Jersey has announced that, in keeping with Jersey’s policy of constructive international engagement, it intends to propose legislation to replace the Jersey exempt company regime by the start of 2008 with a general zero rate of corporate tax.

On 3 June 2003 the Council of the European Union formally adopted Directive 2003/48/EC (the “EU Savings Tax Directive”) regarding the taxation of savings income.

Jersey is not a member of the EU and therefore is not required to implement the EU Savings Tax Directive. However, in line with steps proposed by other relevant third party countries, Jersey has introduced a withholding tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent situated in Jersey (the terms “beneficial owner” and “paying agent” for this purpose are as defined in the EU Savings Tax Directive). The withholding tax system will apply for a transitional period prior to the

implementation of a system of automatic communication to EU Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in an EU Member State will be entitled to request a paying agent not to withhold tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident. Under the withholding tax system in Jersey, the Company is not obliged to levy withholding tax in respect of interest payments made by it to a paying agent.

The EU Savings Directive was implemented in Jersey via the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005. Based on the provisions of these Regulations, bilateral agreements with each of the EU Member States and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey, together with what is understood to be the current practice of the Jersey tax authorities, any dividend distributions to shareholders by the Company and any income realised by shareholders upon the sale, refund or redemption of Shares do not constitute interest payments for the purposes of the withholding tax system and therefore neither the Company nor any paying agent appointed by the Company in Jersey is obliged to levy withholding tax in Jersey under those provisions in respect thereof.

To the extent that the Company makes distributions in the form of interest in the future, the obligations set out above may apply.

Shareholders

There is no capital gains tax, estate duty or inheritance tax in Jersey.

There is a statutory requirement for the Company to deduct income tax from dividends paid to Jersey residents and to account for such income tax deducted to the Comptroller of Income Tax. Furthermore, the Company is required to make a return to the Comptroller, on request, of the names, addresses and shareholdings of Jersey resident Shareholders.

No duties are payable on the issue or disposal of the Shares on the winding up of the Company. In the event of the death of a sole holder of Shares probate duty at a rate of up to 0.75 per cent. of the value of the Shares at the time of death is levied in Jersey on grants of probate and letters of administration, save where the conditions for small estates exemption (not exceeding £10,000) are satisfied.

The attention of investors who are resident in Jersey is drawn to the provisions of Article 134A of the Income Tax (Jersey) Law 1961 which may, in certain circumstances, render such a resident liable to income tax on the undistributable income of the Company.

8. Litigation and arbitration

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Directors are aware) against, or being brought by, the Group within the 12 months prior to the date of this document which are having, or may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

9. Working capital

In the opinion of the Directors, having made due and careful enquiry, taking into account the net proceeds of the Placing receivable by the Company, the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months following the date of Admission.

10. General

10.1 Kingston Smith LLP has given and has not withdrawn its written consent to the inclusion of references to it herein in the form and context in which it appears and to the inclusion of its report in this document. Kingston Smith LLP accepts responsibility for its report for the purposes of paragraph 1.2 of Annex I of the Prospectus Rules as required by Schedule Two of the AIM Rules. To the best of the knowledge of Kingston Smith LLP (who have taken all reasonable care to ensure that such is the case) the information contained in its report is in accordance with the facts and contains no omission likely to affect its import.

- 10.2 Collins Stewart has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name in the form and context which it appears.
- 10.3 Collins Stewart Fund Management Limited has given and not withdrawn its written consent to the issue of this document with the inclusion of its name in the form and context in which it appears.
- 10.4 The Registrar and the Corporate Administrator have each given their written consent to the issue of this document with the inclusion of their names in the form and contexts in which they respectively appear.
- 10.5 The Placing of the Shares is being carried out on behalf of the Company by Collins Stewart, which is authorised and regulated by the FSA.
- 10.6 The principal place of business and registered office of the Company is at Ordinance House, 31 Pier Road, St Helier, Jersey JE4 8PW, Channel Islands.
- 10.7 There are no arrangements in force for the waiver of future dividends. There are no specified dates on which entitlement to dividends or interest thereon on Ordinary Shares arises.
- 10.8 The costs and expenses (including value added tax where relevant) of, and incidental to, the Placing payable by the Company will be no greater than 2.7 per cent. of the gross proceeds. On the basis that 98,588,000 Shares are issued under the Placing, the estimated net proceeds are expected to be €95,938,000 and will be applied as described in Part 1 of this document. The maximum number of Shares available under the Placing should not be taken as an indication of the number of Shares finally to be issued.
- 10.9 No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the date of this document or has entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission fees totalling £10,000 or more or securities in the Company having a value of £10,000 or more calculated by reference to the issue price or any other benefit with a value of £10,000 or more at the date of Admission.
- 10.10 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. The Articles of Association of the Company permit the holding of the Shares under the CREST system. The Directors intend to apply for the Shares to be admitted to CREST with effect from Admission. Accordingly it is intended that settlement of transactions in the Shares following Admission may take place within the CREST system if the relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrar.
- 10.11 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 10.12 The Company does not own any premises and does not lease any premises.
- 10.13 Save as disclosed in this document, there are no patents, intellectual property rights, licences or any industrial, commercial or financial contracts or new manufacturing processes which are or maybe material to the business or profitability of the Company.
- 10.14 The Directors are not aware of any environmental issues which may affect the Company's use of its tangible fixed assets.
- 10.15 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 May 2006 being the date of incorporation of the Company.

10.16 ACP Capital is or may be a promoter of the Company. Save as disclosed herein, no amount or benefit has been paid or given by the Company to ACP Capital, and, other than expressly disclosed in this document, is intended to be given.

11. Availability of Document

11.1 Copies of this document and the Memorandum and Articles of Association of the Company can be obtained during normal business hours until the Placing closes from Collins Stewart Limited at 9th Floor, 88 Wood Street, London EC2V 7QR.

11.2 Copies of the following documents will be available for inspection at the offices of Collins Stewart Fund Management Limited, 2nd Floor, No 1 Le Truchot, St Peter Port, Guernsey GY1 4AE during business hours on any weekday from the date of this document (Saturdays and public holidays excepted) until 26 August 2006:

11.2.1 this document;

11.2.2 the Memorandum and Articles of Association of the Company; and

11.2.3 the material contracts referred to in paragraph 6 of this Part VI.