



American Capital



2010 FBR Capital Markets Fall Investor Conference November 2010

Safe Harbor Statement

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This presentation contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All such forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act. Actual outcomes and results could differ materially from those forecast due to the impact of many factors beyond the control of American Capital. All forward looking statements included in this presentation are made only as of the date of this presentation and are subject to change without notice. Certain factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in our periodic reports filed with the SEC. Copies are available on the SEC's website at www.sec.gov. We disclaim any obligation to update our forward looking statements unless required by law.

The following slides contain summaries of certain financial and statistical information about American Capital, Ltd. They should be read in conjunction with our periodic reports that are filed from time-to-time with the Securities and Exchange Commission including our annual report on Form 10-K and Form 10-K/A for the year ended December 31, 2009, our quarterly report on Form 10-Q for the fiscal quarter ended September 30, 2010, and our subsequent periodic filings. Historical results discussed in this presentation are not indicative of future results.

Additional Information

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American Capital Overview

Global Asset Manager

- ◆ **\$18 B of Capital Resources Under Management as of 9/30/10**
 - ✓ **\$6 B at American Capital***
 - ✓ **\$12 B externally managed assets****
- ◆ **Founded in 1986, IPO in 1997**
 - ✓ **\$24 B invested by American Capital since IPO**
- ◆ **Balance Sheet**
 - ✓ **\$6.0 B of assets**
 - ✓ **\$3.3 B net asset value**
 - ✓ **0.8:1 debt to equity**
- ◆ **Dividend Performance Since IPO**
 - ✓ **\$30.32 of dividends paid since 1997 IPO at \$15.00 per share**



* Includes American Capital's investment in its externally managed funds.

** Includes American Capital Agency Corp., American Capital Equity I, American Capital Equity II and ACAS CLO-1. European Capital Limited not included.

American Capital & Its Funds Under Management

- ◆ **\$40 B Invested** in 522 Portfolio Companies* Since IPO**
 - ✓ **Over 120 One Stop Buyouts™**
 - ✓ **226 PE buyouts sponsored by over 145 PE firms**
 - ✓ **178 direct & other investments**
- ◆ **Over 230 Portfolio Companies* as of 9/30/10**
 - ✓ **\$57 B of revenues***
 - ✓ **\$9 B EBITDA***
- ◆ **\$5 MM to \$100 MM Investment Size in North America**
- ◆ **€5 MM to €25 MM Investment Size in Europe**

* Includes portfolio companies of European Capital Limited.

** Includes investments of European Capital Limited, American Capital Agency Corp., American Capital Equity I, American Capital Equity II and ACAS CLO-1. Excludes investment of ACAS CRE CDO 2007-1.

American Capital Portfolio Companies



Funding the Best Private Companies

American Capital Middle Market Private Finance

- ◆ **\$151 MM Weighted Average Revenues**
- ◆ **\$33 MM Weighted Average EBITDA**
 - ✓ **22% average EBITDA margin**
- ◆ **33 Years Weighted Average Age**

- ◆ **4.1x Mean Net Debt to Valuation EBITDA**
- ◆ **5.7x Average Debt to EBITDA**
- ◆ **2.1x Average Debt Service Coverage**
- ◆ **2.5x Average Interest Coverage**

Select Portfolio Companies

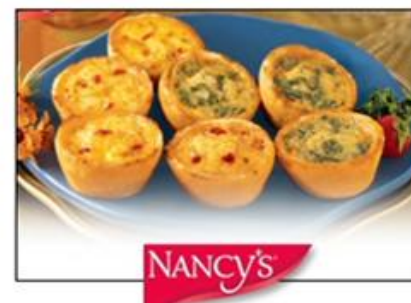
Current American Capital Portfolio

As of September 30, 2010



Select Portfolio Companies

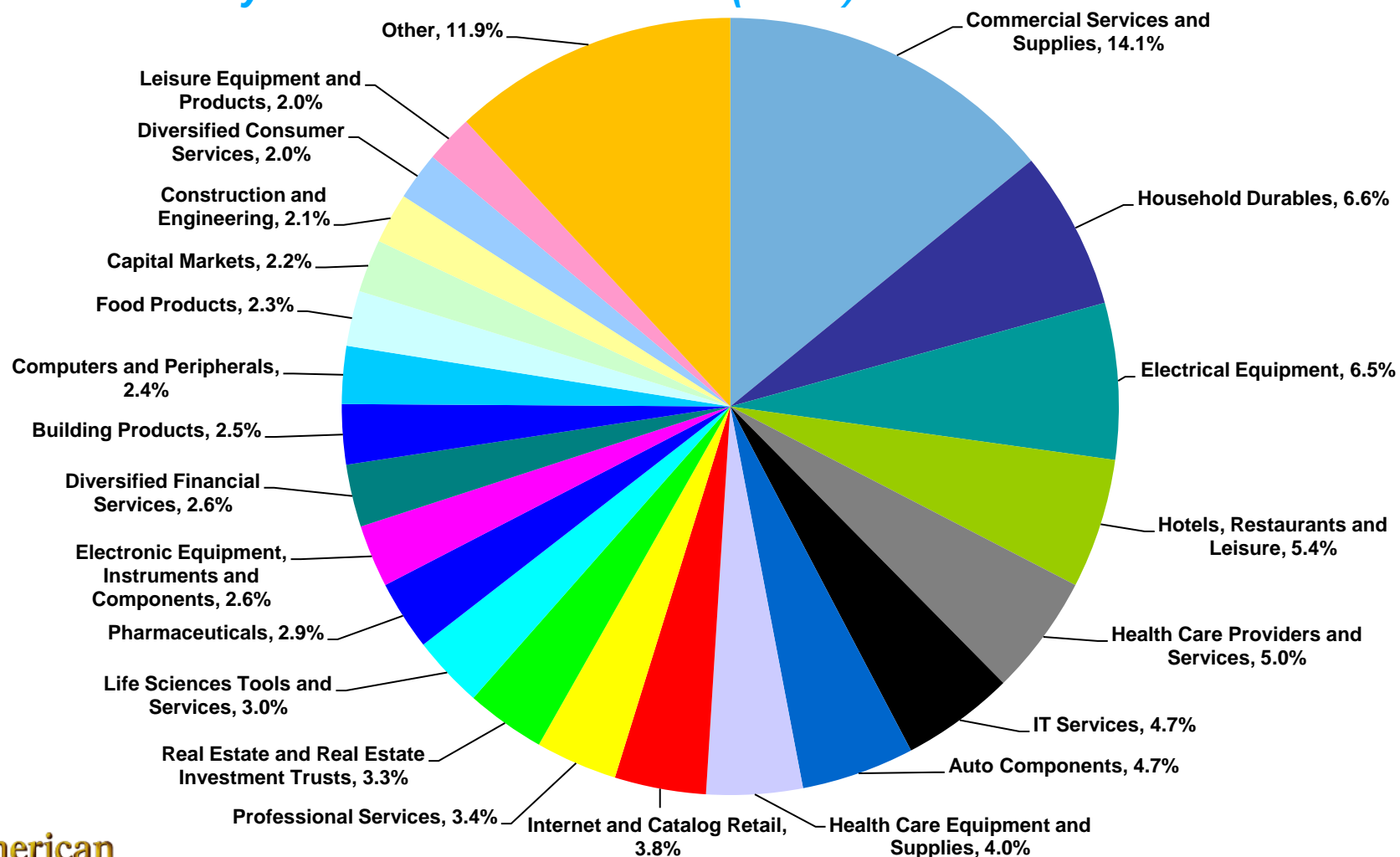
American Capital Exits



Industry Diversification

\$5.6 Billion Total Investments at Fair Value

Global Industry Classification Standard (GICS)



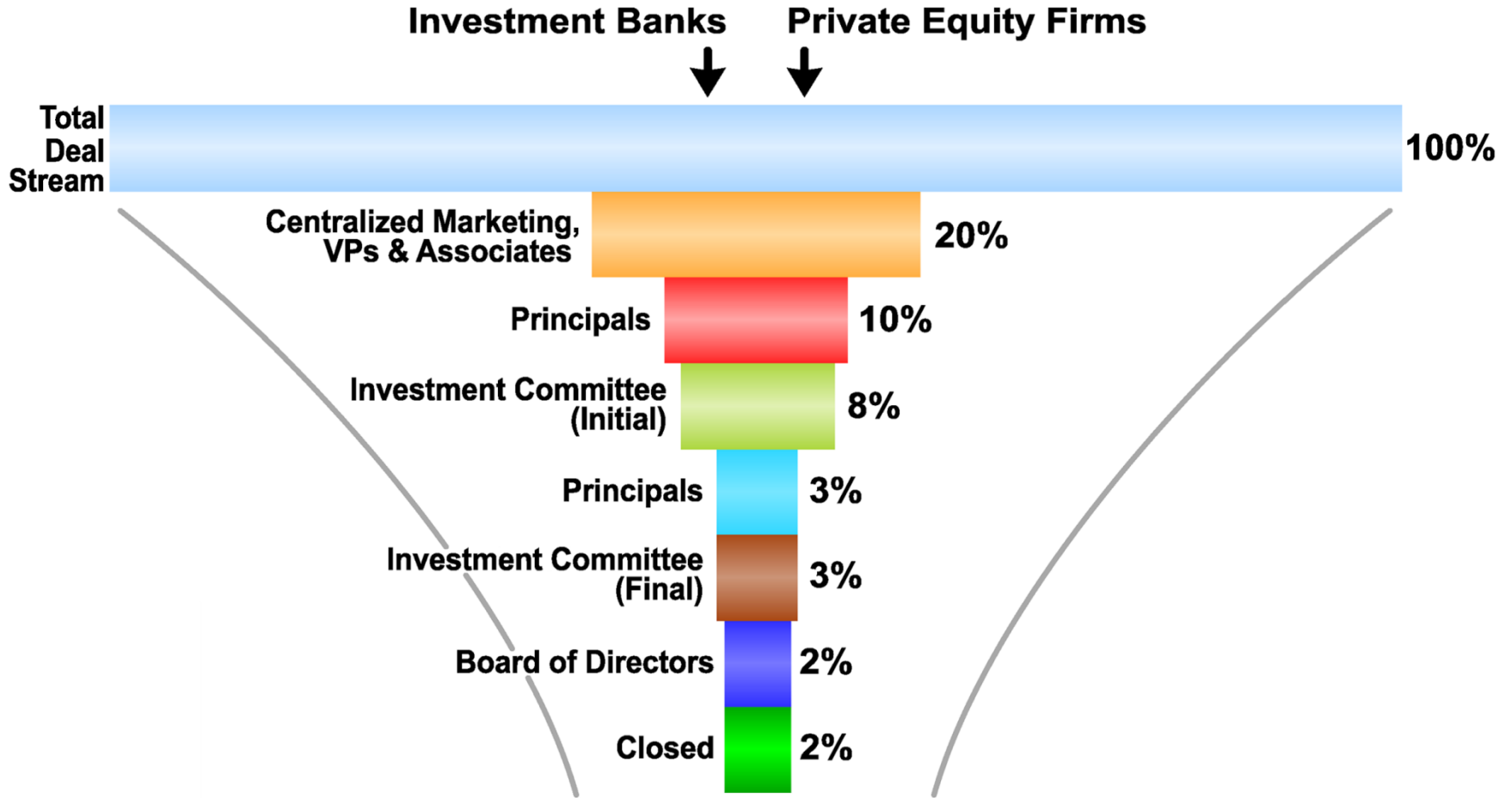
European Capital Limited, CLOs and CDOs are excluded from industry diversification break-out.

CMBS are included in Real Estate and Real Estate Investment Trusts grouping.

Investment and Portfolio Management Culture



Deal Stream



33 Principals & MDs Heading Investment Teams

89 *Investment Professionals*

As of September 30, 2010

- ◆ **Led by One or Two Principals**
 - ✓ **Assisted by Vice Presidents and Associates**
 - ✓ **Multiple meetings with management**
- ◆ **Evaluate:**
 - ✓ **Business**
 - ✓ **Management**
 - ✓ **Operations**
 - ✓ **Submit 50 page report and model to Investment Committee**
- ◆ **Post Closing:**
 - ✓ **Sit on boards of directors**
 - **In touch with CEO and CFO**
 - ✓ **Monitor portfolio companies**
 - ✓ **Manage acquisitions, divestitures and exits**

Financial Analysis and Compliance Team (FACT)

35 CPAs and Accounting Professionals

As of September 30, 2010

- ◆ **Perform Initial Financial Due Diligence**
 - ✓ Three to Four member teams
 - ✓ Spend a week at prospective ACAS sponsored buyouts
 - ✓ Analyze historical performance
 - ✓ Analyze pro-forma adjustments
 - ✓ Evaluate systems
 - ✓ Submit 50 page report to Investment Committee

- ◆ **Post Closing:**
 - ✓ **Monitor Portfolio Companies**
 - In touch with CFO and Controller
 - ✓ **Prepare monthly micro and macro analysis**
 - Using automated reporting system
 - ✓ **Conducts spot audits**
 - ✓ **Responsible for drafting quarterly valuations**

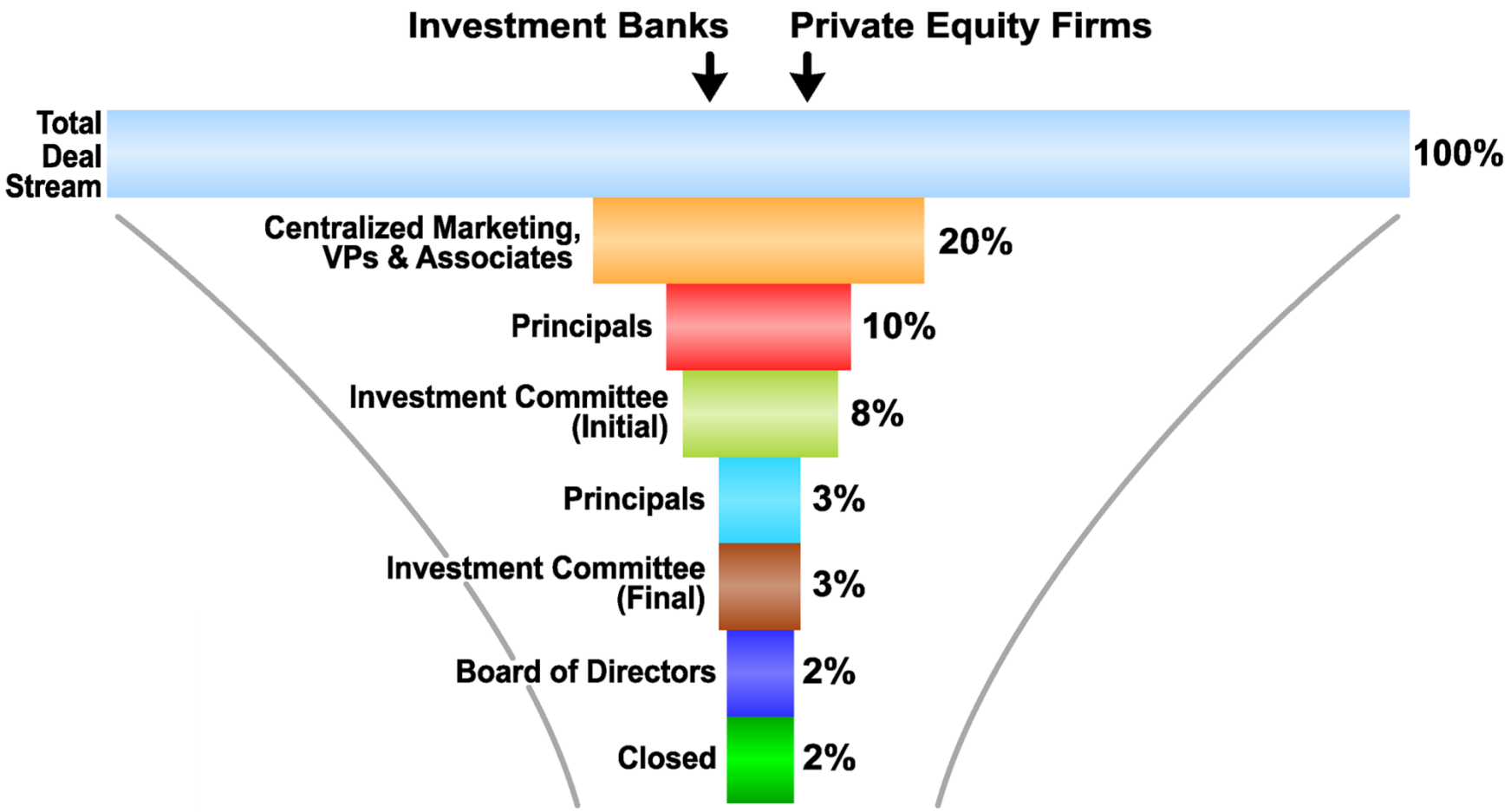
Operations Team

Capable of Running Companies

As of September 30, 2010

- ◆ **17 Member Team**
 - ✓ 6 Former CEOs/Presidents
 - ✓ 2 Former COOs
 - ✓ 1 Former CFOs
 - ✓ 3 Financial VPs and Associates
 - ✓ 3 Supply Chain Management Specialists
- ◆ **Assist Principals With Initial Operational Due Diligence**
 - ✓ Submit 10 – 15 page report to Investment Committee
- ◆ **Post Closing:**
 - ✓ Participate on boards of directors
 - In touch with CEO and COO
 - ✓ Responsible for underperforming portfolio companies
 - ✓ Provide Operational Assistance to Portfolio Companies
 - Assist in implementing cost cuts
 - Assist in systematizing sales & marketing
 - Assist in replacing senior management
 - Assist in revamping their business plan

Deal Stream



Financial Performance



SMG



WIS



NIVEL



AAMCO



RugDoctor



BBB



CAMP

Q3 2010 Financial Summary

- ◆ **\$0.17 Net Operating Income (“NOI”) Per Diluted Share**
 - ✓ 89%, or \$0.08 per diluted share, increase from Q2 2010
- ◆ **\$(0.03) Net Realized Loss Per Diluted Share**
- ◆ **\$0.43 Net Earnings Per Diluted Share**
 - ✓ **\$149 MM net earnings**
 - \$617 MM YTD net earnings
 - ✓ **\$0.45 net unrealized appreciation per diluted share**
 - ✓ **19% annualized ROE**
- ◆ **\$9.59 Net Asset Value (“NAV”) Per Share**
 - ✓ **\$0.44, or 5%, increase in NAV per share from Q2 2010**
 - ✓ **\$3.3 B NAV**

Q3 2010 Financial Summary

- ◆ **\$407 MM of Debt Repaid**
 - ✓ Including \$200 MM of secured debt due 2013
 - ✓ 0.8:1 Debt to Equity
 - 230% asset coverage ratio
- ◆ **Since the Low Point of our Book Value at the End of Q2 2009**
 - ✓ \$1.4 B increase in book value
 - ✓ \$1.8 B of debt repaid
 - ✓ 27% ROE

Capitalization and Investment Strategy



SMG



WIS



NIVEL



AAMCO
TRANSMISSIONS



Rug Doctor



BBB
INDUSTRIES



CAMP

Capitalization & Investment Strategy Summary

De-Lever and De-Risk Balance Sheet

- ◆ Repaid \$300 MM of New Secured Debt in Q3 and Q4 2010
 - ✓ Dropping to lowest interest rate level
- ◆ Goal of Reducing Average Leverage to 0.6:1
- ◆ Future Leverage Ideally Should be On-Balance Sheet Securitizations
- ◆ Future Investments will have a Substantially Higher Proportion of Debt vs Equity Investments in Order to De-Risk Asset Mix

Dividend Considerations

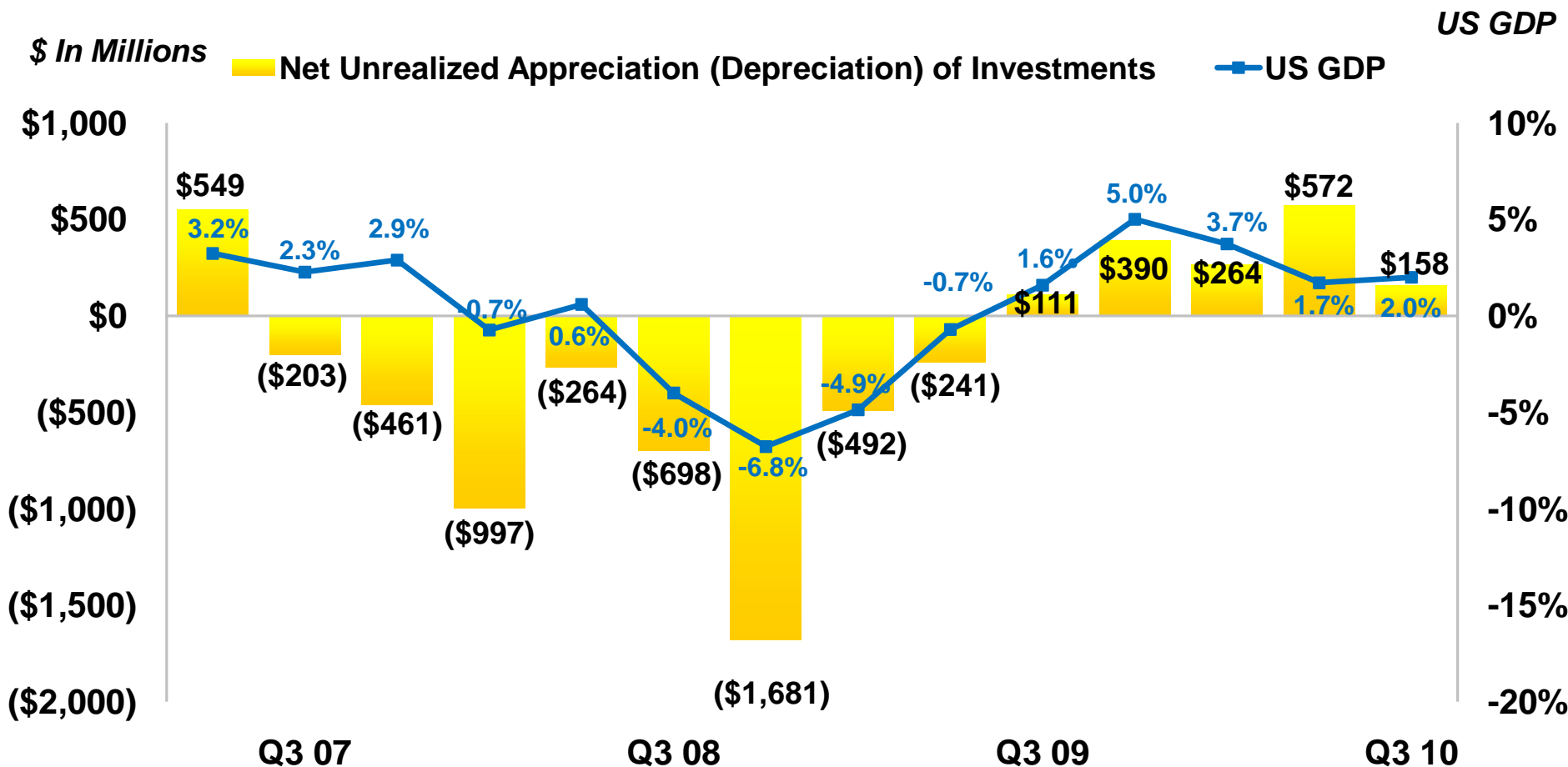
- ◆ **No Undistributed Taxable Income Remains from Tax Year Ended September 30, 2009**
- ◆ **Already Depreciated Assets are Being Realized as Ordinary and Capital Losses**
 - ✓ **Capital losses will carry forward into future tax years**
 - ✓ **2010 ordinary losses are expected to eliminate 2010 taxable ordinary income**
 - ✓ **Expecting no distributable taxable income for tax year ended September 30, 2010**
- ◆ **IRS Allows 90:10, Stock:Cash Dividends for Tax Years Ending Through 2011**
- ◆ **At 230% Asset Coverage We are No Longer Subject to Dividend Restrictions Under**
 - ✓ **The '40 Act, or**
 - ✓ **Debt agreements**

