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For immediate release

10 November 2008

RECOMMENDED ALL-SHARE OFFER FOR EUROPEAN CAPITAL LIMITED

Summary

- American Capital, Ltd. (“ACAS”) and the Independent Directors of European Capital Limited (“European Capital”) are pleased to announce that they have reached agreement on the terms of a recommended all-share offer to be made by ACAS for the entire issued and to be issued share capital of European Capital not already owned by ACAS. It is intended that the Acquisition will be implemented by way of a court approved scheme of arrangement under Part VIII of the Companies (Guernsey) Law, 2008 (as amended).
- Under the terms of the Scheme, European Capital Shareholders will receive 0.333 New ACAS Shares for each European Capital Share held.
- The Acquisition values the existing issued ordinary share capital of European Capital at approximately €385 million (based on an exchange rate of \$1.272:€1).
- The consideration payable to European Capital Shareholders pursuant to the Acquisition represents a premium of approximately:
 - 107.8 per cent. to the closing price of €1.735 per European Capital Share on 7 November 2008, being the last business day prior to this announcement; and
 - 79.2 per cent. to the average closing price of €2.01 per European Capital Share for the one month period ended 7 November 2008, being the last business day prior to this announcement.
- The New ACAS Shares will rank *pari passu* with all issued common stock in the capital of ACAS in respect of any dividends declared, made or paid with a record date on or after the date of issue of the New ACAS Shares.
- In the event that any dividends are declared by either ACAS or European Capital with a record date after the date of this announcement and prior to the Effective Date, an appropriate adjustment will be made to the consideration payable to European Capital Shareholders pursuant to the Acquisition.
- The Independent Directors of European Capital, who have been so advised by Lexicon Partners, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Independent Directors, Lexicon Partners have taken into account the commercial assessments of the Independent Directors.
- Accordingly, the Independent Directors of European Capital intend unanimously to recommend that European Capital Shareholders vote in favour of the Scheme and the associated resolutions to be proposed at the Court Meeting and the EGM (or in

the event that the Acquisition is implemented by way of a City Code Offer, accept or procure acceptance of such offer), as the Independent Directors have irrevocably undertaken to do in respect of their own aggregate beneficial holdings of 6,315 European Capital Shares, representing (as at the date of this announcement) approximately 0.006 per cent. of the existing issued ordinary share capital of European Capital.

- It is expected that the Scheme Document will be posted to European Capital Shareholders in January 2009 and that the Court Meeting and the EGM, at which the Scheme and associated resolutions will be put to European Capital Shareholders, will be held in January/February 2009. Subject to the satisfaction, or where relevant waiver, of all relevant Conditions, and the requisite shareholder and Court approvals being obtained, the Scheme is expected to become Effective by February/March 2009 (this is subject in particular to receipt of ACAS shareholder approval in respect of the issue of New ACAS Shares).
- ACAS, with \$17 billion in capital resources under management, is the only private equity fund and the largest alternative asset management company in the S&P 500. ACAS, both directly and through its global asset management business, originates, underwrites and manages investments in private equity, leveraged finance, real estate and structured products. ACAS and its affiliates invest from \$5 million to \$800 million per company in North America and €5 million to €500 million per company in Europe. ACAS was founded in 1986 and currently has 13 offices in the US, Europe and Asia. As at 7 November 2008, being the last business day prior to this announcement, ACAS had a market capitalisation of approximately \$2.8 billion (€2.2 billion, based on an exchange rate of \$1.272:€1). As at 7 November 2008, being the last business day prior to this announcement, ACAS was the holder of 72,305,938 European Capital Shares, representing 67.694 per cent. of European Capital's issued share capital.
- European Capital is an investment company for pan-European equity, mezzanine and senior debt instruments with capital resources of approximately €2.8 billion. It is managed by European Capital Financial Services (Guernsey) Limited, a wholly-owned affiliate of ACAS.
- ACAS believes the Acquisition will allow ACAS to gain full strategic flexibility with regard to European Capital and effectively deploy resources at group level to fund future growth. ACAS believes investment opportunities could be pursued jointly in a less complex manner supported by ACAS's equity capital base and market access. European Capital Shareholders would benefit from more liquid and actively traded shares, a more geographically diversified portfolio and the industrial logic of the overall combination. Furthermore, the enlarged group provides both sets of shareholders significant financial flexibility in a challenging economic environment.

Commenting on the Acquisition, Malon Wilkus, the Chairman and Chief Executive Officer of ACAS, said:

"We believe this transaction will offer significant benefits to the shareholders of both European Capital and ACAS. European Capital is one of the leading middle market investment franchises in Europe and represents a core part of the ACAS global investment franchise. The combining of the two platforms provides enhanced flexibility in the current challenging market environment."

Citi is acting as sole financial adviser to ACAS. Lexicon Partners is acting as sole financial adviser to European Capital.

This summary should be read in conjunction with, and is subject to, the full text of the attached announcement. The Acquisition will be subject to the conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document.

Appendix II to this announcement contains further details of the sources and bases of information and calculations contained in this announcement.

Appendix III to this announcement contains details of European Capital Shares in which ACAS is interested and further details relating to the irrevocable undertakings received by ACAS.

Set out in Appendix IV to this announcement are definitions of certain terms used in this announcement.

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This announcement is not intended to, and does not, constitute or form any part of an offer or invitation to sell or purchase any securities or the solicitation of an offer to buy any securities or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise. This announcement does not constitute a prospectus or a prospectus equivalent document. The Acquisition will be made solely by means of the Scheme Document (or any document through which the proposals of the Acquisition are actually made), which will contain the full terms and conditions of the Acquisition, including details of how to vote in favour of the Acquisition.

