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# **ACP Mezzanine Limited**

**Interim Results for the six months  
to 30 June 2007**

**26 July 2007**

## Highlights

- Diluted net income per share<sup>1</sup> of €0.045 – 100% distributed in dividend
- Interim dividend per share of €0.045 exceeding the targeted dividend per share of €0.04 as stated at the time of listing
- On track to exceed target total 2007 dividend per share of €0.09
- Net asset value per share of €1.01 (31 Dec 2006: €0.98)
- Assets under management of €137.7 million<sup>2</sup>, up 28% from €107.5 million at 31 Dec 2006
- Negligible UK residential mortgage exposure – less than 5% of invested assets; no US residential exposure

<sup>1</sup> ACP Mezzanine's issued capital amounted to 101,412,000 shares as at 30 June 2007

<sup>2</sup> Including committed bridge underwriting facility

## Portfolio Highlights

- Invested assets<sup>1</sup> on balance sheet as at 30 June 2007 were €137.7 million, up 28% from €107.5 million as at 31 Dec 2006 and consisting of 19 advances from 13 borrowers
- Average spread<sup>2</sup> of the invested assets (predominantly floating rate) at the end of the period:
  - 4.8% (excluding committed underwriting)
  - 6.8% (including committed underwriting)
- Leverage on invested assets on balance sheet was 40.5% excluding committed underwriting, or 32% including committed underwriting – targeted to increase to a conservative 65-70% rate on a long-term stabilised basis
- Average leverage margin was 0.89% (31 Dec 2006: 1.5%)
- Portfolio characteristics as at end of the period:
  - average asset size      €7.2 million (including committed underwriting) / €6.1 million (excluding committed underwriting)
  - largest asset size      €30 million (including committed underwriting) / €35 million (excluding committed underwriting)
  - smallest asset size      €1.2 million

<sup>1</sup> Including committed bridge underwriting facility

<sup>2</sup> Over the relevant LIBOR/EURIBOR index

## Developments since the end of the Period

- On 3 July 2007, ACP Mezzanine funded a debt bridge of €75 million for IFR Capital Plc's acquisition of Homann Chilled Food GmbH – the Company provided this debt as part of an integrated finance package alongside a €142 million senior debt bridge provided by ACP Capital. This underwritten financing was committed on 30 May 2007
- ACP Mezzanine received a total of approximately €1.2 million in debt underwriting fees and commitment fees for this underwriting transaction
- The €35 million outstanding at the end of the period of the €60 million debt package underwritten by ACP Mezzanine in December 2006 (for Nordsee, Europe's largest fish speciality restaurant chain) was repaid at the same time as the July 2007 bridge financing for IFR Capital
- Repayment of the bridge financing is due at the end of December 2007
  - ACP Capital has the right to be lead underwriter on any refinancing and the right to refinance at any time
  - ACP Mezzanine will be the preferred non-investment grade lender in any refinancing by ACP Capital
  - Should ACP Capital not refinance, additional break fees would be payable to ACP Mezzanine
- Following the bridge financing, ACP Mezzanine has almost fully invested the net IPO proceeds

## Outlook

The Directors believe that the outlook for the Company is positive:

- Excellent prospects for continued profitable growth
- Range of investment opportunities growing
- On track to exceed total 2007 target dividend of €0.09 per share
- Objective of increasing assets under management to €550 million by the end of 2009 reiterated

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**Appendix**

**Financials**

**ACP Mezzanine Limited**

**Unaudited, Interim, Consolidated Income Statement**

**For the period from 1 January 2007 to 30 June 2007**

*These accounts do not constitute full statutory accounts within the meaning of Article 104 Companies (Jersey) Law 1991*

	<b>6 months ended 30 June 2007 Unaudited €</b>	<b>Period ended 31 December 2006 Audited €</b>
<b>Revenue</b>		
Investment income	5,533,970	3,035,995
Fees receivable	1,204,386	2,885
	<u>6,738,356</u>	<u>3,038,880</u>
Interest payable and other related financing costs	(1,128,652)	(67,401)
Exchange movements	43,768	(42,398)
Equity-settled share-based payments	(58,049)	(41,069)
Investment manager's fees	(875,000)	(753,460)
Other operating expenses	(73,140)	(60,842)
<b>Profit before tax</b>	<u>4,647,283</u>	<u>2,073,710</u>
Income taxes	-	-
<b>Profit for the period attributable to the equity shareholders</b>	<u><u>4,647,283</u></u>	<u><u>2,037,714</u></u>
<b>Earnings per share</b>		
Basic	Basic (cents) 4.58 cents	2.01 cents
Diluted	Diluted (cents) 4.50 cents	1.99 cents

All activities relate to continuing operations

There are no recognised gains and losses other than the profit for the period stated above. Accordingly, a separate consolidated statement of recognised income and expense is not presented in these financial statements.