Appreciation, Depreciation, Gains and Losses



Net Unrealized Appreciation (Depreciation) of Investments

Relative to Change in Gross Domestic Product



ACAS Realizations

1997 IPO-to-Date

- ◆ **12% Weighted Avg IRR on Senior and Subordinated Debt, Equity and Structured Products Exits***
 - ✓ 306 realizations
 - Exiting \$15 B of committed capital
 - 60% of total capital committed
 - ✓ Proceeds exceed prior quarter valuations by less than 1%
 - ✓ Inclusive of fees earned
- ◆ **26% Weighted Average IRR on Equity Realizations****
 - ✓ Inclusive of fees earned
- ◆ **\$381 MM of Accrued PIK and Accreted OID Repaid**
 - ✓ 38% of total accrued PIK and accreted OID

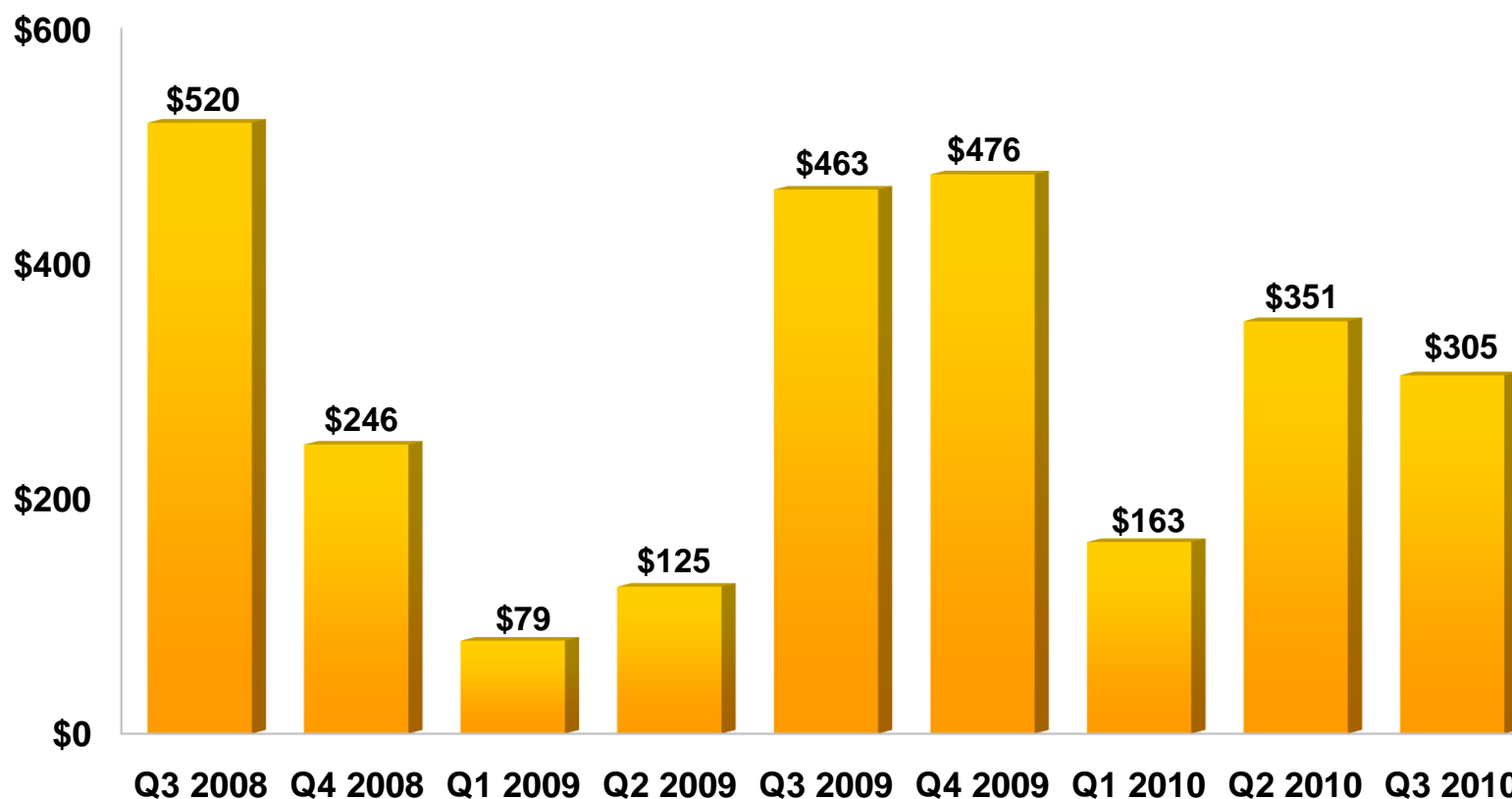
* Includes fully exited portfolio companies and exited securities of existing portfolio companies.

** Excludes Structured Products, equity investments that are the result of conversions of debt to equity and equity warrants received with debt fundings.

\$2.7 B of Realizations Since June 30, 2008

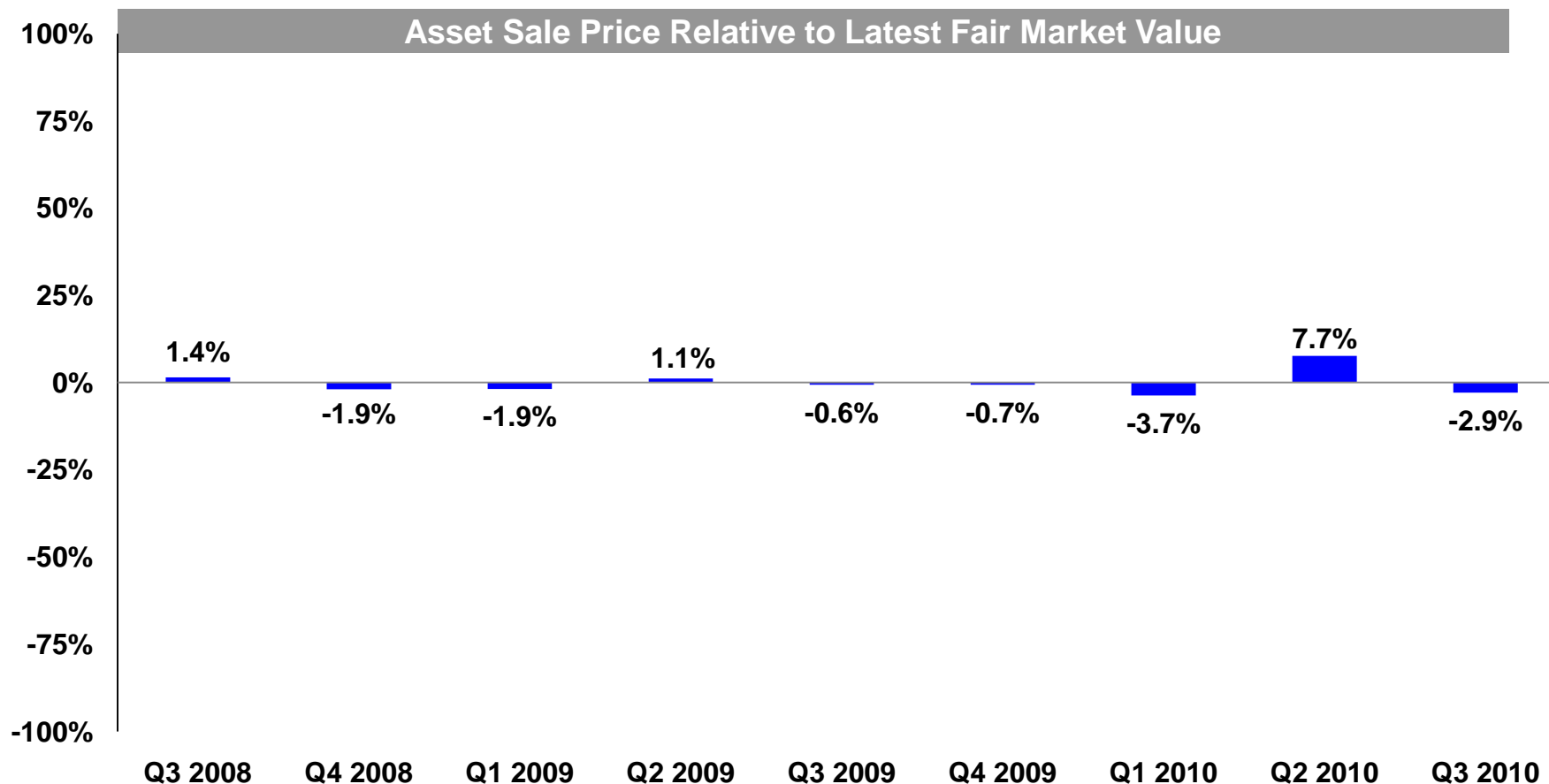
- ◆ **Generated Significant Liquidity Through Realizations**
 - ✓ **Despite the extremely low volume of M&A activity**

\$ in Millions



Realization Performance⁽¹⁾

Assets Have Been Sold Near Fair Value



Credit Quality



Portfolio Statistics

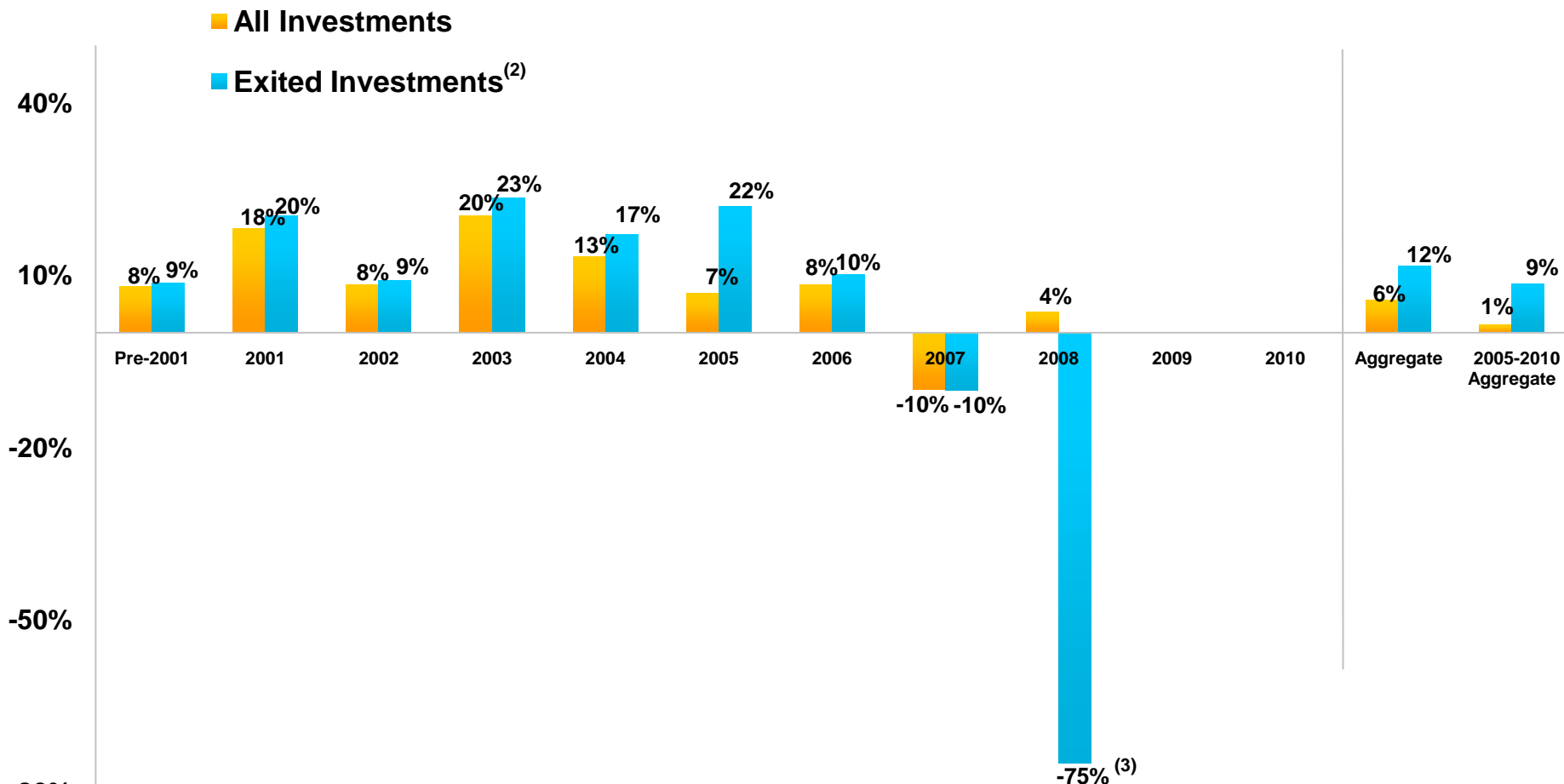
Realizations Had Little Impact on Portfolio Attributes

	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Control ⁽¹⁾ Portfolio Company Assets at Fair Value as a % of Prior Quarter Investments at Fair Value	55%	58%	54%	59%	57%	58%	58%
Total Investments at Fair Value to Total Investments at Cost	64%	60%	60%	61%	63%	67%	68%
Mean Net Debt to Valuation EBITDA ⁽²⁾	4.2	4.4	4.6	4.5	4.3	4.3	4.1
Total Net Debt to Valuation EBITDA ⁽²⁾	5.3	6.5	5.9	5.8	5.5	5.5	5.3
Weighted Average EBITDA Margin	20.8%	20.8%	20.5%	20.1%	20.8%	20.5%	21.9%
Total Senior Debt as a % of Investments at Fair Value	34%	35%	35%	32%	31%	30%	27%
Total Subordinated Debt as a % of Investments at Fair Value	37%	35%	35%	35%	35%	34%	34%
Total Equity Assets as a % of Investments at Fair Value	27%	28%	27%	30%	31%	34%	37%

(1) Includes private finance investments that we control or can gain control of the board of directors of the portfolio company as of the measurement date, including equity securities and those securities held by entities managed by American Capital, LLC on a fully diluted basis.

(2) See slide 29 for definition of Mean and Total Net Debt to Valuation EBITDA.

IRR by Static Pool and Exited Investments⁽¹⁾⁽²⁾



Current Static Pool Investments at Fair Value as % of Total Portfolio at Fair Value at 9/30/10

<u>Pre-2001</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
0.6%	0.1%	2.6%	7.5%	6.4%	23.1%	19.7%	27.7%	12.3%	0.0%	0.0%

(1) Static pool classification is based on the year the initial investment was made. Subsequent add-on investments are included in the static pool year of the original investment.

(2) Includes exited securities of existing portfolio companies.

(3) Not considered meaningful as only \$55 MM, or 5.4%, of investments have been exited.

Value Proposition and Outlook



Value Proposition

Potential Asset Appreciation with Economic Recovery

- ◆ **\$795 MM of Net Portfolio Appreciation Since GDP Turned Positive**
 - ✓ **27% annualized ROE**
 - ✓ **\$2.17 or 29% growth in NAV per share over last 5 quarters***
- ◆ **Potential Appreciation of ECAS**
 - ✓ **Equity investment valued at \$499 MM at September 30, 2010**
 - **Versus \$793 MM NAV at ECAS**
- ◆ **Potential of Performing Debt Assets Being Repaid at Cost**
 - ✓ **\$181 MM below cost at ECAS at September 30, 2010**
 - ✓ **\$113 MM below cost at ACAS at September 30, 2010**
- ◆ **Potential Appreciation of Equity Assets as the Economy Recovers**
 - ✓ **Expect continued appreciation if the economy remains positive**
- ◆ **Resumption of Investing in New Portfolio Companies**

Outlook

- ◆ **We Expect Continued Slow Economic Growth through 2011**
 - ✓ Generally asset valuations have been improving
- ◆ **Expect to Reach Lowest Interest Rate Level by Year-end**
- ◆ **Remain Focused on Portfolio Companies**
 - ✓ Providing operational and financial support
 - ✓ High priority to appreciate control companies by funding
 - Organic growth and
 - Add-on acquisitions
- ◆ **Resumption of Investing in Second Lien and Mezzanine of New Portfolio Companies**
- ◆ **A Long-term, Patient Investor**
 - ✓ Getting fair values on realizations in a tough market

End of Formal Presentation

Appendix to Follow



Appendix



SMG



WIS



NIVEL



AAMCO
TRANSMISSIONS



Rug Doctor
The Carpet Care Experts



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INDUSTRIES



CAMP

Due Diligence

- ◆ **Often Engage Third Parties For:**
 - ✓ **Industry assessments**
 - ✓ **Management background investigations**
 - ✓ **Management psychological assessments**
 - ✓ **Environmental assessments**
 - ✓ **Legal review**
 - **Arnold & Porter, Patton Boggs, Weil Gotshal, O'Melveny & Myers**
 - ✓ **Risk management assessments**
 - ✓ **Asset appraisals**

European Capital

Focused on Growing Book Value and Valuation

◆ Valuation

- ✓ ACAS equity investment in ECAS valued at \$499 MM as of 9/30/10
 - \$294 MM, or 37%, discount to ECAS NAV of \$793 MM
- ✓ Valuation at 9/30/10 included significant discount to NAV due to:
 - Tenor of credit facilities could affect realization of NAV
 - Comparable publicly traded funds currently trading at discount to NAV
 - Comparable transactions completed at a discount to NAV

◆ Will Deploy Capital from Liquidity Events

- ✓ To reduce debt
- ✓ Into portfolio companies for organic growth and add-on acquisitions
- ✓ Into new second lien and mezzanine investments

Appreciation, Depreciation, Gains and Losses

\$ in Millions

NET REALIZED GAINS AND LOSSES	<u>Q3 2010</u>		
Private Finance Portfolio			\$ (12)
Structured Products			<u>(42)</u>
Realized Losses on Portfolio Company Investments			(54)
Derivative Agreements and Other			<u>(14)</u>
Net Realized Losses			\$ (68)
NET UNREALIZED APPRECIATION AND DEPRECIATION	<u>Cost</u> <u>Basis</u>	<u>Fair</u> <u>Value</u>	
Reversal of Prior Period Unrealized Depreciation Upon \$54 MM of Realized Losses	N/A	N/A	\$ 44
Private Finance Portfolio	\$ 6,138	\$ 4,748	(10)
European Capital Limited Investment	1,279	512	44
European Capital Limited Foreign Currency Translation*	N/A	N/A	(88)
American Capital Agency Corp.	50	66	-
American Capital, LLC	66	87	26
Structured Products	609	153	12
Foreign Currency Translation – European Capital**	N/A	N/A	135
Foreign Currency Translation – Other**	N/A	N/A	6
Derivative Agreements and Other	<u>-</u>	<u>(126)</u>	<u>(11)</u>
Net Unrealized Appreciation			\$ 158
TOTAL	\$ 8,142	\$ 5,440	\$ 90

* Represents foreign currency translation on the accumulated unrealized depreciation on the investment and is reported as unrealized appreciation of portfolio company investments on our Consolidated Statements of Operations.

** Represents foreign currency translation on the cost basis of European Capital and on other foreign currency denominated assets and liabilities. Reported as unrealized depreciation from foreign currency translation on our Consolidated Statements of Operations.

Past Due and Non Accrual Loans

<i>\$ in Millions</i>	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Current	<u>\$ 4,047</u>	<u>\$ 3,572</u>	<u>\$ 3,648</u>	<u>\$ 3,416</u>	<u>\$ 3,074</u>
0-30 Days Past Due	\$ 7	\$ 38	\$ -	\$ -	\$ 102
31-60 Days Past Due	113	-	3	-	-
61-90 Days Past Due	-	-	-	31	-
> 90 Days Past Due	<u>89</u>	<u>50</u>	<u>44</u>	<u>26</u>	<u>50</u>
Total Past Due Loans at Cost	\$ 209	\$ 88	\$ 47	\$ 57	\$ 152
Non-Accrual Loans at Cost	\$ 889	\$ 811	\$ 671	\$ 686	\$ 746
Total Loans at Cost	\$ 5,145	\$ 4,471	\$ 4,366	\$ 4,159	\$ 3,972
Non-Accrual Loans at Fair Value	\$ 285	\$ 290	\$ 263	\$ 308	\$ 265
Total Loans at Fair Value	\$ 4,117	\$ 3,729	\$ 3,759	\$ 3,625	\$ 3,378
Non-Accrual Loans as a % of Total Loans at Cost	17.3%	18.1%	15.4%	16.5%	18.8%
Non-Accrual Loans as a % of Total Loans at Fair Value	6.9%	7.8%	7.0%	8.5%	7.8%

Balance Sheet Highlights

	Q3 09	Q4 09	Q3 10	Q3 10 vs. Q3 09 Change	
				\$	%
<i>(\$ in Millions, except per share data and financial metrics)</i>					
Assets					
Cash and Cash Equivalents	\$445	\$835	\$109	\$(336)	-76%
Debt Investments	\$4,117	\$3,729	\$3,378	\$(739)	-18%
Equity Investments	\$1,580	\$1,679	\$2,035	\$455	29%
Structured Products	\$196	\$167	\$153	\$(43)	-22%
Total Investments at Fair Value	\$5,893	\$5,575	\$5,566	\$(327)	-6%
Liabilities					
Total Debt Outstanding	\$4,279	\$4,142	\$2,517	\$(1,762)	-41%
Equity					
Shareholders' Equity	\$2,190	\$2,329	\$3,271	\$1,081	49%
Net Asset Value per Share	\$7.80	\$8.29	\$9.59	\$1.79	23%
Ratios					
Debt-to-Equity	2.0:1	1.8:1	0.8:1	NA	NA
Price-to-Book	0.4 X	0.3 X	0.6 X	NA	NA

Third Quarter Income Statements

<i>\$ in Millions</i>	2006	2007	2008	2009	2010
Total Operating Income	\$ 231	\$ 310	\$ 278	\$ 193	\$ 142
Total Operating Expense ⁽¹⁾	59	84	73	70	47
Interest Expense	56	79	50	85	36
Debt Refinancing Costs	-	-	-	5	-
(Provision) Benefit for Income Taxes	<u>(6)</u>	<u>6</u>	<u>(2)</u>	<u>(1)</u>	<u>-</u>
Net Operating Income	\$ 110	\$ 153	\$ 153	\$ 32	\$ 59
Net Realized Gain (Loss)	<u>52</u>	<u>71</u>	<u>(3)</u>	<u>(66)</u>	<u>(68)</u>
Realized Earnings (Loss)	\$ 162	\$ 224	\$ 150	\$ (34)	\$ (9)
Unrealized (Depreciation) Appreciation	<u>(30)</u>	<u>(203)</u>	<u>(698)</u>	<u>111</u>	<u>158</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	\$ 132	\$ 21	\$(548)	\$ 77	\$ 149