European Capital Shareholders are advised to read the formal documentation in relation to the Acquisition carefully, once it has been dispatched, because it will contain

important information relating to the Acquisition. The Acquisition will be subject to the conditions and further terms set out in Appendix I to this announcement and which will be set out in the Scheme Document (or any document through which the proposals of the Acquisition are actually made). This announcement and all other materials related to the Acquisition are solely directed to existing European Capital Shareholders.

Any acceptance or other response to the proposals of the Acquisition should be made only on the basis of the information in the Scheme Document (or any document through which the proposals of the Acquisition are actually made). European Capital will prepare the Scheme Document to be distributed to European Capital Shareholders.

Citi, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for ACAS and no one else in relation to the matters referred to in this announcement and will not be responsible to anyone other than ACAS for providing the protections afforded to clients of Citi nor for providing advice in relation to these matters, the content of this announcement or any matter referred to herein.

Lexicon Partners, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for European Capital and no one else in relation to the matters referred to in this announcement and will not be responsible to anyone other than European Capital for providing the protections afforded to clients of Lexicon Partners nor for providing advice in relation to these matters, the content of this announcement or any matter referred to herein.

The distribution of this announcement in jurisdictions other than the UK or Guernsey may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK or Guernsey should inform themselves about, and observe, any applicable requirements. This announcement has been prepared for the purpose of complying with English law, the laws of the Island of Guernsey and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the UK and the Island of Guernsey.

The Acquisition will be subject to the applicable rules and regulations of the UK Listing Authority, the London Stock Exchange and the City Code.

Notice to US investors in European Capital

The Acquisition relates to the shares of a company registered under the laws of the Island of Guernsey and is subject to UK and Guernsey disclosure requirements (which are different from those of the US) and is proposed to be made by means of a scheme of arrangement provided for under Guernsey company law. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the UK and Guernsey to schemes of arrangement which differ from the disclosure requirements and practices for US proxy solicitations, shareholder votes or tender offers. The settlement procedure with respect to the Acquisition will be consistent with UK practice, which may differ from procedures in comparable transactions in countries other than the UK in certain material respects, particularly with regard to date of settlement. If ACAS exercises its right to implement the Acquisition by way of a City Code Offer, the Acquisition will be made in compliance with applicable UK and Guernsey laws and regulations.

Neither the SEC nor any securities commission of any state of the United States has (a) approved or disapproved of the Acquisition; (b) passed upon the merits or fairness of the Acquisition; or (c) passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary may be a criminal offence in the United States.

Forward Looking Statements

This announcement includes statements that are, or may be deemed to be, “forward-looking statements” that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “hopes”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this announcement and include statements regarding the Independent Directors’ and ACAS’s intentions, beliefs or current expectations concerning, amongst other things, European Capital’s results of operations, financial condition, liquidity, prospects, growth, strategies and the economic environment in which European Capital operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this announcement based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the Listing Rules, the Disclosure and Transparency Rules or other applicable legislation or regulation, none of ACAS, European Capital, Citi or Lexicon Partners undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this announcement.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive or market environments, regulatory changes and changes in law, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Profit Forecasts

Nothing in this announcement is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per ACAS share or European Capital Share for the current or future financial years, or those of the combined group, will necessarily match or exceed the historical published earnings per ACAS share or European Capital Share, respectively.

Valuation information

The valuation information relating to the portfolio companies of European Capital and ACAS, and their respective net asset values, stated or referred to in this announcement has been determined by the boards of European Capital and ACAS (respectively) in good faith, on a basis consistent with past practice and for the purposes of complying

with their respective reporting obligations under applicable laws. To assist it in determining such valuation information, each of the boards of European Capital and ACAS has, in accordance with past practice, engaged independent valuation firms to perform certain procedures on a predetermined selection of its fair value determinations. Such procedures are limited in their scope and extent, however, and do not comprise (or form the basis for) a full valuation of portfolio investments.

European Capital Shareholders should note that such valuation information has not been independently determined and, consequently, does not meet the standards that would be required under Rule 29 of the Code in relation to a valuation given in connection with an offer and should not be relied on for the purposes of deciding whether or not to vote in favour of the Scheme and the associated resolutions to be proposed at the Court Meeting and the EGM. Each of the boards of European Capital and ACAS considers that the respective shareholders of those companies are best served by receiving valuations which are prepared on a basis consistent with previous periods and that, given current market turbulence and the volatility affecting the share prices of listed companies (which are used in the valuation of portfolio companies), it would not be possible for an independent valuer to produce at this point in time a valuation of the entire portfolio of European Capital or ACAS which would be objectively reliable or robust. Accordingly, neither board has commissioned an independent valuer to produce a valuation for the specific purposes of the Acquisition.

The Independent Directors have taken account of but, for the reasons set out in the preceding paragraph, not relied on the valuation information relating to the portfolio companies of European Capital and ACAS, and their respective net asset values, stated or referred to in this announcement/document for the purposes of their recommendation to European Capital Shareholders in relation to the Acquisition. In advising the Independent Directors that the terms of the Acquisition are fair and reasonable, Lexicon Partners have taken account of but not relied upon such valuation information, and have also taken into account a number of factors including the Acquisition premium to the current share price and the increased scale, liquidity and dividend potential and more secure funding base of ACAS relative to European Capital, as set out further in the paragraph of this announcement entitled "Background to and reasons for the recommendation". Both the Independent Directors and Lexicon Partners have taken into account certain valuation information relating to both European Capital and ACAS as one of a number of factors in arriving at their respective conclusions.

