

European Equity Tranche Income Limited (“EETI”)

Portfolio update

The Board of EETI announces that it has recently received performance data for the fourth quarter of 2008 in relation to its Pastor second loss investments. As a result of the continued increase in loans in arrears of 90 days or more and an increase in loans in default in the quarter ended 31 December 2008 it is expected that a material provision against the Pastor investments will be required.

The Board will be reviewing the investment portfolio as a whole as fourth quarter data in relation to its other investments becomes available and expects to publish the net asset value of EETI as at 31 December 2008 towards the end of February.

In addition, since the increased arrears and higher defaults are likely to have an adverse effect on the projected cash flows from the Pastor investments this is expected to reduce significantly EETI’s cash flows in the current year.

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E&OE – in transmission

END OF ANNOUNCEMENT