Capital Resources Under Management



\$18 B Capital Resources Under Management

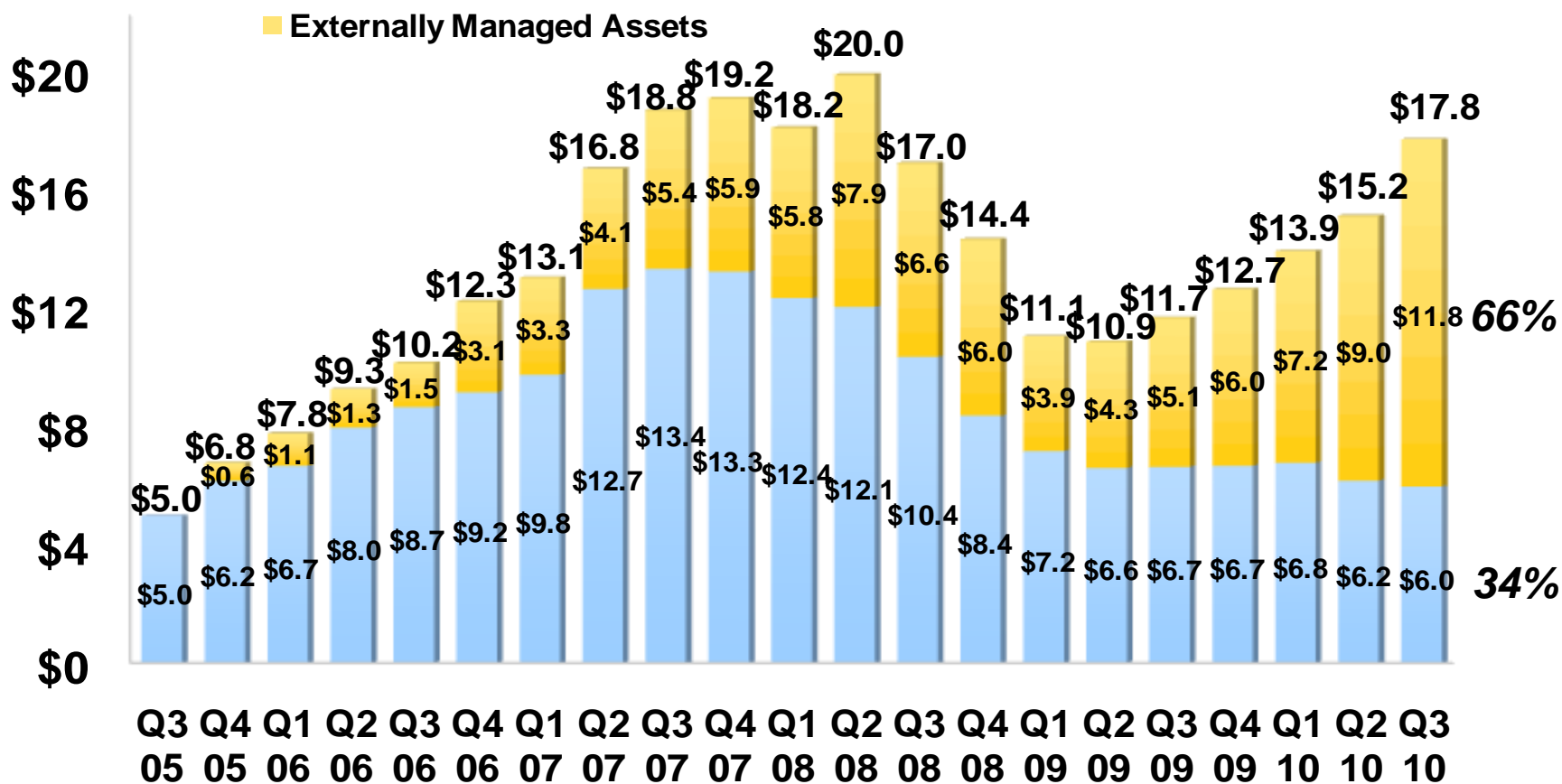
\$6.0 Billion at ACAS

As of September 30, 2010



Capital Resources Under Management*

\$ in Billions



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End of Appendix

Quarterly Shareholder Presentation to Follow





American Capital



Q3 2010 Shareholder Presentation

November 3, 2010

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Q3 2010 Financial Summary

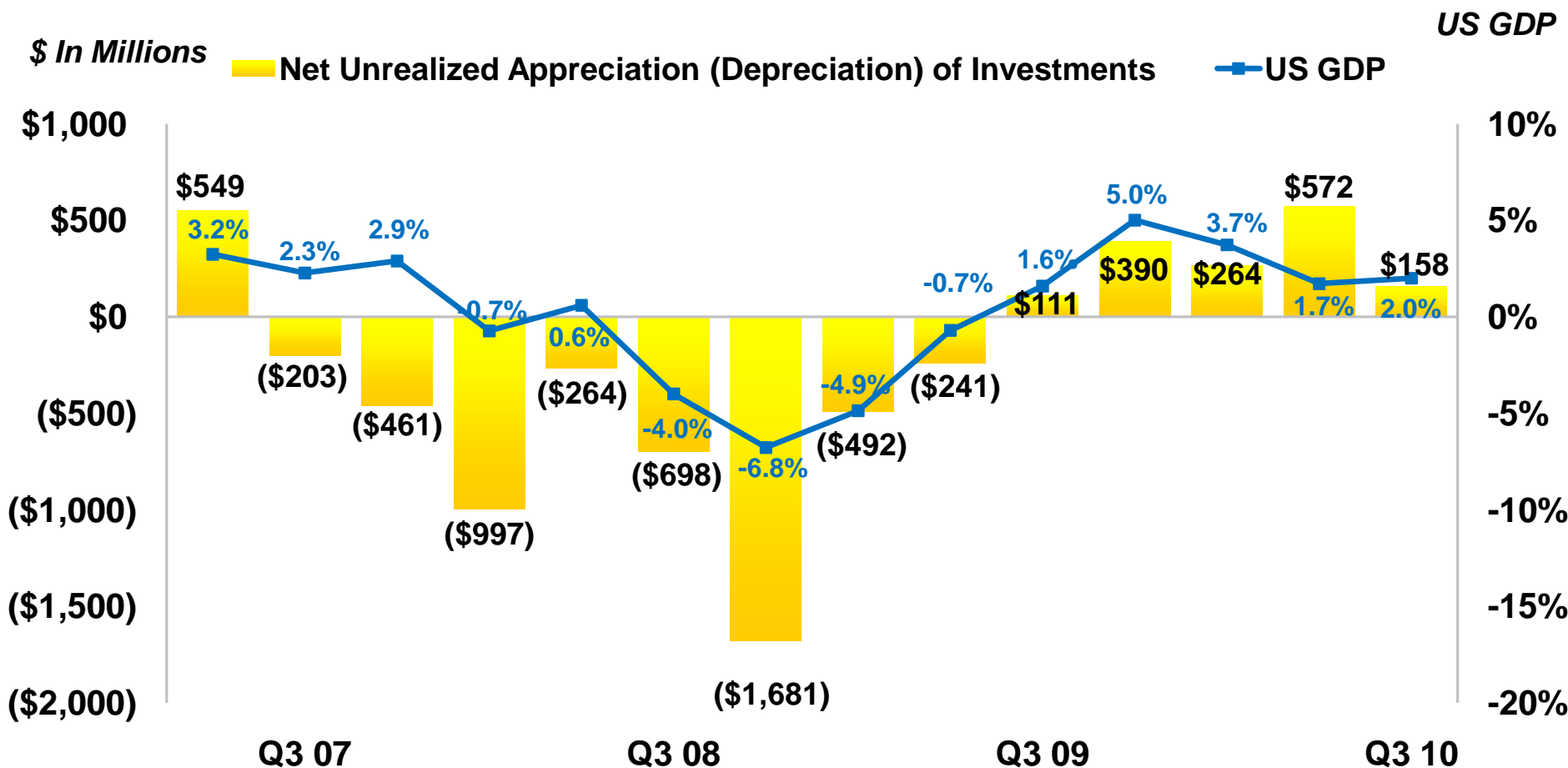
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Net Unrealized Appreciation (Depreciation) of Investments

Relative to Change in Gross Domestic Product



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\$305 MM of Q3 Cash Realizations

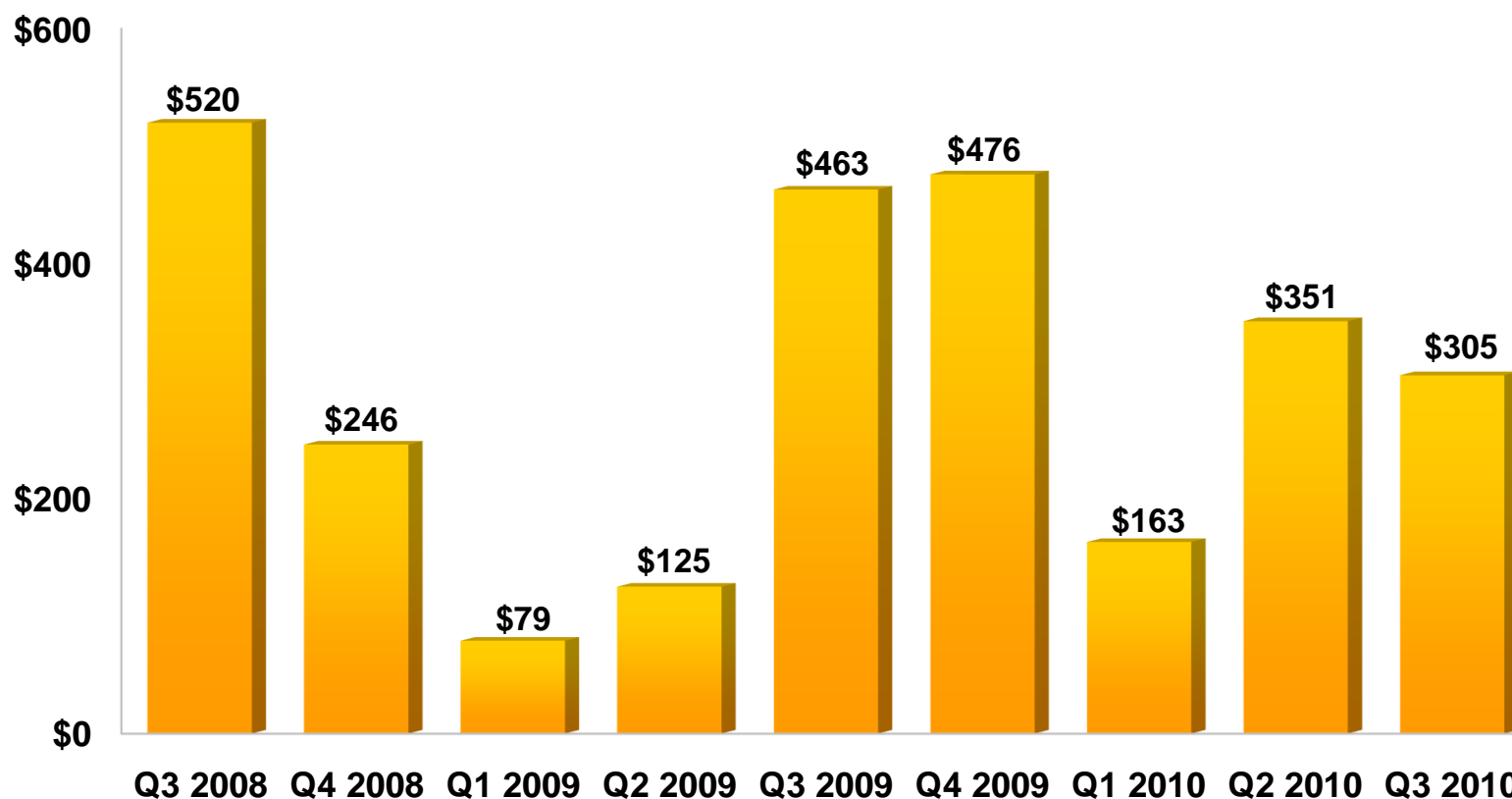
Significant Volume of Realizations

- ◆ **\$230 MM Received from Principal Payments**
 - ✓ **\$181 MM in principal prepayments**
 - ✓ **\$7 MM in scheduled principal amortization**
 - ✓ **\$25 MM in loan syndications and sales**
 - ✓ **\$17 MM collection of accrued PIK notes and dividends and accreted OID**
- ◆ **\$75 MM Received from the Sale of Equity Investments**

\$2.7 B of Realizations Since June 30, 2008

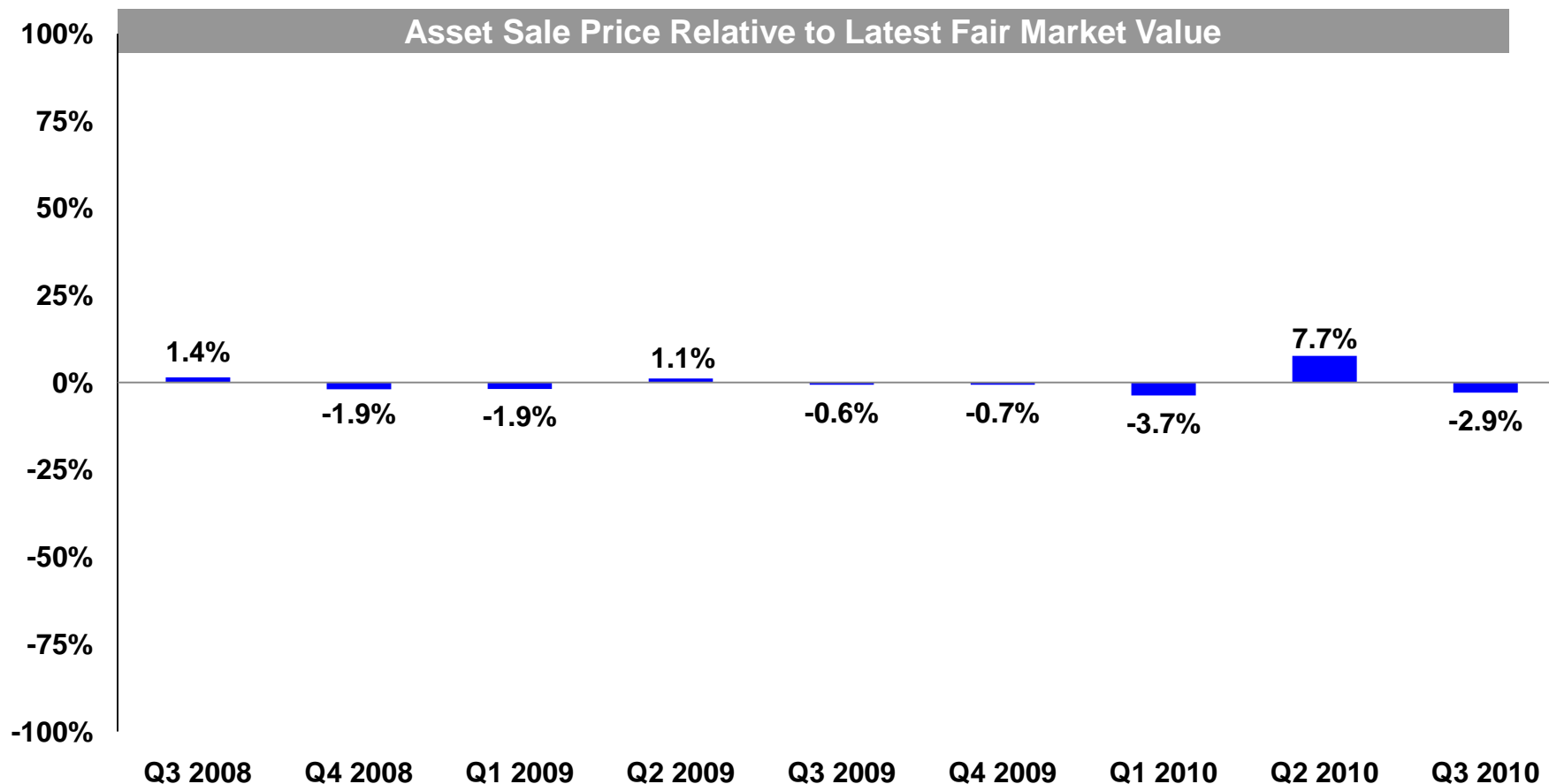
- ◆ **Generated Significant Liquidity Through Realizations**
 - ✓ **Despite the extremely low volume of M&A activity**

\$ in Millions



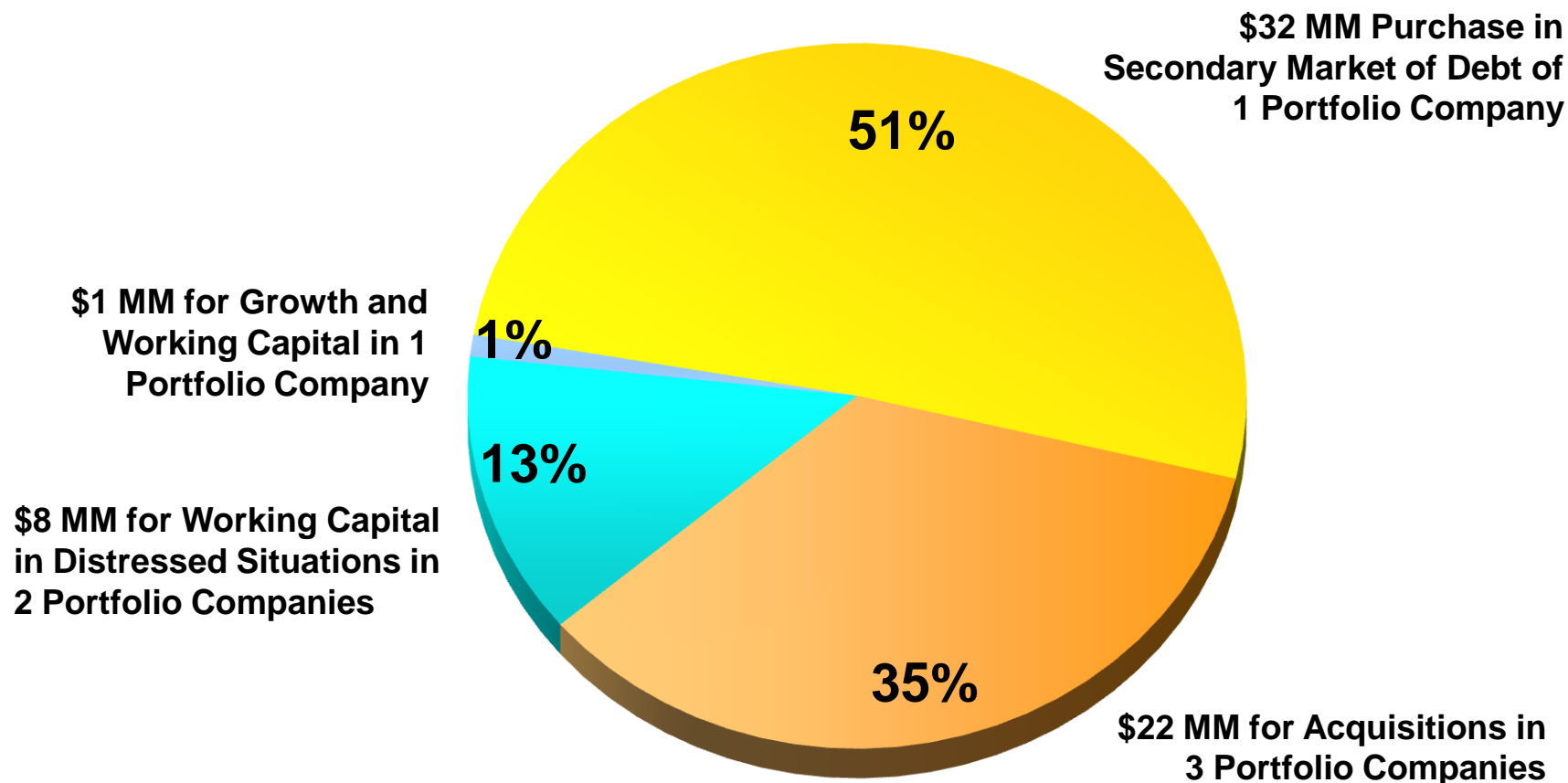
Realization Performance⁽¹⁾

Assets Have Been Sold Near Fair Value



\$63 MM of Q3 2010 New Investments*

By Use of Funds



Portfolio Statistics

Realizations Had Little Impact on Portfolio Attributes

	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Control ⁽¹⁾ Portfolio Company Assets at Fair Value as a % of Prior Quarter Investments at Fair Value	55%	58%	54%	59%	57%	58%	58%
Total Investments at Fair Value to Total Investments at Cost	64%	60%	60%	61%	63%	67%	68%
Mean Net Debt to Valuation EBITDA ⁽²⁾	4.2	4.4	4.6	4.5	4.3	4.3	4.1
Total Net Debt to Valuation EBITDA ⁽²⁾	5.3	6.5	5.9	5.8	5.5	5.5	5.3
Weighted Average EBITDA Margin	20.8%	20.8%	20.5%	20.1%	20.8%	20.5%	21.9%
Total Senior Debt as a % of Investments at Fair Value	34%	35%	35%	32%	31%	30%	27%
Total Subordinated Debt as a % of Investments at Fair Value	37%	35%	35%	35%	35%	34%	34%
Total Equity Assets as a % of Investments at Fair Value	27%	28%	27%	30%	31%	34%	37%

(1) Includes private finance investments that we control or can gain control of the board of directors of the portfolio company as of the measurement date, including equity securities and those securities held by entities managed by American Capital, LLC on a fully diluted basis.

(2) See slide 29 for definition of Mean and Total Net Debt to Valuation EBITDA.