Dealing disclosure requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of European Capital or ACAS, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme and/or City Code Offer becomes Effective, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of European Capital or ACAS, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of European Capital or ACAS by European Capital or ACAS, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

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10 November 2008

RECOMMENDED ALL-SHARE OFFER FOR EUROPEAN CAPITAL LIMITED

1. Introduction

American Capital, Ltd. ("ACAS") and the Independent Directors of European Capital Limited ("European Capital") are pleased to announce that they have reached agreement on the terms of a recommended all-share offer to be made by ACAS for the entire issued and to be issued share capital of European Capital not already owned by ACAS.

2. Summary of the Acquisition

It is intended that the Acquisition will be implemented by way of a Court approved scheme of arrangement under Part VIII of the Companies (Guernsey) Law, 2008 (as amended).

Under the Scheme, which will be subject to the conditions and further terms set out in Appendix I to this announcement and the full terms and conditions to be set out in the Scheme Document:

European Capital Shareholders will be entitled to receive:

for each European Capital Share	0.333 New ACAS Shares
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The consideration payable to European Capital Shareholders pursuant to the Acquisition values the existing issued ordinary share capital of European Capital at approximately €385 million (based on an exchange rate of \$1.272:€1).

The consideration payable to European Capital Shareholders pursuant to the Acquisition represents a premium of approximately:

- 107.8 per cent. to the closing price of €1.735 per European Capital Share on 7 November 2008, being the last business day prior to this announcement; and
- 79.2 per cent. to the average closing price of €2.01 per European Capital Share for the one month period ended 7 November 2008, being the last business day prior to this announcement.

The New ACAS Shares will rank *pari passu* with all issued common stock in the capital of ACAS in respect of any dividends declared, made or paid with a record date on or after the date of issue of the New ACAS Shares.

In the event that any dividends are declared by either ACAS or European Capital with a record date after the date of this announcement and prior to the Effective Date, an appropriate adjustment will be made to the consideration payable to European Capital

Shareholders pursuant to the Acquisition. Further details will be provided in the Scheme Document.

3. Background to and reasons for the Acquisition

ACAS believes the Acquisition will allow ACAS to gain full strategic flexibility with regard to European Capital and effectively deploy resources at group level to fund future growth. ACAS believes investment opportunities could be pursued jointly in a less complex manner supported by ACAS's equity capital base and market access. European Capital Shareholders would benefit from more liquid and actively traded shares, a more geographically diversified portfolio and the industrial logic of the overall combination. Furthermore, the enlarged group provides both sets of shareholders significant financial flexibility in a challenging economic environment.

4. Recommendation

The Independent Directors of European Capital, who have been so advised by Lexicon Partners, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Independent Directors, Lexicon Partners have taken into account the commercial assessments of the Independent Directors.

Accordingly, the Independent Directors of European Capital intend unanimously to recommend that European Capital Shareholders vote in favour of the Scheme and the associated resolutions to be proposed at the Court Meeting and the EGM (or, in the event that the Acquisition is implemented by way of a City Code Offer, accept or procure acceptance of such offer), as the Independent Directors have irrevocably undertaken to do in respect of their own aggregate beneficial holdings of 6,315 European Capital Shares, representing (as at the date of this announcement) approximately 0.006 per cent. of the existing issued ordinary share capital of European Capital.

The Independent Directors comprise Alexis Babeau, Huw Evans and Jean-Louis Gleizes. The ACAS Nominee Directors cannot be treated as independent directors of European Capital as they are also directors of ACAS. Accordingly, the ACAS Nominee Directors have absented themselves from the deliberations in connection with the Acquisition and a committee of the European Capital Board, comprising the Independent Directors, has been established for the purpose of progressing and considering the terms of the Acquisition and making the recommendation in relation to the Acquisition.

5. Irrevocable undertakings

ACAS has received irrevocable undertakings from each of the Independent Directors to vote (or procure the vote) in favour of the Scheme and the associated resolutions to be proposed at the Meetings (or, in the event that the Acquisition is implemented by way of a City Code Offer, to accept or procure acceptance of such offer), in respect of a total of 6,315 European Capital Shares, representing, in aggregate, approximately 0.006 per cent. of European Capital's existing issued share capital. The undertakings from the Independent Directors of European Capital will cease to be binding only if:

- ACAS announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Scheme or City Code Offer is announced (whether on a pre-conditional basis or otherwise) in accordance with Rule 2.5 of the Code at the same time; or
- the Scheme or any City Code Offer lapses or is withdrawn and no new, revised or replacement Scheme or City Code Offer has been announced (whether on a pre-conditional basis or otherwise), in accordance with Rule 2.5 of the Code, in its place or is announced (whether on a pre-conditional basis or otherwise), in accordance with Rule 2.5 of the Code, at the same time.

Further details of these irrevocable undertakings are set out in Appendix III to this announcement.

6. Background to and reasons for the recommendation

Though European Capital's historical performance has been strong, European Capital's ability to fund its portfolio investments relies on the availability of debt and equity and portfolio realisations. Whilst the availability of such funding has deteriorated since mid 2007, European Capital has been able to renew those of its facilities which have fallen due, but in lower amounts, on more expensive terms and with more onerous covenants. Furthermore, the Company was only able to renew those facilities for relatively short periods. Consequently, a large proportion of European Capital's facilities fall due for repayment in 2009 and there is a risk that these facilities may not be renewed, or will only be renewed on more expensive terms. In its 2008 renewals, European Capital has had to rely increasingly on ACAS to ensure that it has had adequate capital to grow and finance its business and there can be no guarantee that this support will be available in the future.