**ACP Mezzanine Limited**  
**Unaudited, Interim, Consolidated Balance Sheet Statement**  
**As at 30 June 2007**

*These accounts do not constitute full statutory accounts within the meaning of Article 104 Companies (Jersey) Law 1991*

	<b>30 June 2007</b>	<b>31 December 2006</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>€</b>	<b>€</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Investments		
Loans and receivables	98,332,056	107,522,875
	<u>98,332,056</u>	<u>107,522,875</u>
<b>Current assets</b>		
Trade and other receivables	2,347,148	1,507,980
Cash and cash equivalents	42,730,135	15,798,227
<b>Total current assets</b>	<u>45,077,283</u>	<u>17,306,207</u>
<b>Total assets</b>	<u>143,409,339</u>	<u>124,829,082</u>
<b>Non-current liabilities</b>		
Loans and borrowings	39,816,271	19,265,934
<b>Total non-current liabilities</b>	<u>39,816,271</u>	<u>19,265,934</u>
<b>Current liabilities</b>		
Trade and other payables	1,313,611	5,960,783
<b>Total current liabilities</b>	<u>1,313,611</u>	<u>5,960,783</u>
<b>Total liabilities</b>	<u>41,129,882</u>	<u>25,226,717</u>
<b>Net Assets</b>	<u>102,279,457</u>	<u>99,602,365</u>
<b>Equity &amp; Reserves</b>		
Share capital	-	-
Share premium	95,783,580	95,783,580
Share-based payment reserve	1,761,401	1,781,071
Retained earnings	4,734,476	2,037,714
<b>Equity Shareholders' funds</b>	<u>102,279,457</u>	<u>99,602,365</u>
<b>Net Asset Value per share</b>	1.009	0.982

**ACP Mezzanine Limited**

**Unaudited, Interim, Consolidated Cash Flow Statement**

**For the period from 1 January 2007 to 30 June 2007**

*These accounts do not constitute full statutory accounts within the meaning of Article 104 Companies (Jersey) Law 1991*

	<b>6 months ended 30 June 2007</b>	<b>Period ended 31 December 2006</b>
	<b>Unaudited €</b>	<b>Audited €</b>
<b>Cash flow from operating activities</b>		
Purchase of investments	(26,778,605)	(101,850,248)
Sale of investments	30,467,590	-
Investment income	6,515,817	1,566,230
Investment manager's fee	(875,000)	(607,627)
Other operating expenses	(54,354)	(57,246)
<b>Net cash inflow (outflow) from operations</b>	<u>9,275,448</u>	<u>(100,948,891)</u>
<b>Cash flow from financing activities</b>		
Proceeds from issues of share capital	-	100,000,000
Costs of issues of share capital	-	(2,476,418)
Repayment of bank loan	(19,265,934)	-
Drawdown of bank loan	40,549,161	19,265,934
Interest paid and other related financing costs	(1,061,180)	-
Dividends paid	(2,028,240)	-
<b>Net cash inflow from financing activities</b>	<u>18,193,808</u>	<u>116,789,516</u>
<b>Net increase in cash and cash equivalents</b>	27,469,256	15,840,625
<b>Cash and cash equivalents at start of period</b>	15,798,227	-
Effect of exchange rate fluctuations	19,987	(42,398)
<b>Cash and cash equivalents at end of period</b>	<u>43,287,471</u>	<u>15,798,227</u>

**ACP Mezzanine Limited**

**Unaudited, Interim Movement in Equity**

**For the period from 1 January 2007 to 30 June 2007**

*These accounts do not constitute full statutory accounts within the meaning of Article 104 Companies (Jersey) Law 1991*

	Share capital €	Share premium €	Share- based payment reserve €	Retained earnings €	Total €
At 1 January 2007	-	95,783,580	1,781,071	2,037,714	99,602,365
Dividend paid	-	-	-	(2,028,240)	(2,028,240)
Profit for the period	-	-	-	4,647,283	4,647,283
Share based payments	-	-	58,049	-	58,049
Share options cancelled	-	-	(77,719)	77,719	-
At 30 June 2007	-	95,783,580	1,761,401	4,734,476	102,279,457