Appreciation, Depreciation, Gains and Losses

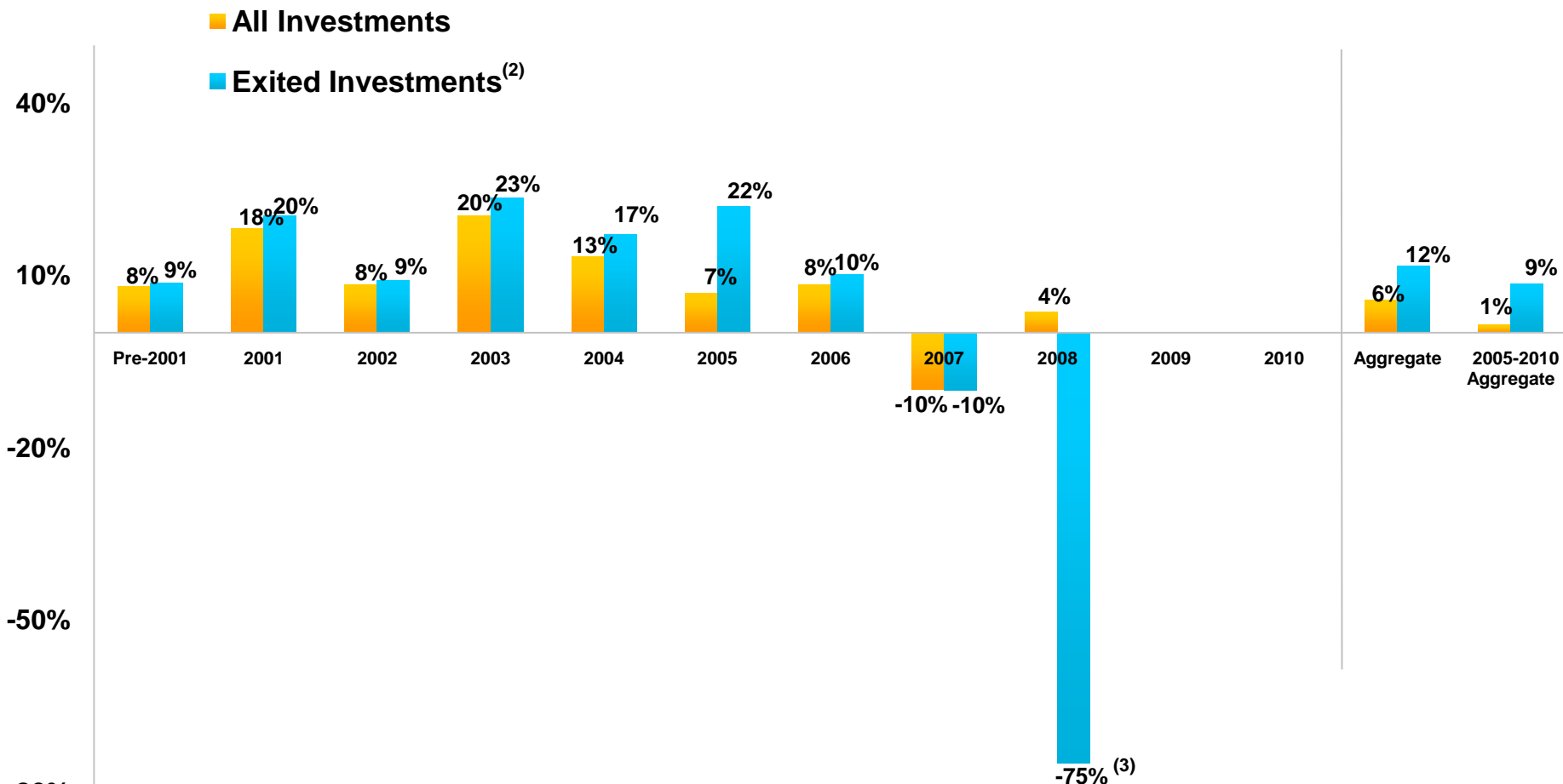
\$ in Millions

NET REALIZED GAINS AND LOSSES	<u>Q3 2010</u>		
Private Finance Portfolio			\$ (12)
Structured Products			<u>(42)</u>
Realized Losses on Portfolio Company Investments			(54)
Derivative Agreements and Other			<u>(14)</u>
Net Realized Losses			\$ (68)
NET UNREALIZED APPRECIATION AND DEPRECIATION	<u>Cost</u> <u>Basis</u>	<u>Fair</u> <u>Value</u>	
Reversal of Prior Period Unrealized Depreciation Upon \$54 MM of Realized Losses	N/A	N/A	\$ 44
Private Finance Portfolio	\$ 6,138	\$ 4,748	(10)
European Capital Limited Investment	1,279	512	44
European Capital Limited Foreign Currency Translation*	N/A	N/A	(88)
American Capital Agency Corp.	50	66	-
American Capital, LLC	66	87	26
Structured Products	609	153	12
Foreign Currency Translation – European Capital**	N/A	N/A	135
Foreign Currency Translation – Other**	N/A	N/A	6
Derivative Agreements and Other	<u>-</u>	<u>(126)</u>	<u>(11)</u>
Net Unrealized Appreciation			\$ 158
TOTAL	\$ 8,142	\$ 5,440	\$ 90

* Represents foreign currency translation on the accumulated unrealized depreciation on the investment and is reported as unrealized appreciation of portfolio company investments on our Consolidated Statements of Operations.

** Represents foreign currency translation on the cost basis of European Capital and on other foreign currency denominated assets and liabilities. Reported as unrealized depreciation from foreign currency translation on our Consolidated Statements of Operations.

IRR by Static Pool and Exited Investments⁽¹⁾⁽²⁾



Current Static Pool Investments at Fair Value as % of Total Portfolio at Fair Value at 9/30/10

Pre-2001	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
0.6%	0.1%	2.6%	7.5%	6.4%	23.1%	19.7%	27.7%	12.3%	0.0%	0.0%

(1) Static pool classification is based on the year the initial investment was made. Subsequent add-on investments are included in the static pool year of the original investment.

(2) Includes exited securities of existing portfolio companies.

(3) Not considered meaningful as only \$55 MM, or 5.4%, of investments have been exited.

Capitalization and Investment Strategy



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Capitalization & Investment Strategy Summary

De-Lever and De-Risk Balance Sheet

- ◆ **Intend to Reduce New Secured Debt by \$107 MM by Year End**
 - ✓ \$200 MM reduction in Q3 2010
 - ✓ Dropping to lowest interest rate level
- ◆ **Goal of Reducing Average Leverage to 0.6:1**
- ◆ **Future Leverage Ideally Should be On-Balance Sheet Securitizations**
- ◆ **Future Investments will have a Substantially Higher Proportion of Debt vs Equity Investments in Order to De-Risk Asset Mix**

European Capital

Focused on Growing Book Value and Valuation

◆ Valuation

- ✓ ACAS equity investment in ECAS valued at \$499 MM as of 9/30/10
 - \$294 MM, or 37%, discount to ECAS NAV of \$793 MM
- ✓ Valuation at 9/30/10 included significant discount to NAV due to:
 - Tenor of credit facilities could affect realization of NAV
 - Comparable publicly traded funds currently trading at discount to NAV
 - Comparable transactions completed at a discount to NAV

◆ Will Deploy Capital from Liquidity Events

- ✓ To reduce debt
- ✓ Into portfolio companies for organic growth and add-on acquisitions
- ✓ Into new second lien and mezzanine investments

Dividend Considerations

- ◆ **No Undistributed Taxable Income Remains from Tax Year Ended September 30, 2009**
- ◆ **Already Depreciated Assets are Being Realized as Ordinary and Capital Losses**
 - ✓ **Capital losses will carry forward into future tax years**
 - ✓ **2010 ordinary losses are expected to eliminate 2010 taxable ordinary income**
 - ✓ **Expecting no distributable taxable income for tax year ended September 30, 2010**
- ◆ **IRS Allows 90:10, Stock:Cash Dividends for Tax Years Ending Through 2011**
- ◆ **At 230% Asset Coverage We are No Longer Subject to Dividend Restrictions Under**
 - ✓ **The '40 Act, or**
 - ✓ **Debt agreements**

Value Proposition

Potential Asset Appreciation with Economic Recovery

- ◆ **\$795 MM of Net Portfolio Appreciation Since GDP Turned Positive**
 - ✓ **27% annualized ROE**
 - ✓ **\$2.17 or 29% growth in NAV per share over last 5 quarters***
- ◆ **Potential Appreciation of ECAS**
 - ✓ **Equity investment valued at \$499 MM at September 30, 2010**
 - **Versus \$793 MM NAV at ECAS**
- ◆ **Potential of Performing Debt Assets Being Repaid at Cost**
 - ✓ **\$181 MM below cost at ECAS at September 30, 2010**
 - ✓ **\$113 MM below cost at ACAS at September 30, 2010**
- ◆ **Potential Appreciation of Equity Assets as the Economy Recovers**
 - ✓ **Expect continued appreciation if the economy remains positive**
- ◆ **Resumption of Investing in New Portfolio Companies**

Outlook

- ◆ **We Expect Continued Slow Economic Growth through 2011**
 - ✓ Generally asset valuations have been improving
- ◆ **Expect to Reach Lowest Interest Rate Level by Year-end**
- ◆ **Remain Focused on Portfolio Companies**
 - ✓ Providing operational and financial support
 - ✓ High priority to appreciate control companies by funding
 - Organic growth and
 - Add-on acquisitions
- ◆ **Resumption of Investing in Second Lien and Mezzanine of New Portfolio Companies**
- ◆ **A Long-term, Patient Investor**
 - ✓ Getting fair values on realizations in a tough market

End of Formal Presentation



Capitalization and Investment Strategy



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Capitalization & Investment Strategy

De-Lever Balance Sheet

- ◆ **Intend to Reduce New Secured Debt by \$107 MM by Year End**
 - ✓ \$200 MM reduction in Q3 2010
 - ✓ Dropping to lowest interest rate level
 - ✓ Generating 12% return on capital
 - ✓ Further repayments will be compared to alternative uses of capital
 - No additional amortization required until June 2013
- ◆ **Goal of Reducing Average Leverage to 0.6:1**
- ◆ **Future Leverage Ideally Should be On-Balance Sheet Securitizations**
 - ✓ Match funding of assets and liabilities
 - ✓ No mark to market covenants

Capitalization & Investment Strategy

De-Risk Asset Mix

- ◆ **Our Portfolio Comprised 54% Debt Assets, 40% Equity Assets and 6% Structured Products at the end of 2007**
- ◆ **Future Investments will have a Substantially Higher Proportion of Debt vs Equity Investments in Order to De-Risk Asset Mix**
 - ✓ **Invest in second lien and mezzanine at a volume to improve debt vs equity mix**
 - ✓ **Invest in equity predominately in existing portfolio companies**
 - ✓ **Raise managed funds to make new private equity investments**

Capitalization & Investment Strategy

Existing Portfolio

- ◆ **Generally Hold Investments Through Economic Recovery to Take Advantage of**
 - ✓ Potential EBITDA growth off of cyclical lows
 - ✓ Potential multiple expansion
 - ✓ Performing debt being repaid at cost
- ◆ **High Priority to Invest in Existing Control Companies to**
 - ✓ Generate organic growth
 - ✓ Fund accretive add-on acquisitions
- ◆ **Greater than \$100 MM of Available Capital in ACE I and ACE II**
 - ✓ To co-invest with ACAS in follow-on equity investments

Capitalization & Investment Strategy

Focus on Second Lien & Mezzanine Investing

- ◆ **6 US Sponsored Finance Teams**
 - ✓ 14 professionals
- ◆ **Currently Sourcing Second Lien and Mezzanine Opportunities**
 - ✓ \$10 MM to \$40 MM investment size
 - ✓ Eligible for Securitizations
 - Granularity is necessary for securitization
- ◆ **De-risking Balance Sheet**
- ◆ **Producing Cash Income**

Capitalization & Investment Strategy

New One-Stop Buyouts™

- ◆ **13 US Buyout Teams**
 - ✓ 31 investment professionals
- ◆ **Raise Third Party PE Funds for Future Buyouts**
- ◆ **Selectively Reinvest Portions of Equity Exits in New One-Stop Buyouts™**
 - ✓ May sell new equity investments to PE funds that we will manage
- ◆ **After Raising a PE Fund, New Equity Investments will be Made from the Fund**
 - ✓ ACAS will then recycle equity assets, as they mature and are exited, into debt assets on our balance sheet

Static Pool Information



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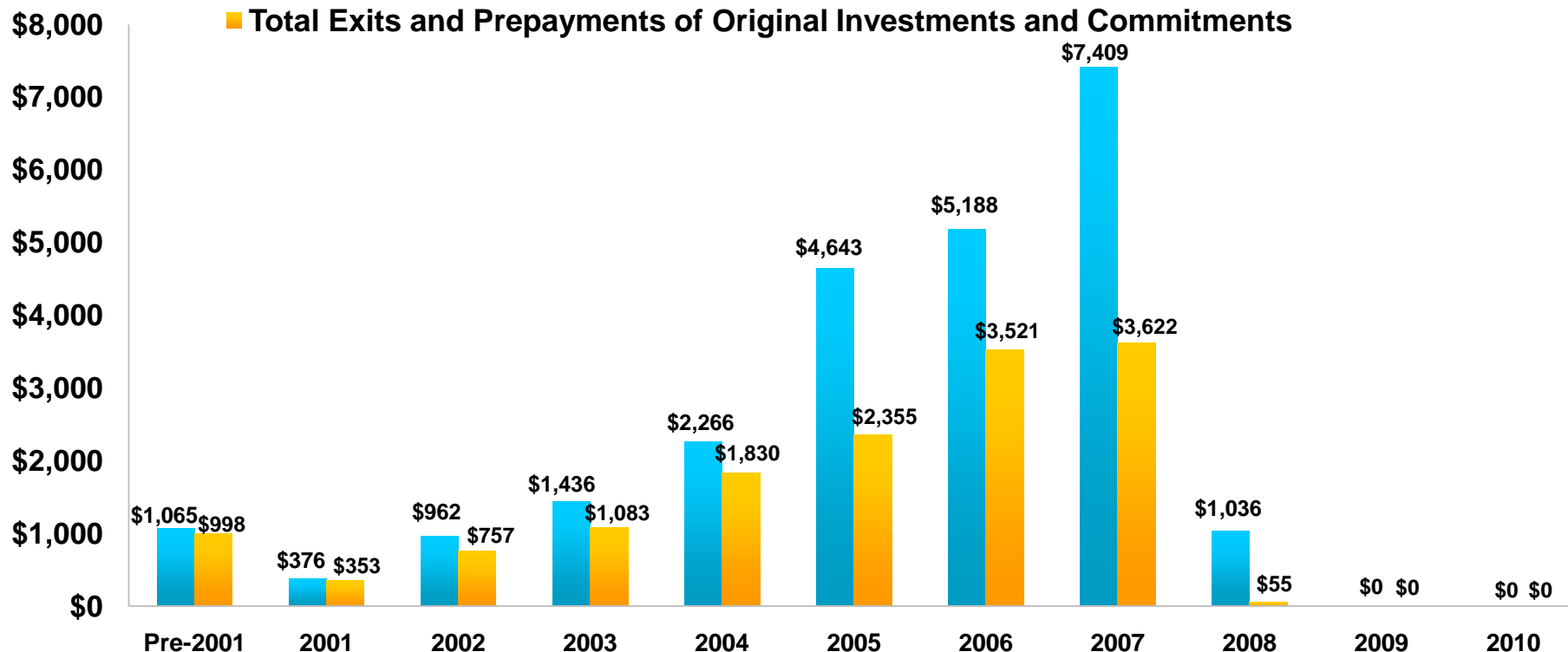


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Investments Exited vs Original Static Pool*

\$ In Millions

- Original Investments and Commitments
- Total Exits and Prepayments of Original Investments and Commitments



Investments Exited as a Percent of the Original Static Pool

93.7% 93.9% 78.7% 75.4% 80.8% 50.7% 67.9% 48.9% 5.3% 0.0% 0.0%



* Static pool classification is based on the year the initial investment was made. Subsequent add-on investments are included in the static pool year of the original investment.

Credit Quality of Private Finance Portfolio*

	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Mean Net Debt to Valuation EBITDA ¹	N/A	N/A	4.0	4.2	4.4	4.6	4.5	4.3	4.3	4.1
Total Net Debt to Valuation EBITDA ²	N/A	N/A	5.1	5.3	6.5	5.9	5.8	5.5	5.5	5.3
Debt to EBITDA ³	6.0	6.0	5.9	5.8	6.0	6.3	6.0	5.9	5.9	5.7
Interest Coverage ⁴	1.8	1.9	2.0	2.0	2.1	2.0	2.2	2.2	2.3	2.5
Debt Service Coverage ⁵	1.6	1.6	1.7	1.7	1.7	1.7	1.8	1.8	1.8	2.1

1. Mean Net Debt represents the sum of (i) debt and other liabilities senior to ACAS, (ii) normalization for working capital and (iii) the mean of the total of ACAS' debt in each portfolio company's debt capitalization, less cash of the portfolio company. EBITDA is defined as the earnings before interest, taxes, depreciation and amortization and other non-recurring charges. The Valuation EBITDA is defined as the EBITDA used to value the current enterprise value of the portfolio company which may be the EBITDA of the most recent twelve months or, when appropriate, the forecasted twelve months. Ratio excludes ACAS' investments in technology, real estate and financial services companies as well as debt investments valued at liquidation value.
2. Total Net Debt represents the sum of (i) debt and other liabilities senior to ACAS, (ii) normalization for working capital and (iii) the total of ACAS' debt in each portfolio company's debt capitalization, less cash of the portfolio company. Ratio excludes ACAS' investments in technology, real estate and financial services companies as well as debt investments valued at liquidation value.
3. Debt represents the sum of (i) total debt senior to ACAS and (ii) the total of ACAS' debt in each portfolio company's debt capitalization. EBITDA represents the EBITDA of the most recent twelve months. For portfolio companies with a nominal EBITDA, the Debt to EBITDA calculation is limited to 15 times EBITDA.
4. EBITDA divided by the total cash interest expense of the portfolio company during the most recent twelve month period, or when appropriate as a result of a new debt capital structure, the forecasted twelve months.
5. EBITDA divided by the total scheduled principal amortization and total cash interest expense of the portfolio company during the most recent twelve month period, or when appropriate, the forecast twelve months.

Portfolio Statistics⁽¹⁾

<i>\$ In Millions</i>	Pre- 2001 Static Pool	2001 Static Pool	2002 Static Pool	2003 Static Pool	2004 Static Pool	2005 Static Pool	2006 Static Pool	2007 Static Pool	2008 Static Pool	2009 Static Pool	2010 Static Pool	Pre-2001- 2010 Aggregate Portfolio	2005-2010 Aggregate Portfolio
IRR at Fair Value of All Investments ⁽²⁾	8.1%	18.1%	8.3%	20.4%	13.3%	6.8%	8.4%	-9.9%	3.6%	-	-	5.7%	1.4%
IRR of Exited Investments ⁽⁵⁾	8.6%	20.3%	9.1%	23.4%	17.1%	21.9%	10.1%	-10.1%	-74.9%	-	-	11.6%	8.5%
IRR at Fair Value of Equity Investments Only ⁽²⁾⁽³⁾⁽⁴⁾	6.0%	46.9%	11.5%	27.4%	27.1%	-2.8%	13.4%	-16.2%	5.2%	-	-	4.3%	-1.8%
IRR of Exited Equity Investments Only ⁽³⁾⁽⁴⁾⁽⁵⁾	8.5%	48.8%	18.3%	32.2%	43.0%	47.3%	18.9%	8.2%	69.0%	-	-	26.3%	27.7%
Original Investments and Commitments	\$ 1,065	\$ 376	\$ 962	\$ 1,436	\$ 2,266	\$ 4,643	\$ 5,188	\$ 7,409	\$ 1,036	\$ -	\$ -	\$ 24,381	\$ 18,276
Total Exits & Prepayments of Original Investments and Commitments	\$ 998	\$ 353	\$ 757	\$ 1,083	\$ 1,830	\$ 2,355	\$ 3,521	\$ 3,622	\$ 55	\$ -	\$ -	\$ 14,574	\$ 9,553
Total Interest, Dividends and Fees Collected	\$ 451	\$ 148	\$ 345	\$ 423	\$ 629	\$ 1,015	\$ 977	\$ 974	\$ 226	\$ -	\$ -	\$ 5,188	\$ 3,192
Total Net Realized (Loss) Gain on Investments	\$ (128)	\$ (4)	\$ (90)	\$ 142	\$ 27	\$ 279	\$ (103)	\$ (695)	\$ (50)	\$ -	\$ -	\$ (622)	\$ (569)
Current Cost of Investments	\$ 82	\$ 23	\$ 202	\$ 340	\$ 468	\$ 2,050	\$ 1,332	\$ 2,830	\$ 815	\$ -	\$ -	\$ 8,142	\$ 7,027
Current Fair Value of Investments	\$ 32	\$ 3	\$ 148	\$ 417	\$ 356	\$ 1,283	\$ 1,098	\$ 1,544	\$ 685	\$ -	\$ -	\$ 5,566	\$ 4,610
Current Fair Value of Investments as a % of Total Investments at Fair Value	0.6%	0.1%	2.6%	7.5%	6.4%	23.1%	19.7%	27.7%	12.3%	-	-	100.0%	82.8%
Net Unrealized Appreciation (Depreciation)	\$ (50)	\$ (20)	\$ (54)	\$ 77	\$ (112)	\$ (767)	\$ (234)	\$ (1,286)	\$ (130)	\$ -	\$ -	\$ (2,576)	\$ (2,417)

(1) Static pool classification is based on the year the initial investment was made. Subsequent add-on investments are included in the static pool year of the original investment.

(2) Assumes investments are exited at current fair value.

(3) Excludes investments in Structured Products.

(4) Excludes equity investments that are the result of conversions of debt and warrants received with the issuance of debt.

(5) Includes exited securities of existing portfolio companies.

Portfolio Statistics⁽¹⁾

<i>\$ In Millions</i>	Pre-2001 Static Pool	2001 Static Pool	2002 Static Pool	2003 Static Pool	2004 Static Pool	2005 Static Pool	2006 Static Pool	2007 Static Pool	2008 Static Pool	2009 Static Pool	2010 Static Pool	Pre-2001-2010 Aggregate Portfolio	2005-2010 Aggregate Portfolio
Non-Accruing Loans at Cost	\$ -	\$ 13	\$ 28	\$ -	\$ 47	\$ 70	\$ 128	\$ 438	\$ 22	\$ -	\$ -	\$ 746	\$ 658
Non-Accruing Loans at Fair Value	\$ 1	\$ 2	\$ 21	\$ -	\$ 16	\$ 71	\$ 54	\$ 74	\$ 26	\$ -	\$ -	\$ 265	\$ 225
Equity Interests at Fair Value ⁽³⁾	\$ 7	\$ -	\$ 7	\$ 184	\$ 72	\$ 822	\$ 415	\$ 318	\$ 210	\$ -	\$ -	\$ 2,035	\$ 1,765
Debt to EBITDA ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽¹²⁾	4.4	NM	7.4	3.9	6.0	5.1	5.2	6.7	5.5	-	-	5.7	5.8
Interest Coverage ⁽⁶⁾⁽⁸⁾⁽¹²⁾	2.3	NM	1.5	3.5	2.1	3.5	2.8	2.1	1.7	-	-	2.5	2.5
Debt Service Coverage ⁽⁶⁾⁽⁸⁾⁽¹²⁾	2.2	NM	1.3	3.3	1.6	2.8	2.0	1.8	1.6	-	-	2.1	2.0
Average Age of Companies ⁽⁸⁾⁽¹²⁾	42 yrs	25 yrs	53 yrs	40 yrs	45 yrs	29 yrs	35 yrs	31 yrs	25 yrs	-	-	33 yrs	31 yrs
Diluted Ownership Percentage ⁽³⁾⁽¹²⁾	63%	86%	37%	52%	44%	66%	41%	44%	41%	-	-	49%	49%

- (1) Static pool classification is based on the year the initial investment was made. Subsequent add-on investments are included in the static pool year of the original investment.
- (3) Excludes investments in structured products.
- (6) These amounts do not include investments in which American Capital owns only equity.
- (7) For portfolio companies with a nominal EBITDA amount, the portfolio company's maximum debt leverage is limited to 15 times EBITDA.
- (8) Excludes investments in Structured Products, managed funds and American Capital, LLC.
- (9) Sales of the most recent twelve months, or when appropriate the forecasted twelve months.
- (10) EBITDA of the most recent twelve months, or when appropriate the forecasted twelve months.
- (11) As a percentage of the company's total debt investments.
- (12) Weighted average based on fair value.

Portfolio Statistics⁽¹⁾

<i>\$ In Millions</i>	Pre-2001 Static Pool	2001 Static Pool	2002 Static Pool	2003 Static Pool	2004 Static Pool	2005 Static Pool	2006 Static Pool	2007 Static Pool	2008 Static Pool	2009 Static Pool	2010 Static Pool	Pre-2001-2010 Aggregate Portfolio	2005-2010 Aggregate Portfolio
Average Sales ⁽⁸⁾⁽⁹⁾⁽¹²⁾	\$ 44	\$ 6	\$ 53	\$ 199	\$ 104	\$ 105	\$ 148	\$ 206	\$ 101	\$ -	\$ -	\$ 151	\$ 155
Average EBITDA ⁽⁸⁾⁽¹⁰⁾⁽¹²⁾	\$ 5	\$ (1)	\$ 10	\$ 40	\$ 25	\$ 21	\$ 35	\$ 40	\$ 29	\$ -	\$ -	\$ 33	\$ 34
Average EBITDA Margin ⁽¹²⁾	11.4%	-16.7%	18.9%	20.1%	24.0%	20.0%	23.6%	19.4%	28.7%	-	-	21.9%	21.9%
Total Sales ⁽⁸⁾⁽⁹⁾	\$ 79	\$ 296	\$ 177	\$ 1,325	\$ 842	\$ 1,266	\$ 5,397	\$ 8,192	\$ 1,294	\$ -	\$ -	\$ 18,868	\$ 16,149
Total EBITDA ⁽⁸⁾⁽¹⁰⁾	\$ 8	\$ 5	\$ 21	\$ 198	\$ 167	\$ 237	\$ 665	\$ 1,574	\$ 258	\$ -	\$ -	\$ 3,133	\$ 2,734
% of Senior Loans ⁽⁸⁾⁽¹¹⁾	72%	33%	55%	61%	40%	36%	31%	59%	26%	-	-	45%	43%
% of Loans with Lien ⁽⁸⁾⁽¹¹⁾	100%	68%	100%	100%	90%	90%	93%	93%	61%	-	-	90%	88%

- (1) Static pool classification is based on the year the initial investment was made. Subsequent add-on investments are included in the static pool year of the original investment.
- (8) Excludes investments in Structured Products, managed funds and American Capital, LLC.
- (9) Sales of the most recent twelve months, or when appropriate the forecasted twelve months.
- (10) EBITDA of the most recent twelve months, or when appropriate the forecasted twelve months.
- (11) As a percentage of the company's total debt investments.
- (12) Weighted average based on fair value.