In addition, European Capital is required to account for its investment portfolio on a "mark-to-market" basis, in particular to comply with FAS 157, introduced in early 2008. Given turbulent conditions in the equity and debt markets in September and October 2008, and the poor outlook for the economic environment more widely, there is considerable uncertainty over the present valuation of European Capital's investment portfolio and near term concerns over the prospects of portfolio companies.

Whilst European Capital has not yet concluded the exercise of valuing its investment portfolio as at 30 September 2008, it may be that European Capital will have difficulty meeting the covenants under its existing banking documentation in the near term without further support from ACAS or accommodations from its lenders. In this environment, it is not prudent to pay quarterly dividends for the foreseeable future.

In light of these circumstances, the Independent Directors believe that the Acquisition is likely to represent the best outcome for shareholders and the Company as a whole. Whilst the Acquisition is priced at a discount to net assets as at 30 June 2008, by exchanging their shares in European Capital for shares in ACAS, shareholders will benefit from the increased scale, liquidity and dividend potential, and the more secure funding base of ACAS relative to European Capital.

7. Information on ACAS

ACAS, with \$17 billion in capital resources under management, is the only private equity fund and the largest alternative asset management company in the S&P 500. ACAS, both directly and through its global asset management business, originates, underwrites and manages investments in private equity, leveraged finance, real estate and structured products. ACAS and its affiliates invest from \$5 million to \$800 million per company in North America and €5 million to €500 million per company in Europe. ACAS was founded in 1986 and currently has 13 offices in the US, Europe and Asia. As at 7 November 2008, being the last business day prior to this announcement, ACAS had a market capitalisation of approximately \$2.8 billion (€2.2 billion, based on an exchange rate of \$1.272:€1). As at 7 November 2008, being the last business day prior to this announcement, ACAS was the holder of 72,305,938 European Capital Shares, representing 67.694 per cent. of European Capital's issued share capital. Further details of ACAS's interests in European Capital Shares are set out in Appendix III to this announcement.

ACAS has today announced its results for the three months ended 30 September 2008, which are available at www.americancapital.com.

8. Information on European Capital

European Capital is an investment company for pan-European equity, mezzanine and senior debt instruments with capital resources of approximately €2.8 billion. It is managed by European Capital Financial Services (Guernsey) Limited, a wholly-owned affiliate of ACAS.

European Capital invests in and sponsors management and employee buyouts, invests in private equity buyouts and provides capital directly to private and public companies headquartered predominantly in Europe. European Capital generally invests between €5 million and €500 million per transaction in equity, mezzanine debt and senior debt to fund growth, acquisitions and recapitalisations.

Under the Implementation Agreement, European Capital has agreed that it will not, without ACAS's consent, declare or pay any dividends prior to 31 May 2009 (if the Effective Date has not occurred by then). Accordingly, the Board will not be declaring any dividend for the fourth quarter of 2008.

9. Structure of the Acquisition

It is intended that the Acquisition will be implemented by way of a Court approved scheme of arrangement between European Capital and the Scheme Shareholders under Part VIII of the Companies (Guernsey) Law, 2008 (as amended) (although ACAS reserves the right to elect to implement the Acquisition by way of a City Code Offer, subject to Panel consent, where necessary). The procedure involves an application by European Capital to the Court to sanction the Scheme and to confirm the transfer of all the Scheme Shares to ACAS, in consideration for which Scheme Shareholders who are on the register of members of European Capital at the Scheme Record Time will receive New ACAS Shares (on the basis described above).

To become effective, the Scheme requires, amongst other things, the approval of a majority in number of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders, together with the sanction of the Court and the passing of the resolutions necessary to implement the Scheme at the EGM. The Scheme will only become Effective upon the Court sanctioning the Scheme. Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM. The Scheme is expected to become Effective by February/March 2009 (this is subject in particular to receipt of ACAS shareholder approval in respect of the issue of the New ACAS Shares).

10. Management and employees

ACAS has given the Independent Directors assurances that the existing employment rights, terms and conditions of the employees of the European Capital Group will be fully safeguarded following completion of the Acquisition.

11. Implementation Agreement

European Capital and ACAS have entered into an Implementation Agreement which sets out, among other things, various matters in relation to the implementation of the Scheme (or, if applicable the City Code Offer), the conduct of European Capital's business prior to the Effective Date or the lapse or withdrawal of the Acquisition, a right to match and a non-solicit undertaking.

European Capital has agreed that it shall not enter into any break fee, pay to look fee or inducement fee arrangement with any other party. European Capital has also agreed that it will not, directly or indirectly, solicit, encourage, initiate or otherwise seek to procure the submission of any competing proposal. In addition European Capital has agreed to notify ACAS promptly of any approach made or any circumstances indicating that an approach will be made to European Capital in relation to a competing proposal for European Capital or any request for information under Rule 20.2 of the City Code. European Capital has also agreed, subject to the fiduciary duties of the Board of European Capital, not to participate in discussions regarding a competing proposal.