Corporate Overview



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American Capital Overview

Global Asset Manager

- ◆ **\$18 B of Capital Resources Under Management as of 9/30/10**
 - ✓ \$6 B at American Capital*
 - ✓ \$12 B externally managed assets**
- ◆ **Founded in 1986, IPO in 1997**
 - ✓ \$24 B invested by American Capital since IPO
- ◆ **Balance Sheet**
 - ✓ \$6.0 B of assets
 - ✓ \$3.3 B net asset value
 - ✓ 0.8:1 debt to equity
- ◆ **Financial Performance Since IPO**
 - ✓ \$30.32 of dividends paid since 1997 IPO at \$15.00 per share



* Includes American Capital's investment in its externally managed funds.

** Includes American Capital Agency Corp., American Capital Equity I, American Capital Equity II and ACAS CLO-1. European Capital Limited not included.

American Capital & Its Funds Under Management

- ◆ **\$40 B Invested** in 522 Portfolio Companies* Since IPO**
 - ✓ **Over 120 One Stop Buyouts™**
 - ✓ **226 PE buyouts sponsored by over 145 PE firms**
 - ✓ **178 direct & other investments**
- ◆ **Over 230 Portfolio Companies* as of 9/30/10**
 - ✓ **\$57 B of revenues***
 - ✓ **\$9 B EBITDA***
- ◆ **\$5 MM to \$100 MM Investment Size in North America**
- ◆ **€5 MM to €25 MM Investment Size in Europe**

* Includes portfolio companies of European Capital Limited.

** Includes investments of European Capital Limited, American Capital Agency Corp., American Capital Equity I, American Capital Equity II and ACAS CLO-1. Excludes investment of ACAS CRE CDO 2007-1.

People and Offices

304 Employees as of September 30, 2010

- ◆ 8 Offices in the U.S., Europe and Asia
- ◆ 33 Investment Teams
 - ✓ 89 investment professionals
- ◆ 35 CPAs, Audit and Valuation Professionals (FACT)
 - ✓ Unique in our industry
- ◆ 17 Person Operations Team
 - ✓ One of the largest in our industry
 - ✓ 6 CEOs & Presidents
 - ✓ 2 COOs
 - ✓ 1 CFO
 - ✓ 3 Financial VPs and Associates
 - ✓ 3 Supply Chain Management Professionals
- ◆ 4 Person Syndication Team
- ◆ 23 Person Legal Team
- ◆ 8 Person Human Resource Team
- ◆ Includes 61 Employees at American Capital, LLC
 - ✓ Primarily in Europe

Appreciation, Depreciation, Gains and Losses



Appreciation, Depreciation, Gains and Losses

\$ in Millions

NET REALIZED GAINS AND LOSSES	<u>Q3 2010</u>		
Private Finance Portfolio			\$ (12)
Structured Products			<u>(42)</u>
Realized Losses on Portfolio Company Investments			(54)
Derivative Agreements and Other			<u>(14)</u>
Net Realized Losses			\$ (68)
NET UNREALIZED APPRECIATION AND DEPRECIATION	<u>Cost</u> <u>Basis</u>	<u>Fair</u> <u>Value</u>	
Reversal of Prior Period Unrealized Depreciation Upon \$54 MM of Realized Losses	N/A	N/A	\$ 44
Private Finance Portfolio	\$ 6,138	\$ 4,748	(10)
European Capital Limited Investment	1,279	512	44
European Capital Limited Foreign Currency Translation*	N/A	N/A	(88)
American Capital Agency Corp.	50	66	-
American Capital, LLC	66	87	26
Structured Products	609	153	12
Foreign Currency Translation – European Capital**	N/A	N/A	135
Foreign Currency Translation – Other**	N/A	N/A	6
Derivative Agreements and Other	<u>-</u>	<u>(126)</u>	<u>(11)</u>
Net Unrealized Appreciation			\$ 158
TOTAL	\$ 8,142	\$ 5,440	\$ 90

* Represents foreign currency translation on the accumulated unrealized depreciation on the investment and is reported as unrealized appreciation of portfolio company investments on our Consolidated Statements of Operations.

** Represents foreign currency translation on the cost basis of European Capital and on other foreign currency denominated assets and liabilities. Reported as unrealized depreciation from foreign currency translation on our Consolidated Statements of Operations.

New Investments and Realizations



\$305 MM of Q3 Cash Realizations

Significant Volume of Realizations

- ◆ **\$230 MM Received from Principal Payments**
 - ✓ **\$181 MM in principal prepayments**
 - ✓ **\$7 MM in scheduled principal amortization**
 - ✓ **\$25 MM in loan syndications and sales**
 - ✓ **\$17 MM collection of accrued PIK notes and dividends and accreted OID**
- ◆ **\$75 MM Received from the Sale of Equity Investments**

ACAS Realizations

1997 IPO-to-Date

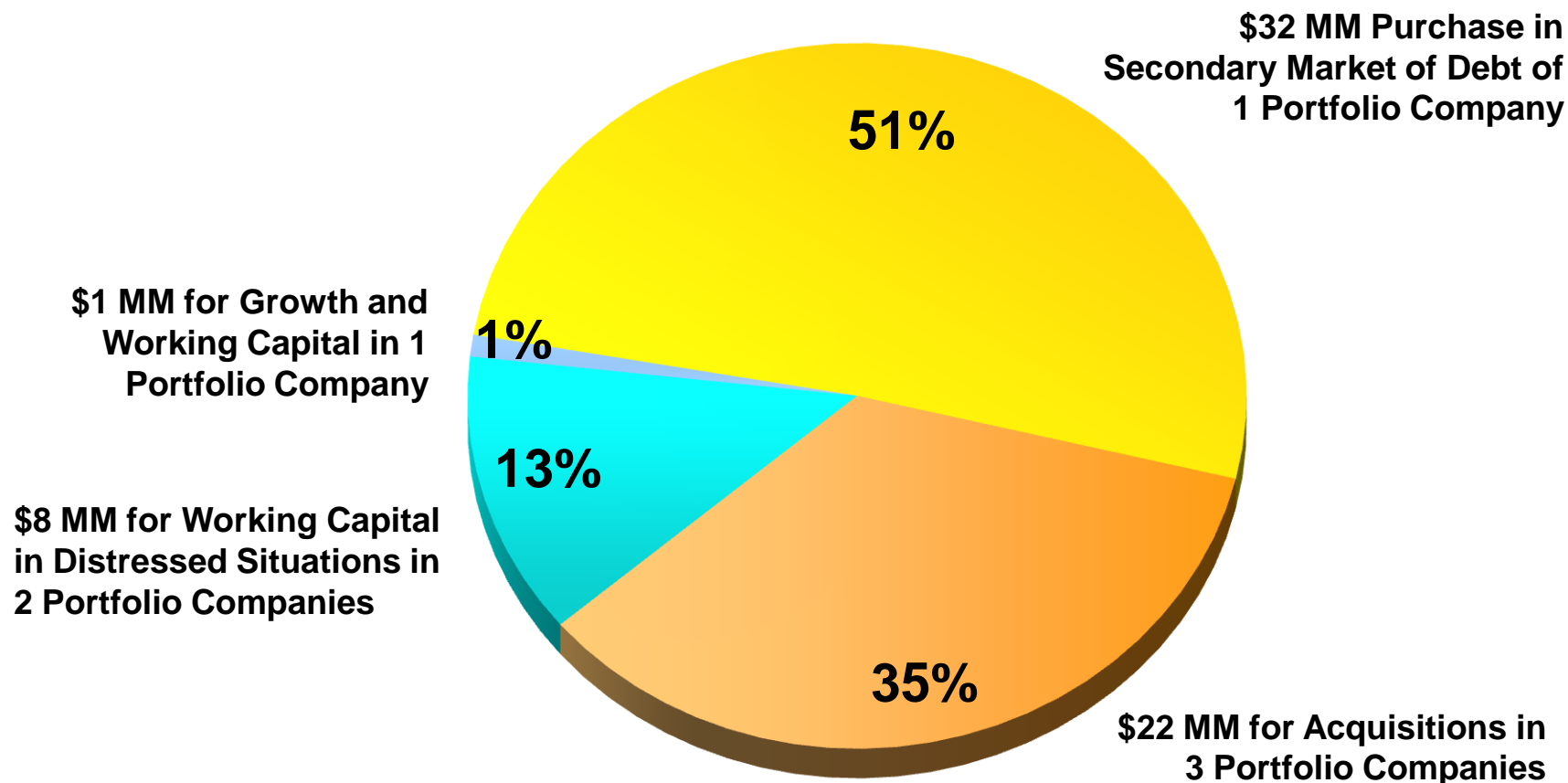
- ◆ **12% Weighted Avg IRR on Senior and Subordinated Debt, Equity and Structured Products Exits***
 - ✓ **306 realizations**
 - **Exiting \$15 B of committed capital**
 - **60% of total capital committed**
 - ✓ **Proceeds exceed prior quarter valuations by less than 1%**
 - ✓ **Inclusive of fees earned**
- ◆ **26% Weighted Average IRR on Equity Realizations****
 - ✓ **Inclusive of fees earned**
- ◆ **\$381 MM of Accrued PIK and Accreted OID Repaid**
 - ✓ **38% of total accrued PIK and accreted OID**

* Includes fully exited portfolio companies and exited securities of existing portfolio companies.

** Excludes Structured Products, equity investments that are the result of conversions of debt to equity and equity warrants received with debt fundings.

\$63 MM of Q3 2010 New Investments*

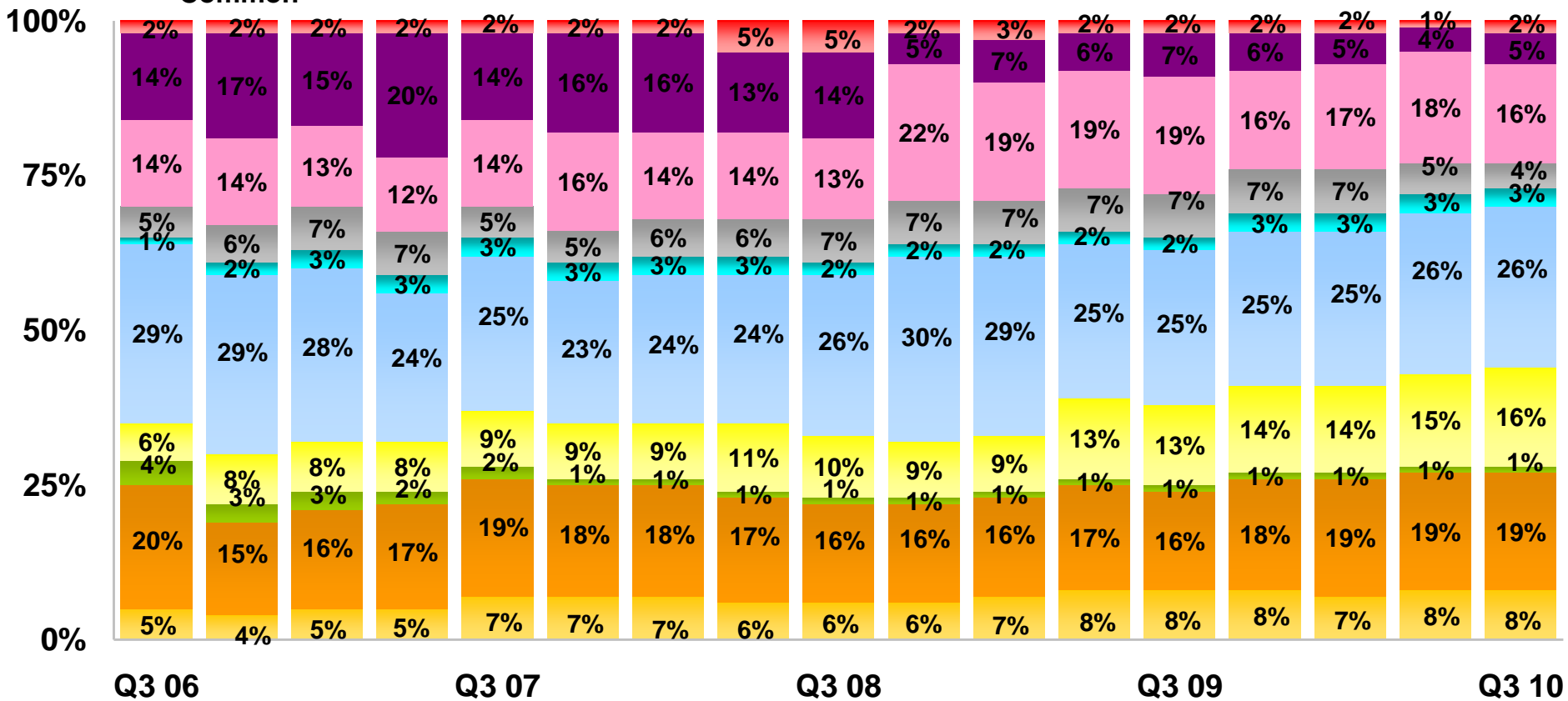
By Use of Funds



ACAS Current Investments

At Cost

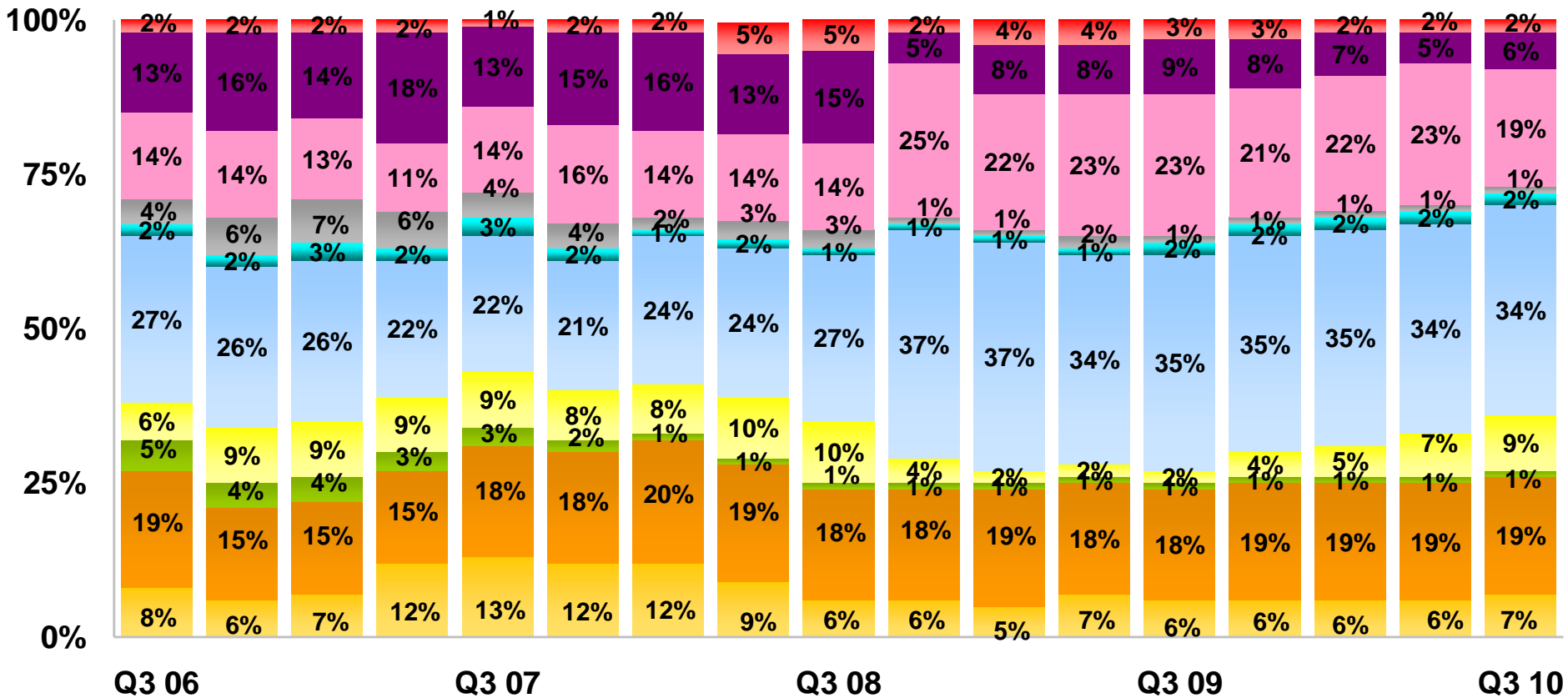
- Revolver
- Senior < LIBOR+650
- Senior >= LIBOR+650
- CMBS
- CLO
- Sub Debt
- Equity in Managed Funds
- Warrants
- Preferred
- Common



ACAS Current Investments

At Fair Value

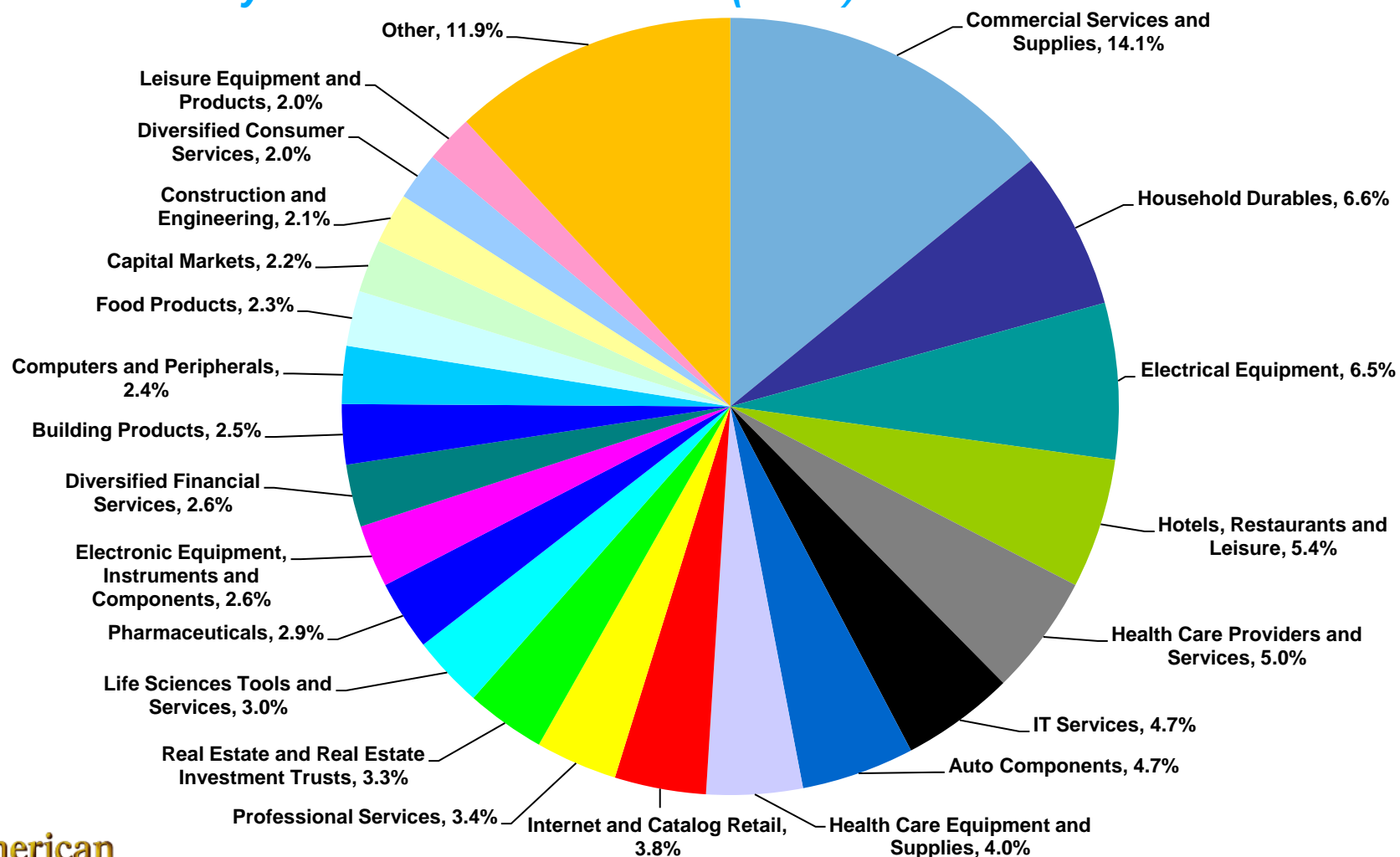
- Revolving Credit Facility
- CMBS
- Equity in Managed Funds
- Common
- Senior < LIBOR+650
- CLO
- Warrants
- Senior >= LIBOR+650
- Sub Debt
- Preferred



Industry Diversification

\$5.6 Billion Total Investments at Fair Value

Global Industry Classification Standard (GICS)



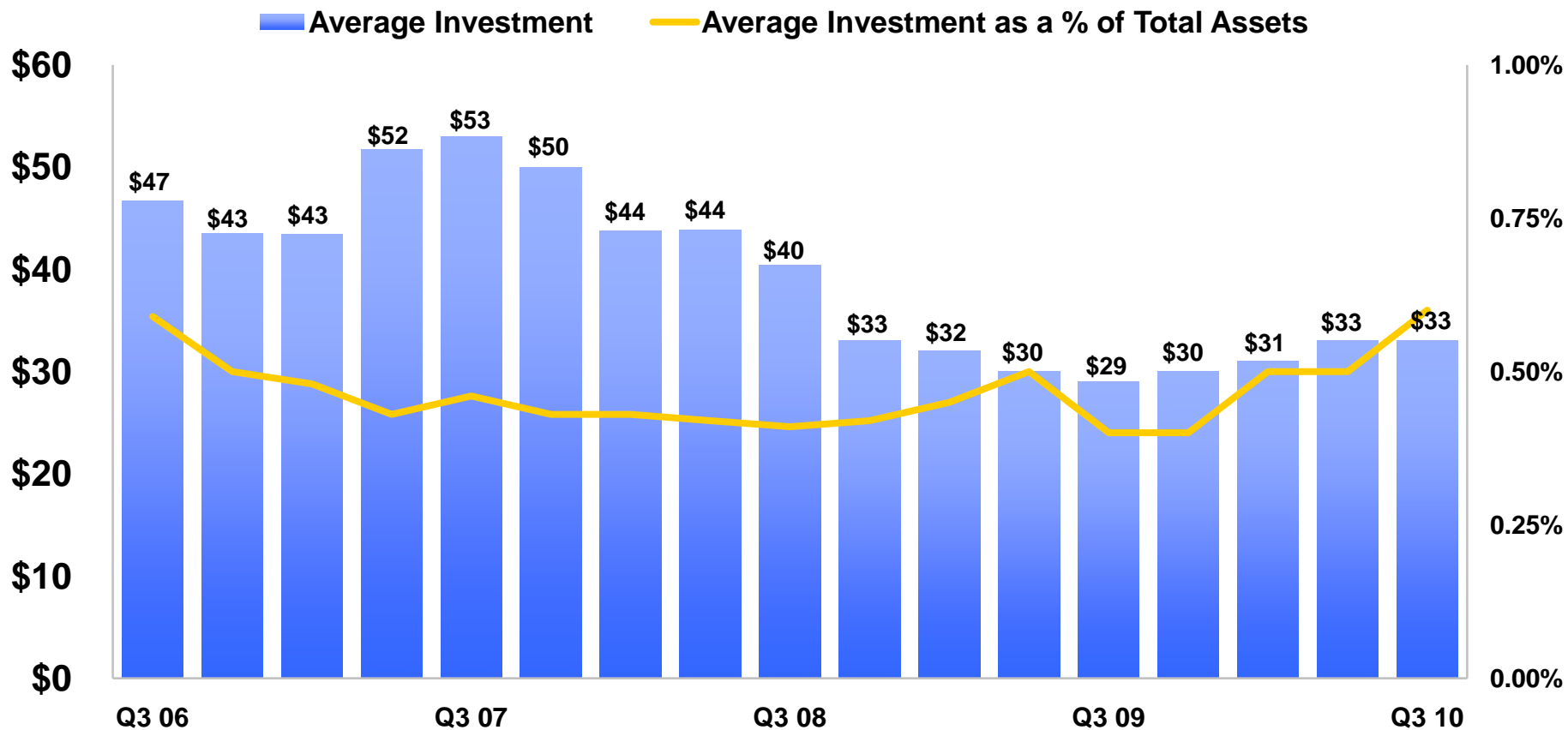
European Capital Limited, CLOs and CDOs are excluded from industry diversification break-out.

CMBS are included in Real Estate and Real Estate Investment Trusts grouping.

\$33 MM ACAS Average Investment Size*

0.6% of Total ACAS Assets

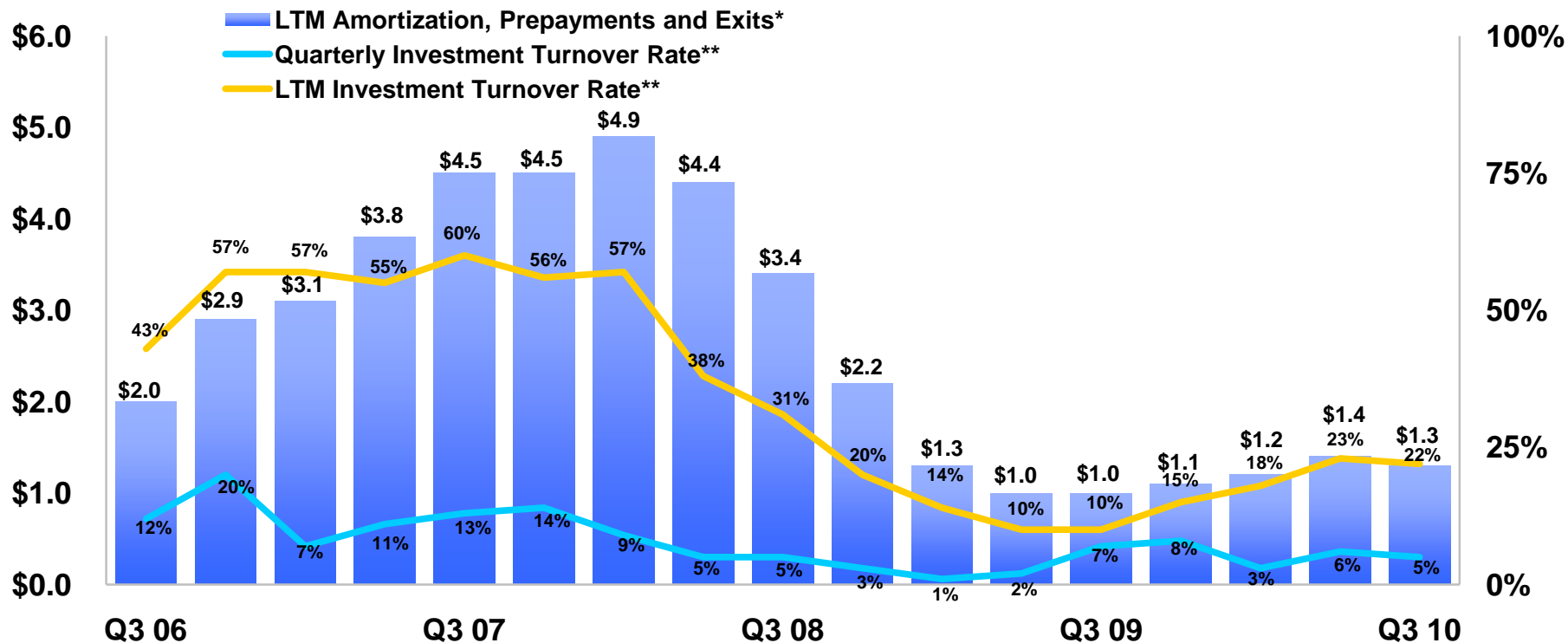
\$ in Millions



LTM Realizations as a % of Prior Year Assets

*American Capital Controls 58% of Investments, thus Controls Timing of Exits****

\$ in Billions



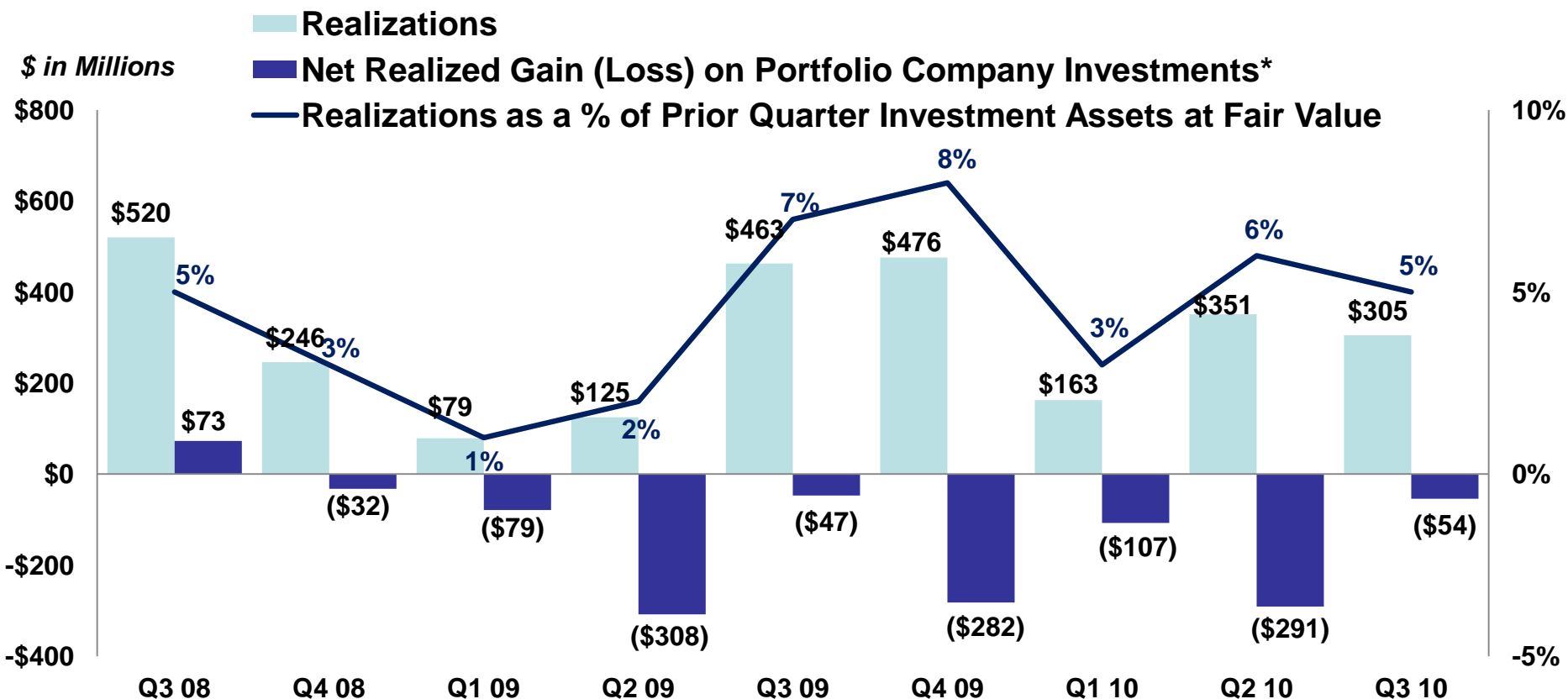
Total Investments at Fair Value (in millions):

Q4 2006	Q4 2007	Q4 2008	Q4 2009	Q3 2010
\$8,056	\$10,924	\$7,418	\$5,575	\$5,566



* Excludes repayments of bridge notes and accrued PIK interest from European Capital Limited.
 ** Based on total investments at fair value at the beginning of the respective period.
 *** Includes private finance investments that we control or can gain control of the board of directors of the portfolio company as of the measurement date, including equity securities and those securities held by entities managed by American Capital, LLC on the a fully diluted basis.

Realizations as a % of Prior Quarter Assets



Total Investments at Fair Value (in millions):

Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
\$9,095	\$7,418	\$6,839	\$6,185	\$5,893	\$5,575	\$5,698	\$5,694	\$5,566

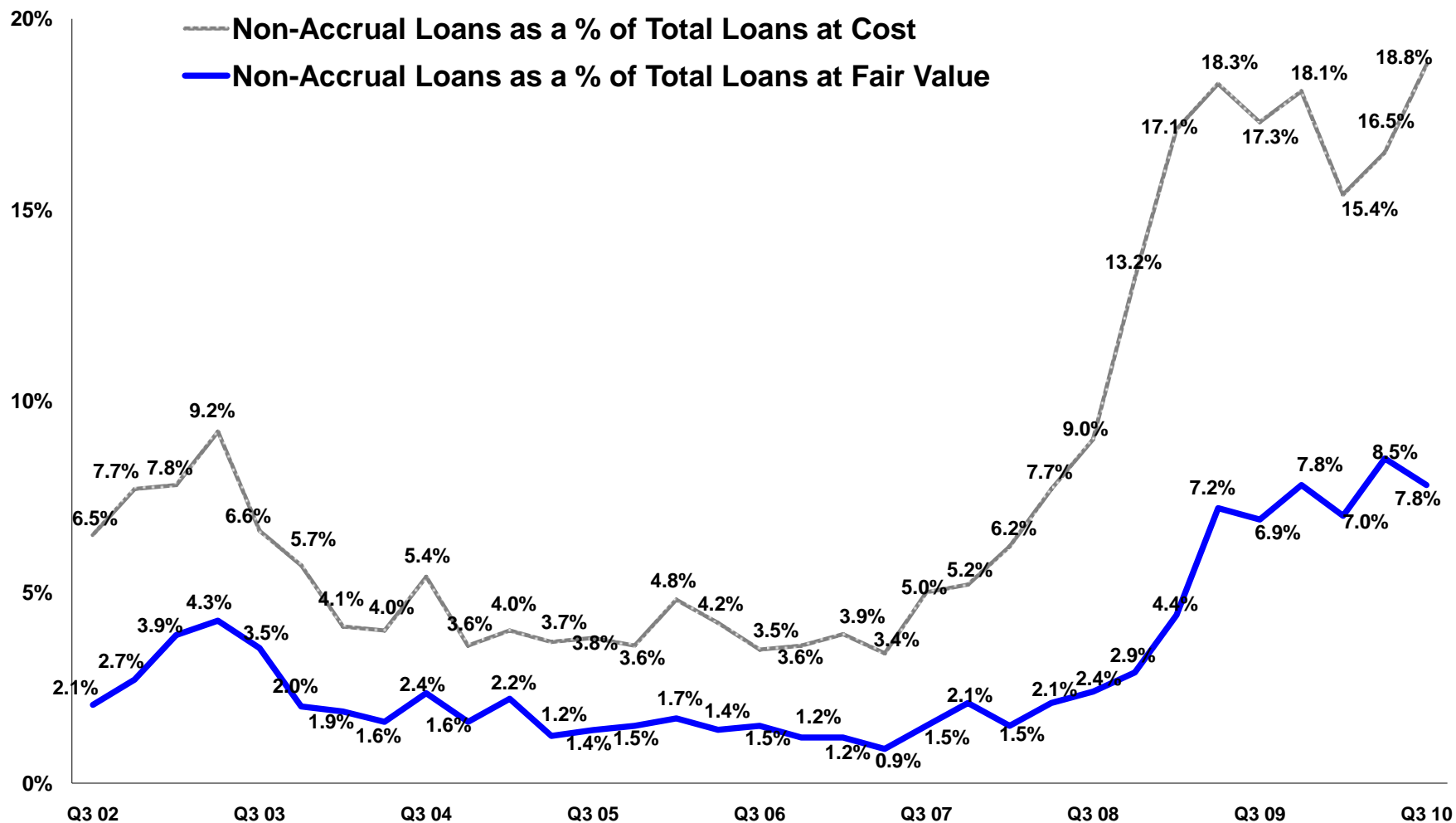
Credit Quality



Past Due and Non Accrual Loans

<i>\$ in Millions</i>	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Current	<u>\$ 4,047</u>	<u>\$ 3,572</u>	<u>\$ 3,648</u>	<u>\$ 3,416</u>	<u>\$ 3,074</u>
0-30 Days Past Due	\$ 7	\$ 38	\$ -	\$ -	\$ 102
31-60 Days Past Due	113	-	3	-	-
61-90 Days Past Due	-	-	-	31	-
> 90 Days Past Due	<u>89</u>	<u>50</u>	<u>44</u>	<u>26</u>	<u>50</u>
Total Past Due Loans at Cost	\$ 209	\$ 88	\$ 47	\$ 57	\$ 152
Non-Accrual Loans at Cost	\$ 889	\$ 811	\$ 671	\$ 686	\$ 746
Total Loans at Cost	\$ 5,145	\$ 4,471	\$ 4,366	\$ 4,159	\$ 3,972
Non-Accrual Loans at Fair Value	\$ 285	\$ 290	\$ 263	\$ 308	\$ 265
Total Loans at Fair Value	\$ 4,117	\$ 3,729	\$ 3,759	\$ 3,625	\$ 3,378
Non-Accrual Loans as a % of Total Loans at Cost	17.3%	18.1%	15.4%	16.5%	18.8%
Non-Accrual Loans as a % of Total Loans at Fair Value	6.9%	7.8%	7.0%	8.5%	7.8%

Non-Accrual Loans



Financial Highlights



Third Quarter Income Statements

<i>\$ in Millions</i>	2006	2007	2008	2009	2010
Total Operating Income	\$ 231	\$ 310	\$ 278	\$ 193	\$ 142
Total Operating Expense ⁽¹⁾	59	84	73	70	47
Interest Expense	56	79	50	85	36
Debt Refinancing Costs	-	-	-	5	-
(Provision) Benefit for Income Taxes	<u>(6)</u>	<u>6</u>	<u>(2)</u>	<u>(1)</u>	<u>-</u>
Net Operating Income	\$ 110	\$ 153	\$ 153	\$ 32	\$ 59
Net Realized Gain (Loss)	<u>52</u>	<u>71</u>	<u>(3)</u>	<u>(66)</u>	<u>(68)</u>
Realized Earnings (Loss)	\$ 162	\$ 224	\$ 150	\$ (34)	\$ (9)
Unrealized (Depreciation) Appreciation	<u>(30)</u>	<u>(203)</u>	<u>(698)</u>	<u>111</u>	<u>158</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	\$ 132	\$ 21	\$(548)	\$ 77	\$ 149

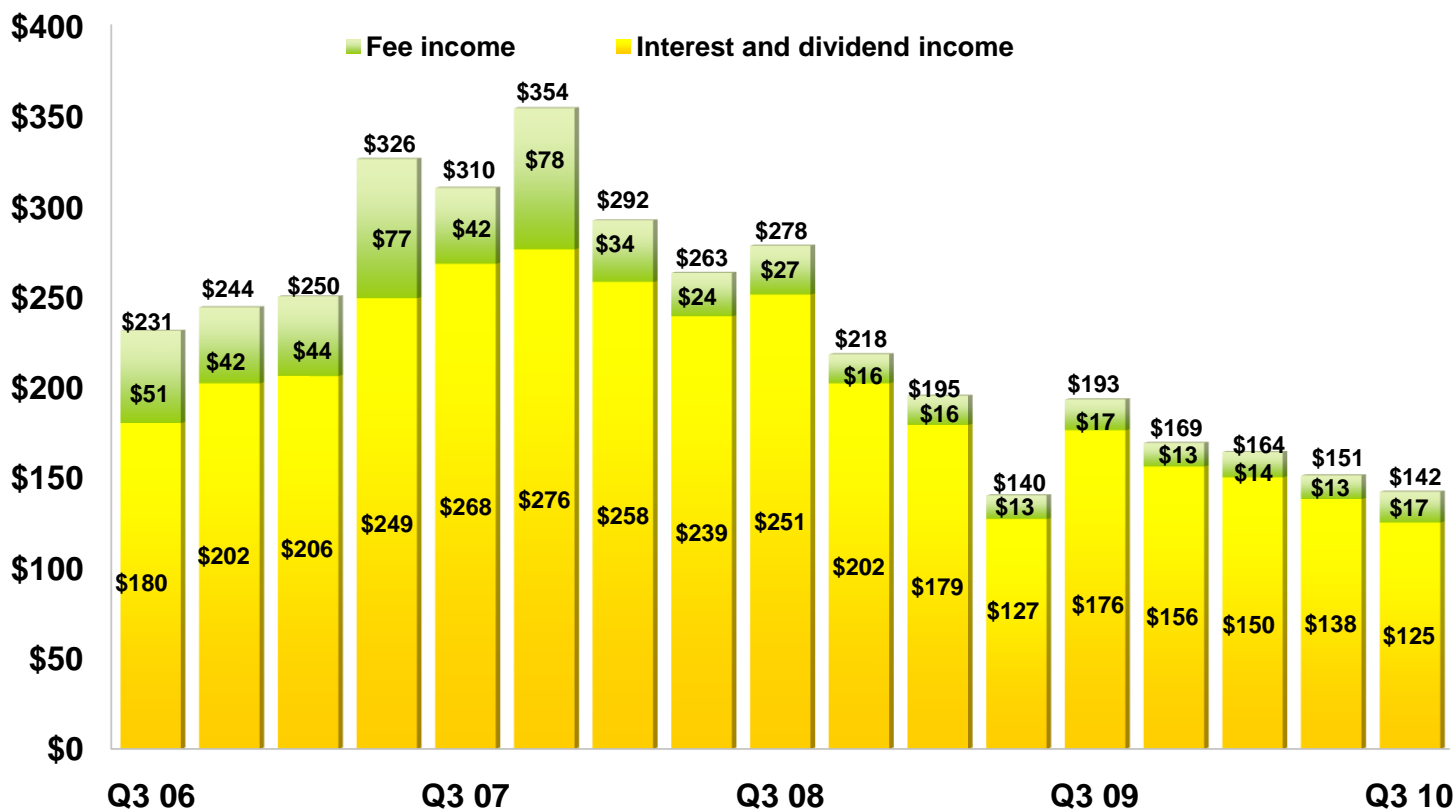
Balance Sheet Highlights

	Q3 09	Q4 09	Q3 10	Q3 10 vs. Q3 09 Change	
				\$	%
<i>(\$ in Millions, except per share data and financial metrics)</i>					
Assets					
Cash and Cash Equivalents	\$445	\$835	\$109	\$(336)	-76%
Debt Investments	\$4,117	\$3,729	\$3,378	\$(739)	-18%
Equity Investments	\$1,580	\$1,679	\$2,035	\$455	29%
Structured Products	\$196	\$167	\$153	\$(43)	-22%
Total Investments at Fair Value	\$5,893	\$5,575	\$5,566	\$(327)	-6%
Liabilities					
Total Debt Outstanding	\$4,279	\$4,142	\$2,517	\$(1,762)	-41%
Equity					
Shareholders' Equity	\$2,190	\$2,329	\$3,271	\$1,081	49%
Net Asset Value per Share	\$7.80	\$8.29	\$9.59	\$1.79	23%
Ratios					
Debt-to-Equity	2.0:1	1.8:1	0.8:1	NA	NA
Price-to-Book	0.4 X	0.3 X	0.6 X	NA	NA

Operating Income - Quarterly

26% Decrease over Q3 2009

\$ in Millions

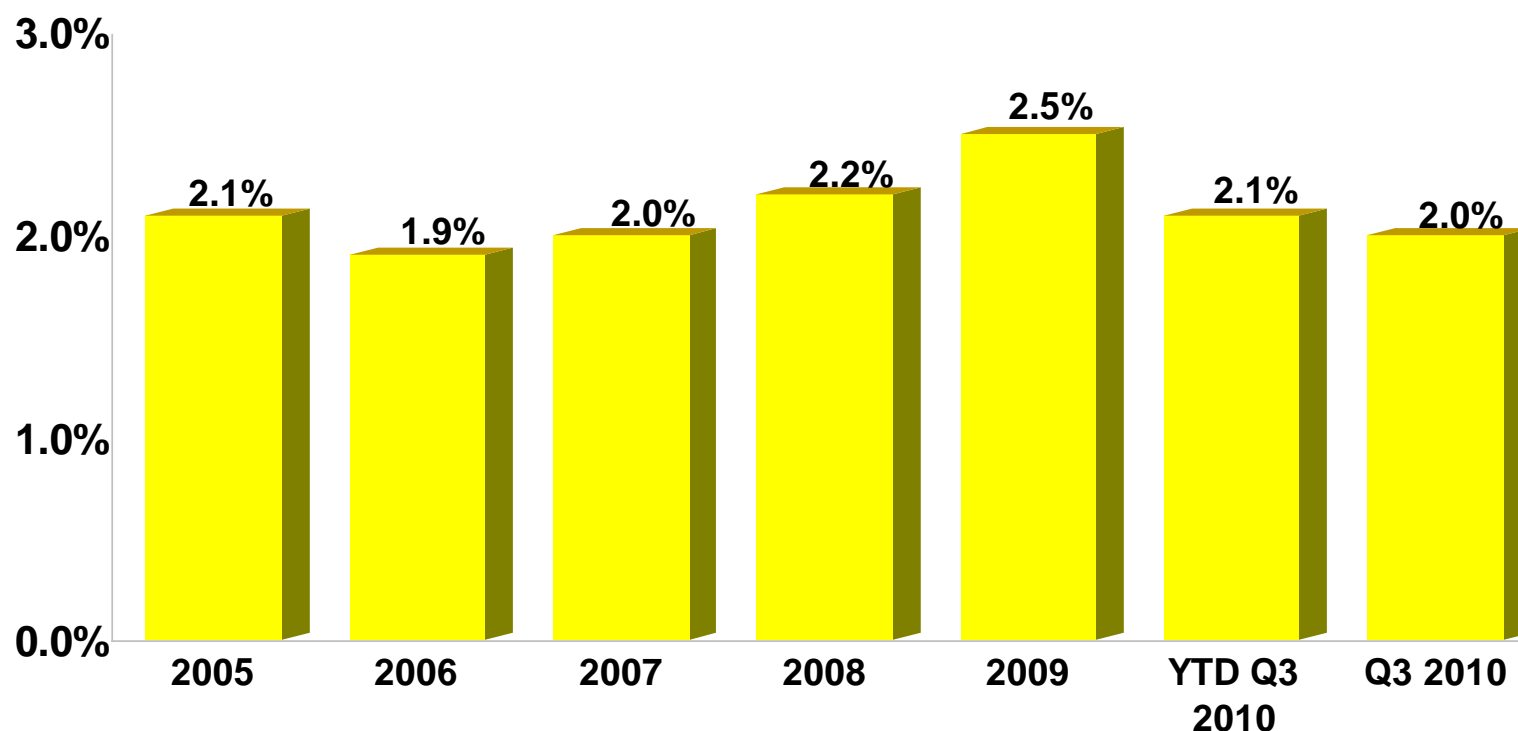


Annual Operating Income Totals

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>YTD 2010</u>
\$860	\$1,240	\$1,051	\$697	\$457