ACAS also has the right, upon European Capital receiving details of a competing proposal or proposed competing proposal, to match or better the value implied by that competing proposal by 5.00 p.m. on the fifth Business Day after ACAS has received a notice of the competing proposal from European Capital. If ACAS announces a revised offer (whether by way of scheme of arrangement or otherwise) within such period, the Independent Directors have agreed that the Scheme or, if applicable, the City Code Offer will continue to be the subject of a unanimous and unqualified recommendation by the Independent Directors.

The Implementation Agreement may be terminated in the following circumstances:

- as agreed in writing by the parties;
- if the Effective Date has not occurred by 31 May 2009;
- by ACAS giving written notice following a material breach of any of the covenants and obligations to be performed by European Capital in relation to implementation of the Scheme or conduct of European Capital's business, provided European Capital has been given such period as is reasonable in light of the Scheme timetable to remedy the breach (not exceeding 15 days);
- by ACAS if the recommendation by the Independent Directors is no longer unanimous or is withdrawn, qualified or adversely modified or if European Capital or any of the Independent Directors does any act or makes any omission which is contrary to that recommendation;
- if European Capital Shareholders vote not to approve the Scheme at the Court Meeting or the relevant resolution is not passed by the requisite majority at the EGM or the Court does not sanction the Scheme or the Scheme lapses, is withdrawn or terminates, in circumstances where ACAS has not elected to implement the Acquisition by way of a City Code Offer;
- if ACAS shareholders vote not to approve any resolutions required to be passed by them to implement the Acquisition (including the issue of the New ACAS Shares) or, by written notice from European Capital to ACAS, if the recommendation given by ACAS directors to such shareholders is no longer unanimous or is withdrawn, qualified or adversely modified; or
- by ACAS giving written notice stating that any Condition which cannot be waived is incapable of being satisfied or that a Condition is incapable of being satisfied and that, notwithstanding that ACAS has the right to waive such Condition, it will not do so.

Further information in relation to the Implementation Agreement will be set out in the Scheme Document.

12. Disclosure of interests in European Capital

Save as disclosed in Appendix III of this announcement and save for the European Capital Shares which are the subject of the irrevocable undertakings summarised in paragraph 5, neither ACAS nor any of the directors of ACAS nor, so far as ACAS is aware, any person acting in concert with ACAS has: (i) any interest in or right to subscribe for any relevant European Capital securities, nor (ii) any short positions in respect of relevant European Capital securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor (iii) borrowed or lent any relevant European Capital securities (save for any borrowed shares which have been on-lent or sold).

13. Overseas Shareholders

The availability of the Acquisition to European Capital Shareholders who are not resident in the United Kingdom or Guernsey may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. European Capital Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

14. Indicative timetable

The Acquisition will be made on the terms and subject to the Conditions set out in this announcement and to be set out in the Scheme Document, including the obtaining of relevant regulatory approvals, approvals by European Capital Shareholders, approval by ACAS shareholders and the sanction of the Scheme by the Court. The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the EGM and the expected timetable.

An indicative timetable of principal events is as follows:

<i>Event</i>	<i>Indicative timing</i>
Posting of Scheme Document	January 2009
Court Meeting and EGM, ACAS shareholder meeting to approve the issue of New ACAS Shares	January/February 2009
Court hearing to sanction the Scheme (if the Scheme is approved by Shareholders) and Effective Date of the Scheme (if sanction of the Court is received)	February/March 2009
Latest date for consideration to be posted to European Capital Shareholders	14 days after Effective Date

All dates in this announcement which relate to the implementation of the Scheme are indicative only and subject to the approval of the Court and to the Conditions being satisfied.

A more detailed timetable will be included in the Scheme Document.

In deciding whether or not to vote in favour of the Scheme, European Capital Shareholders should only rely on the information contained in, and follow the procedures described in, the Scheme Document.

15. General

ACAS reserves the right, with the consent of the Panel (where necessary), to elect to implement the Acquisition by making a City Code Offer for the entire issued and to be issued share capital of European Capital not already owned by ACAS.

If ACAS elects to implement the Acquisition by City Code Offer, the City Code Offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments including, without limitation and subject to the consent of the Panel, an acceptance condition set at such percentage as ACAS may decide). Furthermore, if sufficient acceptances of such City Code Offer are received and/or sufficient European Capital Shares are otherwise acquired, it is the intention of ACAS to apply the provisions of Part VIII of the Companies (Guernsey) Law, 2008 (as amended) to acquire compulsorily any outstanding European Capital Shares to which such City Code Offer relates.

It is intended that, following the Acquisition becoming Effective and subject to applicable requirements of the London Stock Exchange and the UK Listing Authority, ACAS will procure that European Capital will apply to the London Stock Exchange and the UK Listing Authority for cancellations, respectively, of the admission to trading of the European Capital Shares on the London Stock Exchange's market for listed securities and of the secondary listing of European Capital Shares on the Official List.

Appendix II contains the sources and bases of certain information and calculations contained in this announcement. Details of ACAS's interests in European Capital Shares and of the irrevocable undertakings received by ACAS are set out in Appendix III. The definitions of certain terms used in this announcement are set out in Appendix IV.