Operating Expense Ratio*

*Operating Expenses to Combined Assets** at Period End*



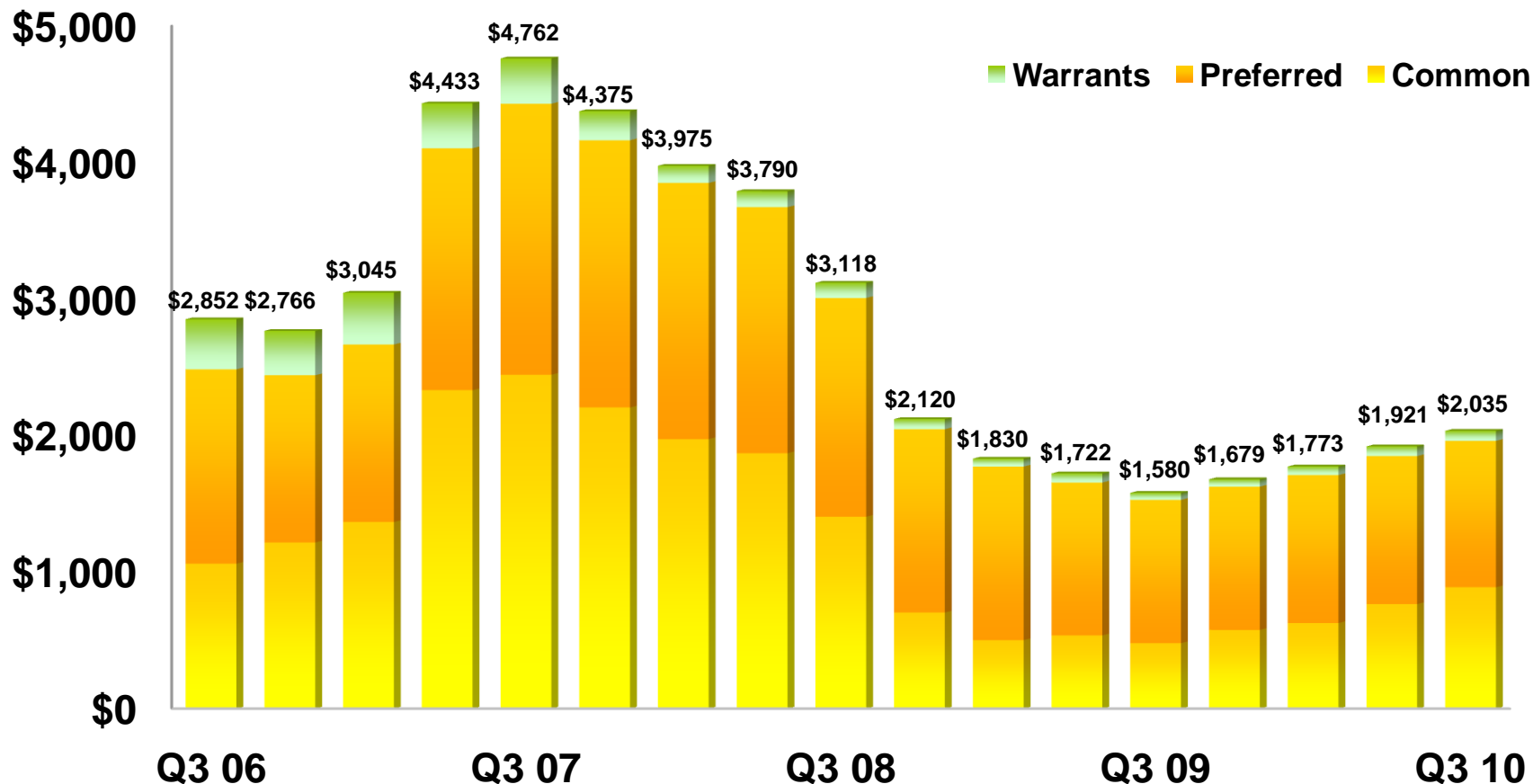
* Includes operating expenses of American Capital, LLC. Excludes debt refinancing costs, interest expense and stock-based compensation of ACAS and American Capital, LLC.

** Includes total assets of ACAS, total assets of ACE I and ACE II, AGNC shareholders' equity, and total assets of ECAS for the respective period end. Excludes ACAS investment in AGNC and ECAS.

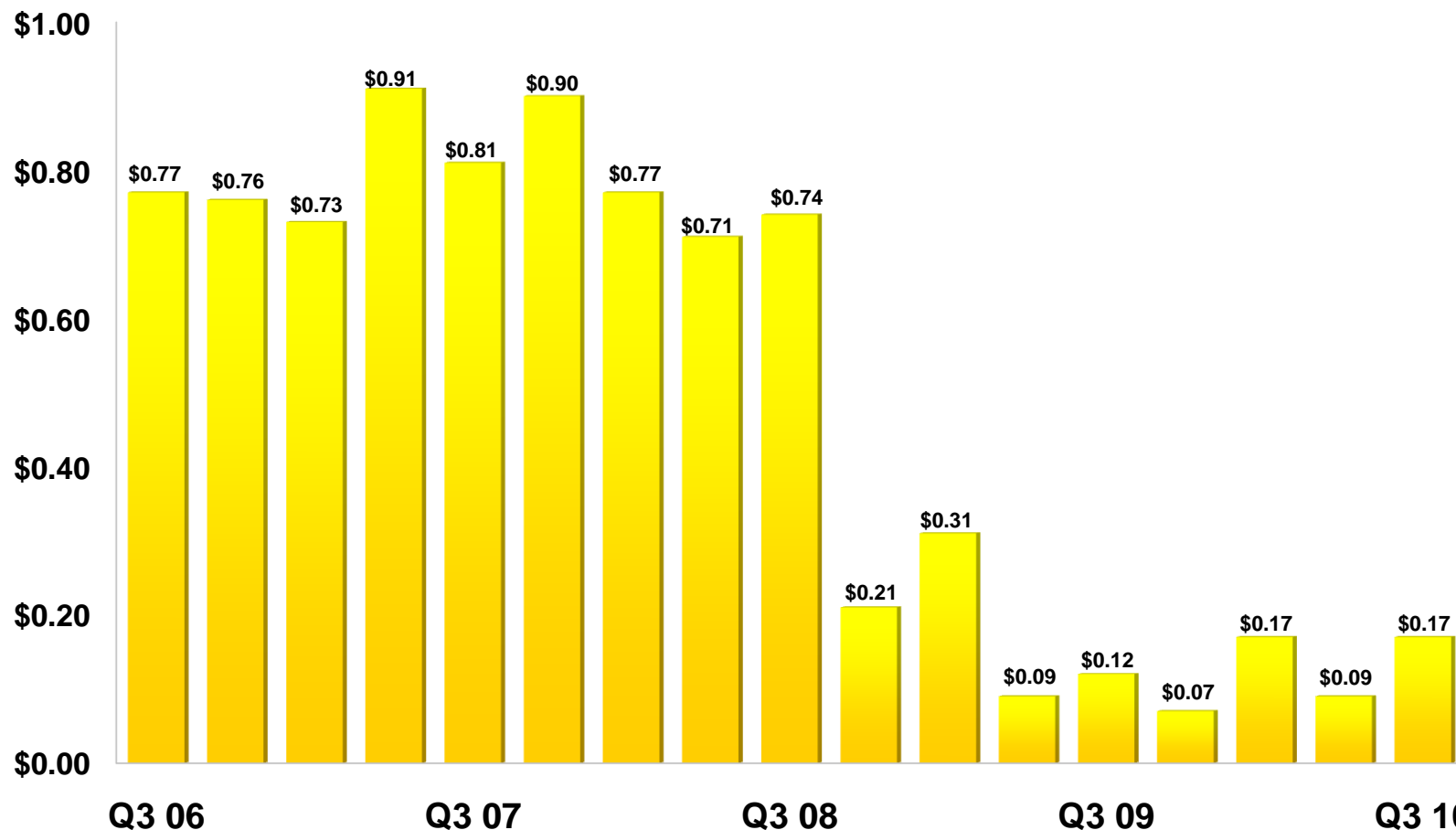
Equity Interests at Fair Value

Structured to Grow at 18% – 30% IRRs

\$ in Millions



Net Operating Income Per Diluted Share



Annual NOI per Diluted Share*

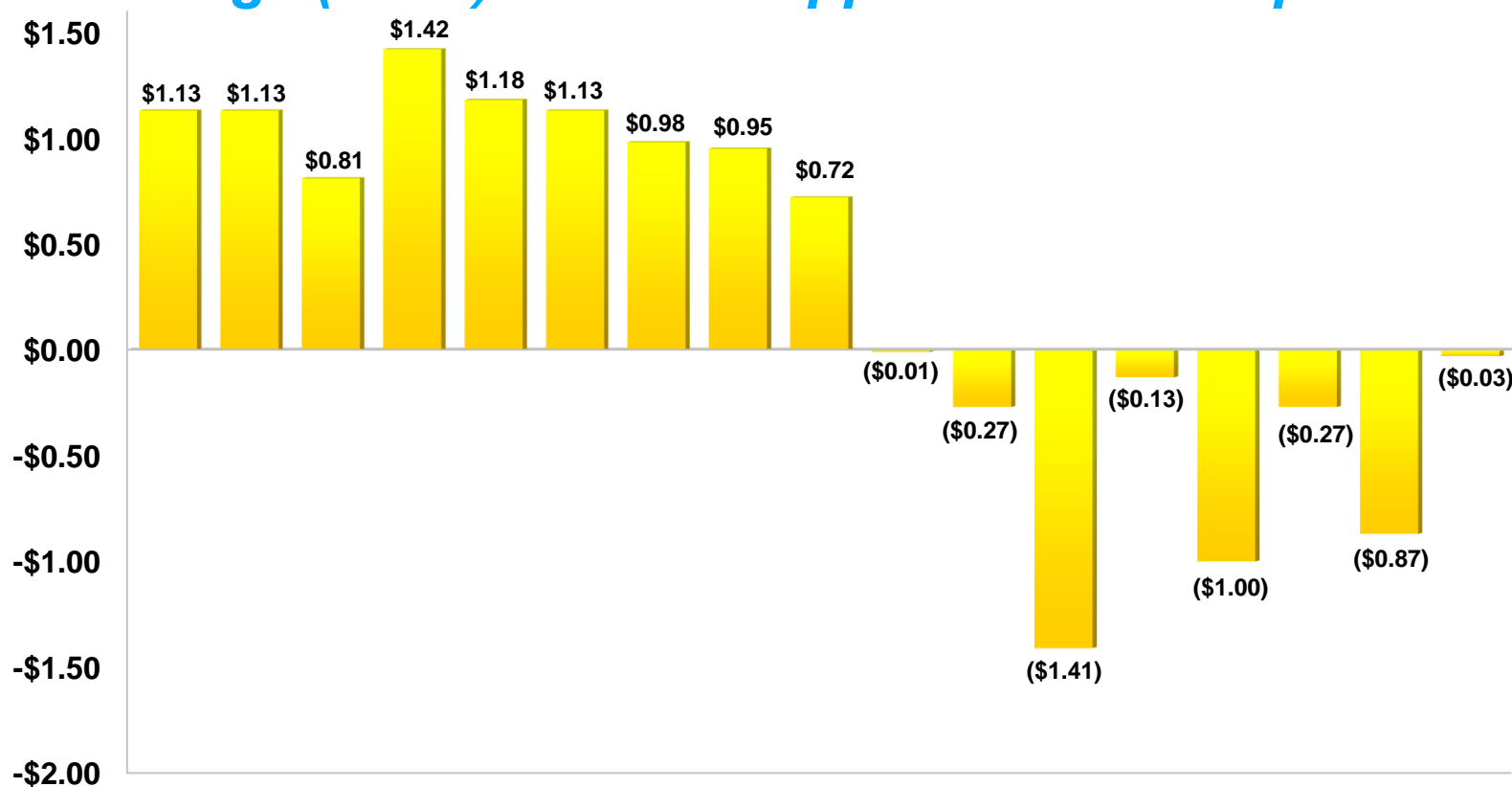
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>YTD 2010</u>
\$3.10	\$3.36	\$2.42	\$0.56	\$0.42



* May not equal the sum of the 4 quarters due to changes in the weighted shares outstanding

Net Realized Earnings (Loss) Per Diluted Share

Net Earnings (Loss) Less Net Appreciation & Depreciation

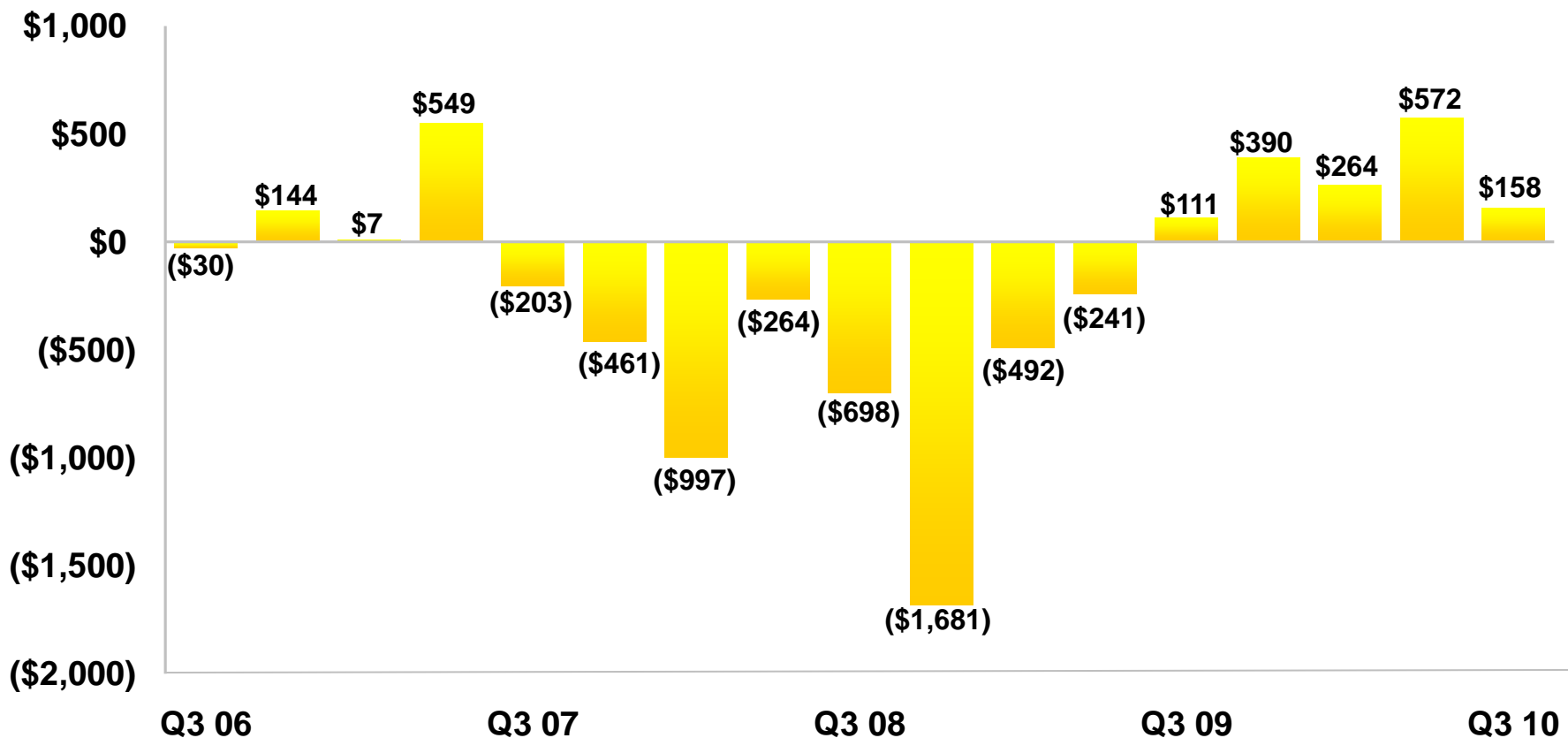


Q3 06	Q3 07	Q3 08	Q3 09	Q3 10
Annual Net Realized Earnings (Loss) per Diluted Share*				
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>YTD 2010</u>
\$4.37	\$4.57	\$2.58	\$(2.81)	\$(1.17)

* May not equal the sum of the 4 quarters due to changes in the weighted shares outstanding

Net Unrealized Appreciation (Depreciation) of Investments

\$ in Millions



Annual Net Unrealized Appreciation (Depreciation) of Investments

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>YTD 2010</u>
\$297	\$(108)	\$(3,640)	\$(232)	\$994

Net Earnings (Loss)

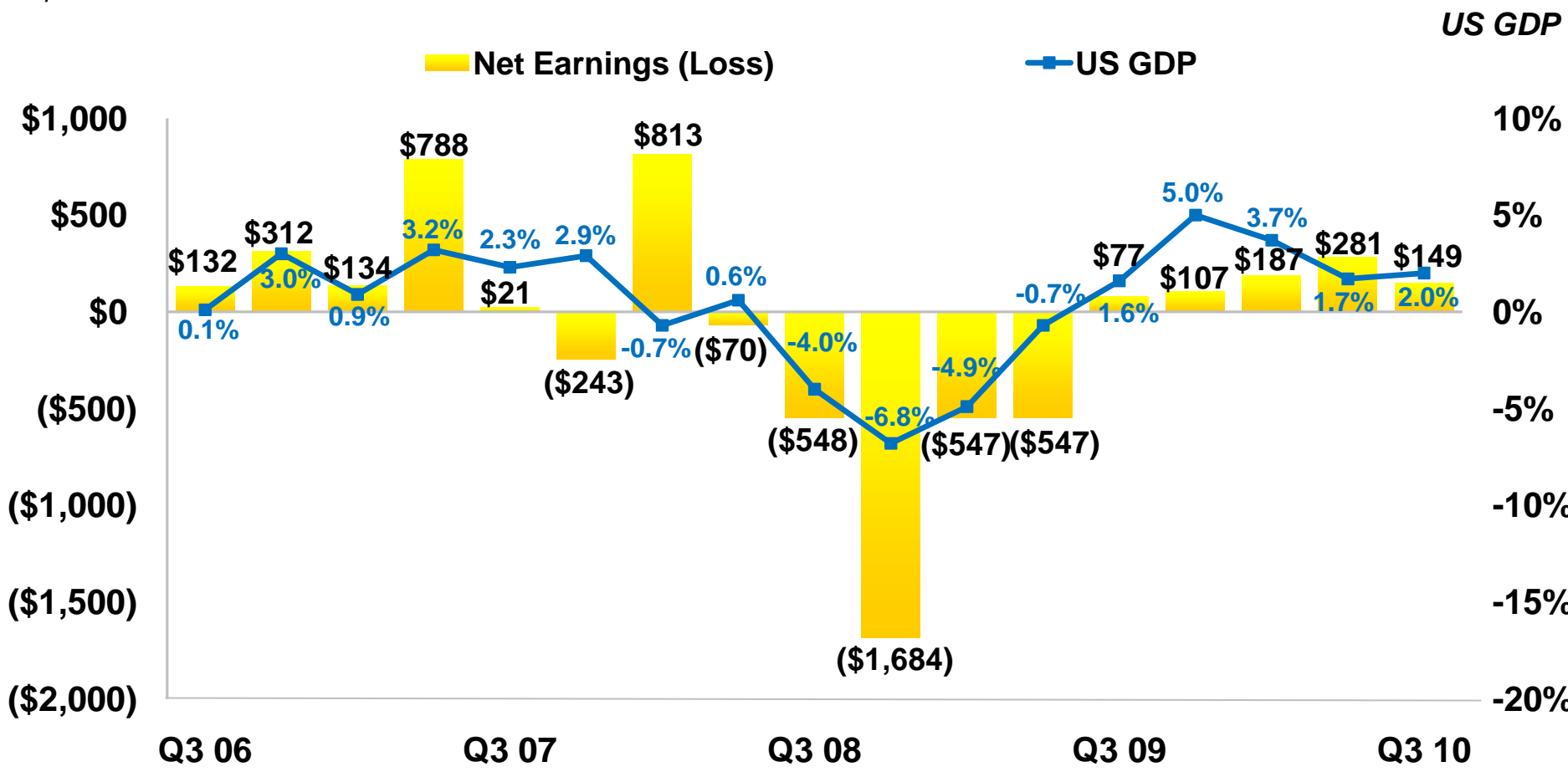


Annual Net Earnings (Loss)

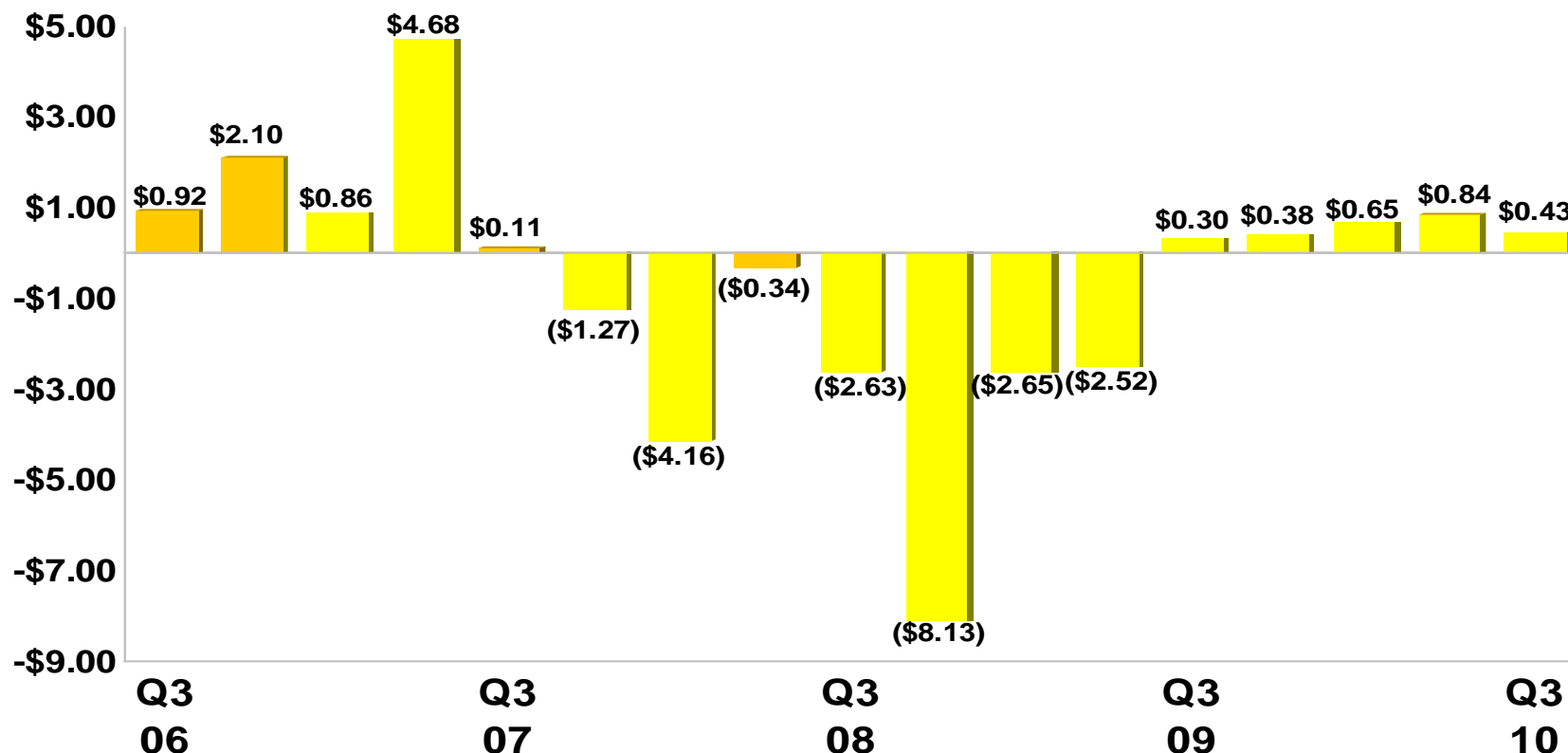
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>YTD 2010</u>
\$896	\$700	\$(3,115)	\$(910)	\$617

Net Earnings (Loss)

\$ in Millions



Net Earnings (Loss) Per Diluted Share



Annual Net Earnings per Diluted Share Totals*

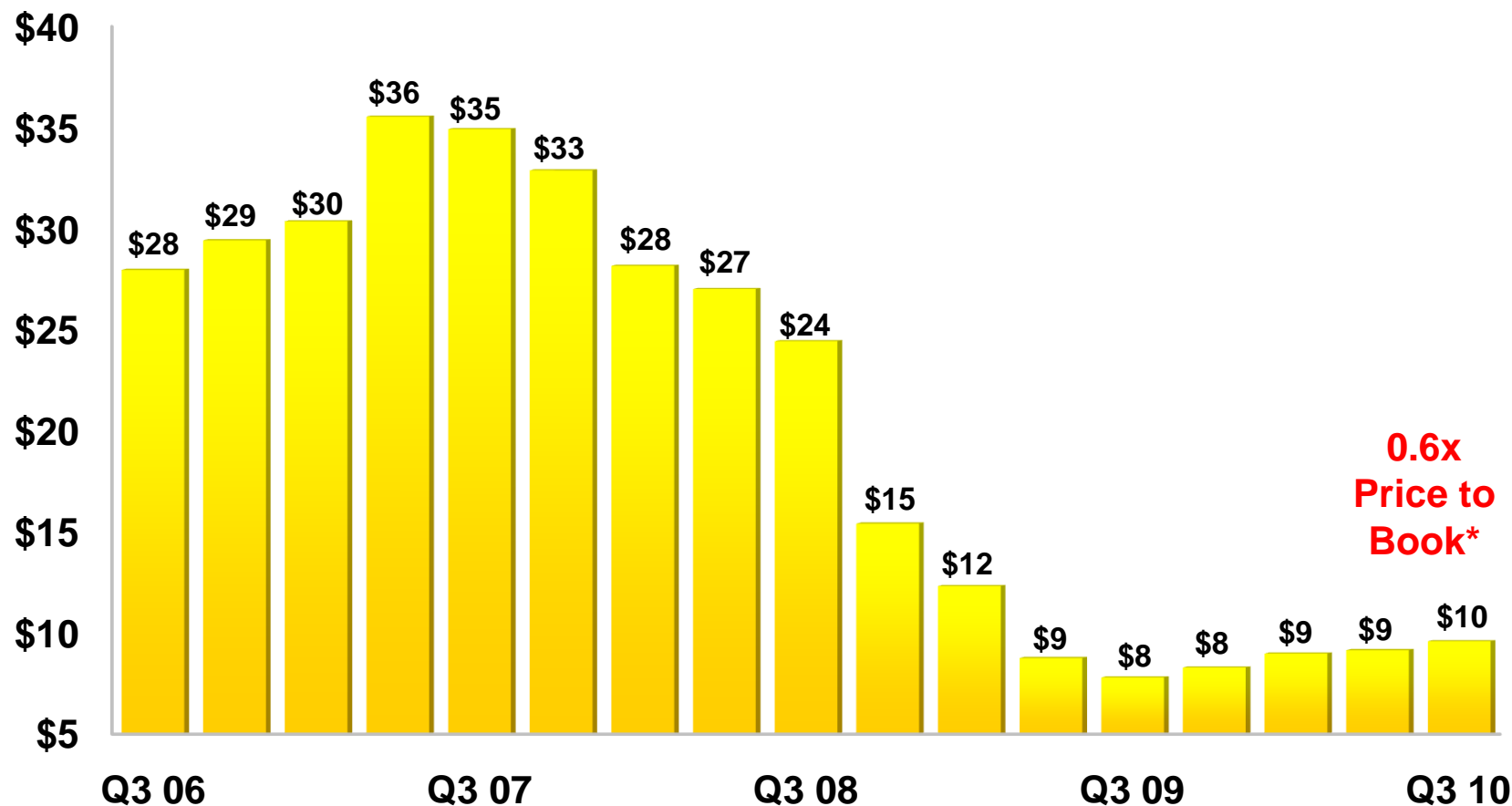
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>YTD 2010</u>
\$6.55	\$3.96	\$(15.29)	\$(3.77)	\$1.91

* May not equal the sum of the 4 quarters due to changes in the weighted shares outstanding

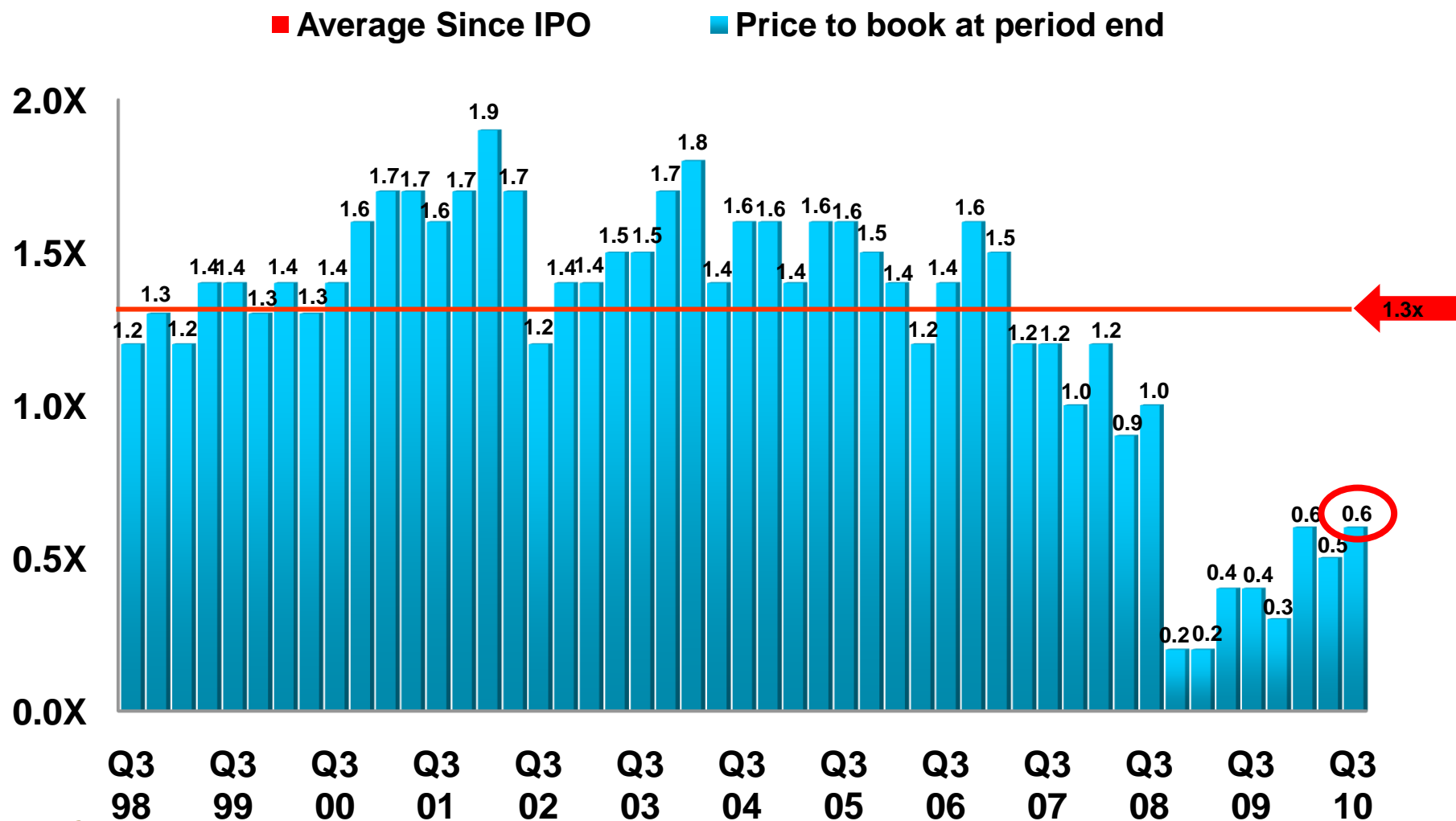
\$9.59 Net Asset Value per Share

\$0.44 or 5% increase over June 30, 2010

Per Share



Historical Price to Book Multiple

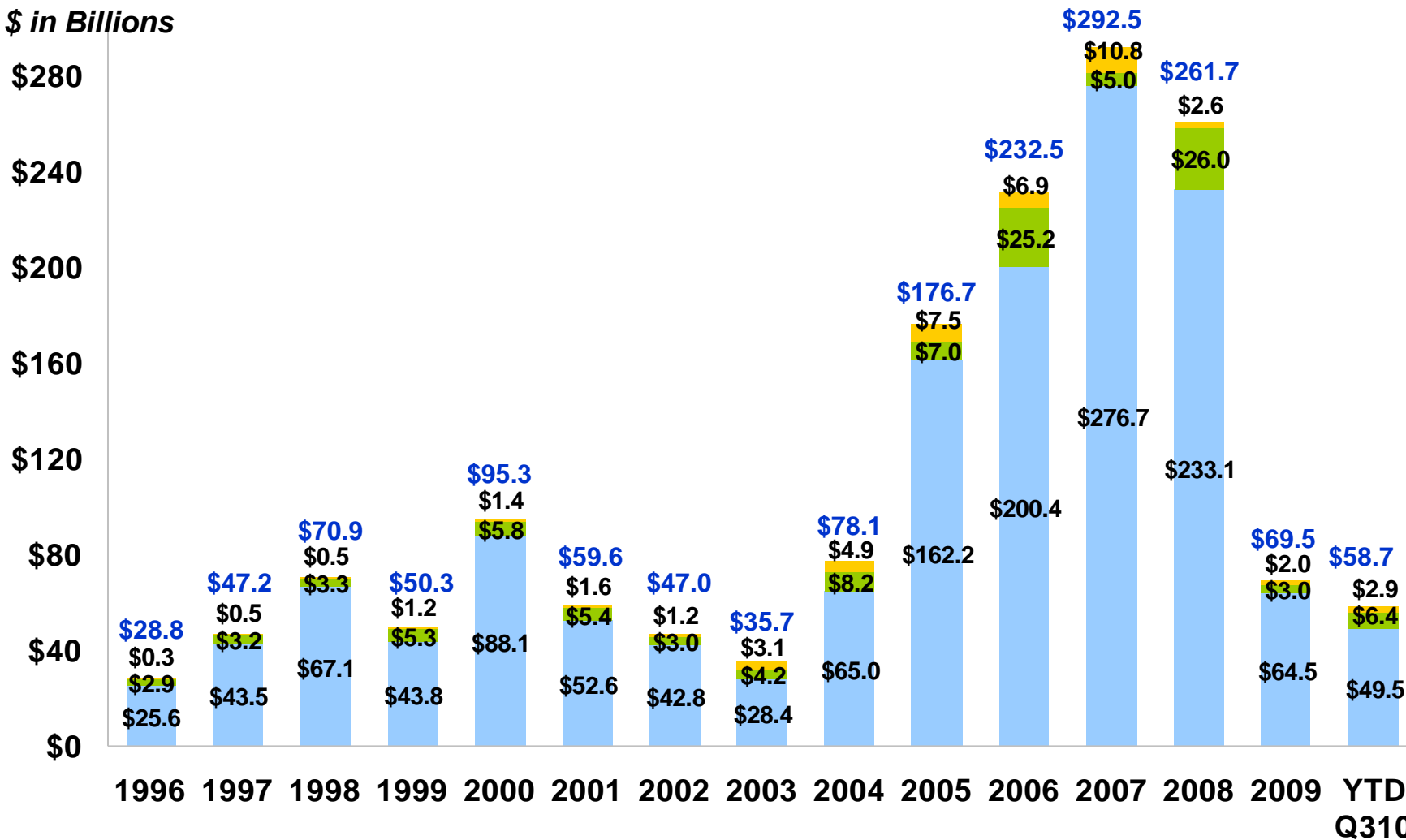


Market Share



Private Equity and Mezzanine Partnerships Annual Capital Raised

\$ in Billions



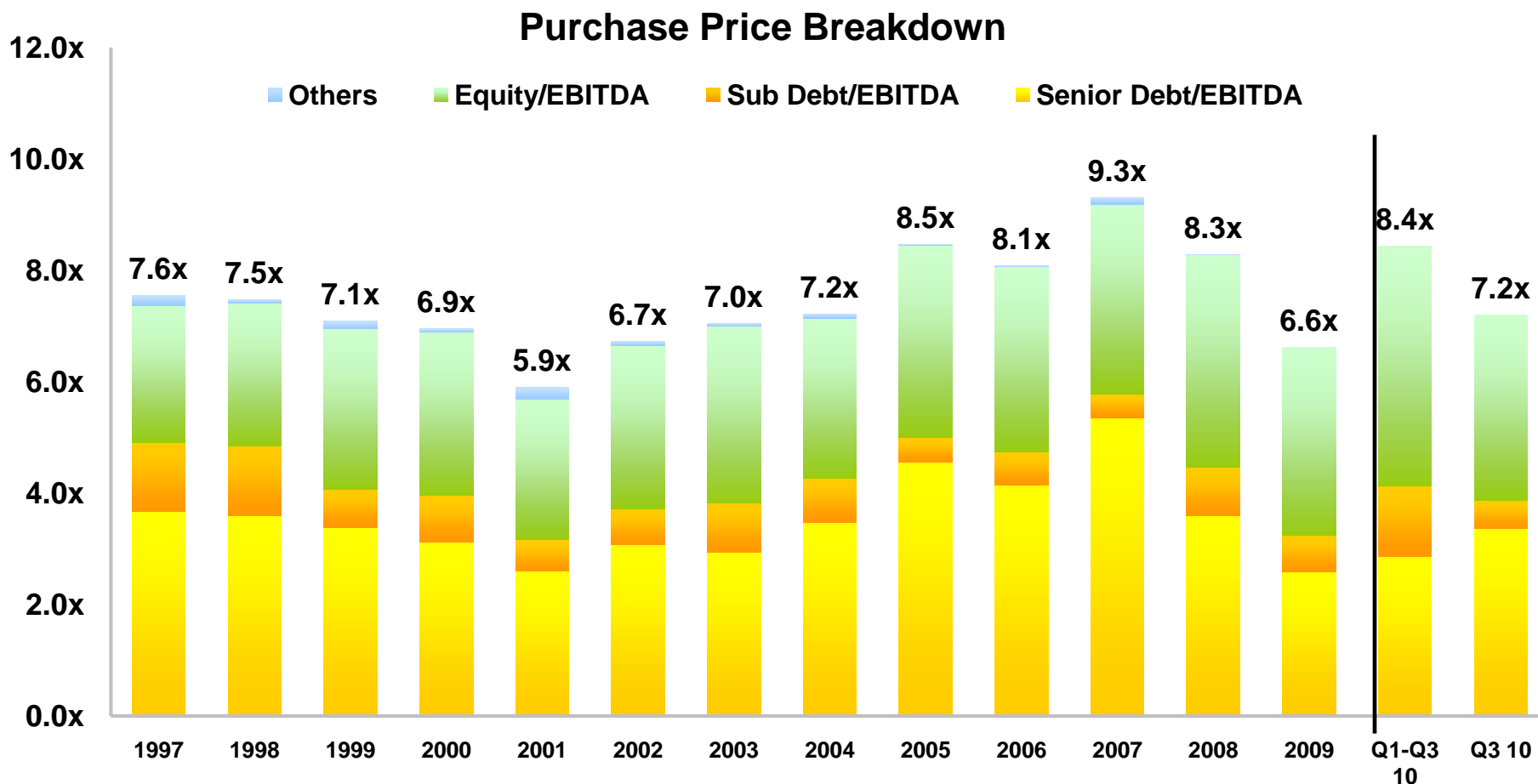
■ Private Equity Partnerships ■ Mezzanine Partnerships ■ BDCs Actual*

*Includes equity and debt raises as well as repayment of capital.
Sources: Buyouts Newsletter; Citigroup; American Capital Analysis



Average Purchase Price by Sponsors of Middle Market LBO Loans

*Sponsors for Deals with EBITDA ≤ \$50 MM**



* Prior to 2003, media/telecom/energy/utility deals were excluded. After 2003, all outliers are excluded, regardless of industry.
 Source: Standard & Poor's Leveraged Commentary & Data

Investment Partners

Senior (102)

ABN AMRO	Bank of Texas	Credit Suisse
AIG	Barclays	Deerfield
Aladdin Capital	Blackstone	Denali
Alcentra	BNP Paribas	Deutsche Bank
Allied Capital	Calyon	Dymas Capital Mgmt.
Allied Irish Bank	Capital Source Finance	Emporia Capital
American Financial	Cedarview Capital	Fifth Third Bank
Angelo Gordon	Churchill Financial	FirstLight Financial
Ares Management	CIBC World Markets	Freeport Financial
Avenue Capital	CIFC	GE Antares Capital
Aviva	CIT	GMAC Commercial Finance
Babson	Citigroup	Goldentree Asset Management
Bank of America	Citizens Bank	Goldman Sachs Specialty Lending
Bank of Ireland	Clinton Group	Golub Associates
Bank of Montreal	Collineo	Greenwich Street Capital
Bank of New York	Columbus Nova	GSO
Bank of Nova Scotia	Comerica	Guggenheim Partners

Investment Partners

Senior, Continued

Gulfstream Asset Management	McDonnell Investments	Sigma Investments
Harris Bank	Merrill Lynch Capital	Silicon Valley Bank
Highland Capital	Monroe Capital	Stone Castle
HP Financial	Morgan Stanley	Stone Tower
Huntington National Bank	National City Bank	Strategic Value Partners
ING Financial Services	NewStar Financial	Texas Capital Bank
Israel Discount Bank	NXT Capital	Tricadia
Jefferies Babson	Oaktree	UBS Securities
JPMorgan Chase	Orchard First Source	Union Bank of California
Key Bank	ORIX Financial	US Bancorp
LaSalle Bank	Pangaea Asset Management	Van Kampen
Levine Leichtman Capital	PNC Bank	Wachovia
Lightpoint Capital	Rabo Bank	Wells Fargo
Loomis Sayles	RBC Centura	Wells Fargo Foothill
M&I Bank	Regions	West LB
M&T Bank	Sandelman Partners	Wilmington Trust
Madison Capital	Siemens Financial	Z Capital

Investment Partners

Mezzanine (16)

AIG	Churchill ESOP Partners	Royal Bank of Scotland
AIG Global Investment Group	Credit Agricole Indosuez	Stratford Capital Partners
Albion Alliance	John Hancock	TIAA-CREF
Allied Capital	LFPI Gestion	Unicredit
Audax Mezzanine Fund	Mass Mutual Life Insurance Co.	
BNP Paribas	Reliastar	

Equity (146)

3i	Audax Private Equity	Booth Creek Management
21 Centrale Partners	Aura Capital Group	Brentwood Associates
ABN AMRO Capital	Auriga Partners	Bridgepoint Capital
ABRY Partners	Austin Ventures	Bruckman, Rosser, Sherrill & Co.
Accel-KKR	Axa Private Equity	Caltius Equity Partners
Advent International	Bain Capital	Cambridge Capital
Alchemy Partners	Baird Capital Partners	Candover Partners Ltd.
Allianz Capital Partners	Barclays Private Equity	CapVest Equity Partners
Apax Partners	BC Partners	Capzantine
Arcapita	Beecken Petty O'Keefe & Company	Carlyle Group
Argan Capital	Behrman Capital	Carousel Capital
Astorg Partners	Blue Capital Management	Castle Harlan

Investment Partners

Equity, Continued

Celerity Partners	Crimson Investment	Friend Skoler & Co.
Centre Partners	CVC Capital Partners	Frontenac Company
Cerberus Capital Management	DFW Capital	George K. Baum Capital Partners
Charles River Capital Partners	Diamond Castle Holdings	Glide Buy Out Partners
Charterhouse Capital Partners	Doughty Hanson & Co.	Goense Bounds & Partners
Charterhouse Group International	Duke Street Capital	Golden Gate Capital
Chequers	El Dorado Ventures	Goldman Sachs Capital Partners
Churchill Equity	Electra Partners Europe	Graham Partners
Cinven Limited	Engles Urso Follmer	Great Hill Partners
Clear Creek Capital	EQT	Growth Capital Partners
ClearLight Partners	Exeter Capital Partners	GTCR Golder Rauner, LLC
Code Hennessy & Simmons	Exponent Private Equity	H.I.G. Capital
Compass Group	Fenway Partners	Halpern, Denny & Co.
Cortec Group	Financiere Agache	Harbour Group

Investment Partners

Equity, Continued

Harvest Partners	Lincolnshire Management	Palladium Equity Partners
ICV Capital Partners	Lion Capital	Parthenon Capital
Industrial Opportunity Partners	Littlejohn & Company	Permira
Institutional Venture Partners	MML Capital Partners	Radius Partners
Investcorp International Inc.	Monterey Capital Partners	Red Diamond Capital
Keystone Holdings	Morgenthaler Partners	Redpoint Ventures
Kohlberg & Co.	Nordic Capital	RFE Investments
Kohlberg Kravis Roberts & Co.	Northwest Equity Partners	Richard L. Scott Investments
KRG Capital Partners	Oak Hill Capital Management, Inc.	Riverside Partners
Lake Capital	Odyssey Investment Partners	Roark Capital Group
Laminar Direct Capital	Olympus Partners	Sagard
LBO France	One Equity Partners	SAP Ventures
LGV Capital	Onex Public Markets Group	Sentinel Capital Partners
Liberty Partners	Paine & Partners	Shoreview Industries

Investment Partners

Equity, Continued

Sorenson Capital	TMB Industries	Westbury Capital Partners
Stephens Group, Inc.	Trident Capital	Weston Presidio Capital
Sterling Investment Partners	Trivest Partners	Wimbledon Partners
Sterling Ventures	U.S. Renewables Group	Wind Point Partners
StoneCreek Capital	Vestar Capital Partners	Windjammer Capital Investors
Stratford Capital Partners	Warburg Pincus	Wingate Partners
Thayer Capital Partners	Weinburg Capital Partners	
The Blackstone Group	Welsh, Carson, Anderson & Stowe	
Thoma Cressey Bravo	WENDEL Investissement	
Thompson Street Capital Partners	Westar Capital	