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APPENDIX I

CONDITIONS AND CERTAIN FURTHER TERMS OF THE ACQUISITION

Part A: Conditions of the Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming effective by no later than 31 May 2009, or such later date (if any) as ACAS and European Capital may agree and the Court may allow.
2. The Scheme will be conditional upon:
 - a) its approval by a majority in number representing not less than three-fourths in value of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting;
 - b) all resolutions necessary to approve and implement the Scheme and to approve certain related matters being duly passed by the requisite majority or majorities at the EGM or at any adjournment of that meeting; and
 - c) the sanction of the Scheme with or without modification (but subject to any such modification being acceptable to ACAS and European Capital) by the Court.
3. In addition, ACAS and European Capital have agreed that the Acquisition will be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following conditions (as amended if appropriate) have been satisfied or, save in the case of the Conditions set out in paragraphs (a) and (b) below, waived:
 - a) the passing at a general meeting of shareholders (or at any adjournment thereof) of ACAS of such resolution or resolutions as are necessary to approve, implement and effect the Acquisition and the acquisition of any European Capital Shares including (if required) a resolution or resolutions to increase the share capital of ACAS and to authorise the creation and issue of the New ACAS Shares;
 - b) the New ACAS Shares to be issued in connection with the Acquisition having been approved for listing on the NASDAQ subject to official notice of issuance of such New ACAS Shares;

- c) other than matters of which the ACAS Group is aware as at 10 November 2008, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the European Capital Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Acquisition or the proposed acquisition of any shares or other securities in European Capital or because of a change or consolidation in the control or management of European Capital or otherwise, could or might result in (to an extent which is material in the context of the European Capital Group as a whole):
- i. any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - ii. any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
 - iii. any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
 - iv. the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
 - v. the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
 - vi. the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
 - vii. any such member ceasing to be able to carry on business under any name under which it presently does so; or
 - viii. the creation of any liability, actual or contingent, by any such member,

and no event having occurred which, under any such provision, could result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this condition other than any event of which the ACAS Group is aware as at 10 November 2008;

- d) no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other official or unofficial body or person whatsoever to whose jurisdiction a member of the European Capital Group is subject (each a "Third Party") having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:
- i. require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by any member of the ACAS Group or any member of the European Capital Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof, which, in any such case, is material in the context of the ACAS Group or the European Capital Group in either case taken as a whole;
 - ii. require, prevent or delay the divestiture by any member of the ACAS Group of any shares or other securities in European Capital;
 - iii. impose any limitation on, or result in a delay in, the ability of any member of the ACAS Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the European Capital Group or the ACAS Group or to exercise management control over any such member;
 - iv. otherwise adversely affect the business, assets, profits or prospects of any member of the ACAS Group or of any member of the European Capital Group in a manner which is adverse to and material in the context of the ACAS Group or the European Capital Group in either case taken as a whole;
 - v. make the Acquisition or its implementation or the acquisition or proposed acquisition by ACAS or any member of the ACAS Group of any shares or other securities in, or control of European Capital void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise materially interfere

with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;

- vi. require any member of the ACAS Group or the European Capital Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the European Capital Group or the ACAS Group owned by any third party;
- vii. impose any limitation on the ability of any member of the European Capital Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the group concerned taken as a whole; or
- viii. result in any member of the European Capital Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any European Capital Shares having expired, lapsed or been terminated;

- e) all necessary filings or applications having been made in connection with the Acquisition and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals necessary for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, European Capital by any member of the ACAS Group having been obtained in terms and in a form satisfactory to ACAS (acting reasonably) from all appropriate Third Parties and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all material authorisations, orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary to carry on the business of any member of the European Capital Group remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional;
- f) other than matters of which the ACAS Group is aware as at 10 November 2008, no member of the European Capital Group having, since 31 December 2007:
 - i. save as between European Capital and wholly-owned subsidiaries of European Capital, issued, authorised or proposed the issue of additional shares of any class;

- ii. save as between European Capital and wholly-owned subsidiaries of European Capital, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
- iii. other than to another member of the European Capital Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
- iv. save for intra-European Capital Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business;
- v. save for intra-European Capital Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital;
- vi. issued, authorised or proposed the issue of any debentures or (save for intra-European Capital Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
- vii. purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- viii. implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or entered into or changed the terms of any contract with any director or senior executive;
- ix. entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be restrictive

on the businesses of any member of the European Capital Group or the ACAS Group or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business and which is material in the context of the European Capital Group taken as a whole;

- x. (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;
- xi. entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the European Capital Group or the ACAS Group other than to a nature and extent which is normal in the context of the business concerned;
- xii. waived or compromised any claim otherwise than in the ordinary course of business;
- xiii. entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition; or
- xiv. proposed or agreed to provide any share option scheme, incentive scheme, pension scheme or other benefit relating to the employment or termination of employment of any person employed by the European Capital Group,

provided that ACAS shall not be entitled to rely on this condition 3(f) to the extent that the relevant transaction, matter or event has been effected by or consented or approved to in writing by the Investment Manager acting under its own discretion as agent for a member of the European Capital Group and not pursuant to any specific or general instructions given to the Investment Manager by the Independent Directors or any of them;

- g) other than information known to the ACAS Group as at 10 November 2008 and except as disclosed in the accounts for the year then ended or in European Capital's interim results statement for the six months ended on 30 June 2008 or publicly announced via a RIS (including for the avoidance of doubt matters disclosed in this announcement) or disclosed to a member of the ACAS Group on or prior to 10 November 2008, since 31 December 2007:

- i. no material adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the European Capital Group;
 - ii. no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the European Capital Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the European Capital Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the European Capital Group which in any such case might reasonably be expected materially and adversely to affect any member of the European Capital Group;
 - iii. no contingent or other liability having arisen or become apparent to ACAS which would be likely to materially and adversely affect any member of the European Capital Group; and
 - iv. no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the European Capital Group which is necessary for the proper carrying on of its business; and
- h) save as any member of the ACAS Group is aware as at 10 November 2008, or as publicly announced via a RIS by European Capital prior to 10 November 2008, or as otherwise disclosed to any member of the ACAS Group prior to that date, ACAS not having discovered:
- i. that any financial, business or other information concerning the European Capital Group as contained in the information publicly disclosed at any time by or on behalf of any member of the European Capital Group is misleading in any material respect, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading in any material respect;
 - ii. that any member of the European Capital Group is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of European Capital for the year ended 31 December 2007 or in European Capital's interim results statement for the period ended on 30 June 2008; or
 - iii. any information which affects the import of any information disclosed at any time by or on behalf of any member of the European Capital Group

and which is material in the context of the European Capital Group taken as a whole,

provided that ACAS shall not be entitled to rely on the Condition contained in this paragraph 3(h) to the extent that any information in question has been prepared by any member of the ACAS Group.

4. Save with the consent of the Panel, the Scheme will lapse and the Acquisition will not proceed if, before the Meetings: the Acquisition is referred by the Office of Fair Trading to the UK Competition Commission; or the European Commission initiates proceedings under Article 6(1)(c) of Council Regulation 139/2004/EC; or there is a reference to the Competition Commission following a referral by the European Commission under Article 9.1 to a competent authority in the UK.
5. Subject to the requirements of the Code and the Panel, ACAS reserves the right to waive in whole or in part, in its absolute discretion, all or any of the Conditions contained in paragraphs 3(c) to (h) (inclusive) of Part A of this Appendix I.
6. ACAS reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a general takeover offer as it may determine in its absolute discretion. In such event, such Acquisition will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Acquisition, including (without limitation and subject to the consent of the Panel) an acceptance condition set at such percentage as ACAS may decide.
7. The ability to effect the Acquisition in respect of persons resident in certain jurisdictions may be affected by the laws of those jurisdictions. Before taking any action in relation to the Acquisition, holders of European Capital Shares should inform themselves about and observe any applicable requirements.
8. The Scheme will be governed by the laws of the Island of Guernsey and be subject to the jurisdiction of the Royal Court of Guernsey and to the conditions and further terms set out in this announcement and in the Scheme Document. The Acquisition will comply with the applicable rules and regulations of the Guernsey Financial Services Commission, the UK Listing Authority, the London Stock Exchange and the Code and with US federal securities law (except to the extent that exemptive relief has been granted by the SEC).

Part B: Certain further terms of the Acquisition

1. No fractional New ACAS Shares will be issuable pursuant to the Acquisition. Instead, each Scheme Shareholder who would otherwise be entitled to receive a fraction of a New ACAS Share, after aggregating all fractional New ACAS Shares that would otherwise be issuable to such Scheme Shareholder, will be entitled to receive a cheque for the dollar cash amount, rounded to the nearest whole cent, without interest, determined by multiplying such fraction by the closing price of a share of ACAS common stock as quoted on the NASDAQ on the latest practicable date prior to the issue of the New ACAS Shares.
2. In the event that the sale, offer or delivery of New ACAS Shares to any Scheme Shareholder pursuant to the Acquisition would contravene any laws to which such Scheme Shareholder is subject, then subject to the consent of the Panel and the Court (in each case if required) ACAS may offer such Scheme Shareholder an equivalent amount of cash, in lieu of the New ACAS Shares to which he would otherwise be entitled, calculated by reference to the closing price of a share of ACAS common stock as quoted on the NASDAQ on the latest practicable date prior to the issue of the New ACAS Shares.
3. The New ACAS Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing ACAS shares including in respect of any dividends declared, made or paid with a record date on or after the date of issue of the New ACAS Shares. Applications will be made to the NASDAQ for the New ACAS Shares to be listed.
4. European Capital Shares which will be acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights.
5. ACAS reserves the right to effect the Acquisition through a wholly-owned affiliate of ACAS, such that all European Capital Shares (or all European Capital Shares not already owned by ACAS) would be acquired by such affiliate in consideration for the issue by ACAS of New ACAS Shares to European Capital Shareholders. In such event, the Acquisition will be implemented on the same terms as set out in this announcement, subject to appropriate amendments to reflect the change in structure of the Acquisition.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this announcement:

1. The value of the consideration payable to European Capital Shareholders pursuant to the Acquisition is calculated:
 - by reference to the price of \$13.77 per ACAS share, being the closing price on 7 November 2008, the last business day prior to this announcement; and
 - on the basis of the number of European Capital Shares in issue referred to in paragraph 2 below.
2. As at the close of business on 7 November 2008, being the last business day prior to the date of this announcement, European Capital had in issue 106,812,816 European Capital Shares. As at 31 October 2008, ACAS had in issue 206,753,532 ACAS shares. The International Securities Identification Number for European Capital Shares is GG00B1VN4N54 and for ACAS shares is US02503Y1038.
3. Unless otherwise stated, all prices and closing prices for European Capital Shares and ACAS shares are closing middle market quotations derived from the London Stock Exchange Daily Official List (SEDOL) and the NASDAQ, respectively.
4. The premium calculations to the price per European Capital Share have been calculated by reference to a price of €1.735 per European Capital Share, being the closing price on 7 November 2008, the last business day prior to the date of this announcement.
5. The average closing price per European Capital Share of €2.01 over the one month period ended 7 November 2008 is derived from data provided by FactSet.
6. An exchange rate of €1 to USD1.272 has been used, being the €/USD exchange rate as at close of business in London on 7 November 2008, sourced from Bloomberg.

APPENDIX III

PART A – INTERESTS IN SHARES

Name	Nature of interest	Number of European Capital Shares	Percentage of issued European Capital share capital
ACAS	Legal and beneficial owner	72,305,938	67.694%

PART B – DETAILS OF IRREVOCABLE UNDERTAKINGS

The Independent Directors have given irrevocable undertakings as described in paragraph 5 of this announcement in respect of the number of European Capital Shares set out below (and any further European Capital Shares acquired by them prior to the completion of the Acquisition). These irrevocable undertakings will continue to be binding in the event that ACAS elects to effect the Acquisition by way of a City Code Offer:

Name	Number of European Capital Shares
Alexis Babeau	2,705
Huw Evans	1,805
Jean-Louis Gleizes	1,805
Total:	6,315

APPENDIX IV

DEFINITIONS

“2008 Law” or the “Companies Law”	the Companies (Guernsey) Law, 2008 (as amended);
“ACAS”	American Capital, Ltd., a Delaware corporation;
“ACAS Group”	ACAS and its subsidiaries, including the Investment Manager, but excluding the European Capital Group and portfolio companies of ACAS and of the European Capital Group;
“ACAS Nominee Director”	either of Malon Wilkus and Kenneth Peterson;
“Acquisition”	the proposed acquisition of European Capital by ACAS, to be effected by means of the Scheme (or should ACAS so elect, by means of a City Code Offer);
“Australia”	the Commonwealth of Australia and its dependent territories;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which banks are open for business in London, New York and Guernsey;
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction or any political sub-division thereof;
“Citi”	Citigroup Global Markets Limited, Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB;
“City Code” or “Code”	The City Code on Takeovers and Mergers;
“City Code Offer”	a general takeover offer to acquire all the ordinary shares in European Capital not already held by ACAS;
“Conditions”	the conditions to the implementation of the Acquisition and the Scheme, which are set out in Appendix I of this announcement;
“Court”	the Royal Court of Guernsey;
“Court Meeting”	the meeting of the Scheme Shareholders (other than the holders of the Excluded Voting Shares) convened by order of the Court pursuant to section 107 of the 2008 Law, to

	consider and, if thought fit, to approve the Scheme with or without modification (including any adjournment or postponement thereof);
“Directors”	the directors of European Capital;
“Disclosure and Transparency Rules”	the disclosure and transparency rules made by the Financial Services Authority as the competent authority for listing in the United Kingdom;
“Dollars”, “\$” or “USD”	the lawful currency of the United States;
“Effective”	(i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms; or (ii) if the Acquisition is implemented by way of a City Code Offer, such City Code Offer having been declared or become unconditional in all respects in accordance with the City Code;
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms;
“Euro” or “€”	means the single currency of the participating member states of the European Union who have adopted the euro as their lawful currency in accordance with the legislation of the European Community relating to Economic and Monetary Union;
“European Capital” or “Company”	European Capital Limited, incorporated in Guernsey with registered number 43583;
“European Capital Group”	European Capital and its subsidiaries but excluding portfolio companies;
“European Capital Shareholders”	the holders of European Capital Shares;
“European Capital Shares”	the ordinary shares of no par value in the capital of European Capital;
“Excluded Voting Shares”	any European Capital Shares beneficially owned by ACAS or any member of the ACAS Group;
“Extraordinary General Meeting” or	the extraordinary general meeting of European Capital to be convened in connection with the Acquisition, or any

“EGM”	adjournment thereof;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“Implementation Agreement”	the implementation agreement dated 10 November 2008 between ACAS and European Capital;
“Independent Directors”	the Directors other than the ACAS Nominee Directors;
“Investment Manager”	European Capital Financial Services (Guernsey) Limited;
“Japan”	Japan, its cities, prefectures, territories and possessions;
“Lexicon Partners”	Lexicon Partners Limited, No.1 Paternoster Square, London EC4M 7DX;
“Listing Rules”	the listing rules made by the Financial Services Authority as the competent authority for listing in the United Kingdom;
“Meetings”	the Court Meeting and the Extraordinary General Meeting;
“New ACAS Shares”	common stock of \$0.01 par value in the capital of ACAS to be issued to Scheme Shareholders pursuant to the Acquisition;
“NASDAQ”	National Association of Securities Dealers Automated Quotation System Global Market;
“Panel”	the Panel on Takeovers and Mergers;
“RIS”	a regulatory information service;
“Scheme” or “Scheme of Arrangement”	the scheme of arrangement under Part VIII of the Companies Law to be proposed by European Capital to European Capital Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by European Capital and ACAS;
“Scheme Document”	the document to be addressed to European Capital Shareholders containing, <i>inter alia</i> , the Scheme, an explanatory statement in compliance with Part VIII of the Companies Law, and the notices of the Meetings;
“Scheme Record Time”	means the time and date specified in the Scheme Document by reference to which the entitlements of European Capital Shareholders under the Scheme will be determined,

	expected to be 6.00 pm on the business day before the Scheme becomes Effective;
“Scheme Shareholders”	the holders of Scheme Shares;
“Scheme Shares”	all European Capital Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and before the Court Meeting; and (iii) (if any) issued on or after the Court Meeting but before the Scheme Record Time in respect of which the original or any subsequent holder thereof is, or shall have agreed in writing to be, bound by the Scheme, in any case excluding the Excluded Voting Shares;
“SEC”	the US Securities and Exchange Commission;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

All references in this announcement to time are to the time in London, UK unless otherwise stated.