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## CARLYLE CAPITAL CORPORATION REPORTS FOURTH QUARTER RESULTS

Guernsey – February 28, 2008 – Carlyle Capital Corporation Limited (Euronext Amsterdam ticker symbol: CCC; ISIN: GG00B1VYV826) (the "Company") today released its results for the three months and year ended December 31, 2007.

### Fourth Quarter 2007 Highlights and Update

- Net income for the fourth quarter of 2007 was \$17.6 million, compared to a net loss of \$34.2 million in the third quarter of 2007. Fully diluted net income per Class B share was \$0.34 in the fourth quarter, compared to a loss per Class B share of \$0.74 in the third quarter of 2007. Net income for the year ended December 31, 2007 was \$16.8 million, or \$0.45 per Class B share on a fully diluted basis.
- Adjusted Net Income (net income excluding non-cash share-based compensation expense) for the three months ended December 31, 2007 was \$22.9 million. For the year ended December 31, 2007, adjusted net income was \$34 million.
- As of February 27, 2008, the Company's \$21.7 billion investment portfolio is comprised exclusively of AAA-rated floating rate capped residential mortgage backed securities issued by Fannie Mae and Freddie Mac, which are considered to have the implied guarantee of the U.S. government and are expected to pay at par at maturity.
- The Carlyle Group agreed to increase the \$100 million unsecured revolving credit facility made available to the Company to \$150 million and extend the maturity to July 1, 2009. As of February 27, 2008, the Company had \$80 million of availability under this credit facility.
- As of February 27, 2008, the Company had unused repo lines of \$2.4 billion with 11 counterparties.
- As of December 31, 2007, the Company's "Liquidity Cushion" was \$67.2 million and was comprised of cash and cash equivalents, unencumbered AAA-rated mortgage

backed securities and available committed borrowings from The Carlyle Group. As of February 27, 2008, the Company's Liquidity Cushion had increased to \$130 million. The Liquidity Cushion of \$130 million at February 27, 2008, consists of an existing \$80 million Liquidity Cushion plus the additional \$50 million increase to the existing unsecured revolver provided by Carlyle.

- The Carlyle Group with the support of the Board of Directors of the Company waived the incentive fee earned for the fourth quarter of 2007. The Carlyle Group also amended the Company's Investment Management Agreement so that the incentive fee will only be earned with respect to a calendar quarter for which the Board declares a dividend on the Company's Class B shares.
- Despite the Company's strong earnings, the Board of Directors decided to retain the Company's fourth quarter earnings and not pay a dividend. The Board believes this is the best way to achieve the Company's short term objective of preserving the long term value of its shareholders' equity.
- During the fourth quarter of 2007, an affiliate of Carlyle Investment Management LLC, the Company's investment manager, purchased Class B shares of the Company in the open market increasing its ownership to approximately 15% of the issued and outstanding Class B shares from approximately 12% at the time of the global offering.

"During the fourth quarter our portfolio stabilized and we were able to generate returns consistent with our near term targets," said John Stomber, Chief Executive Officer, President and Chief Investment Officer of the Company. "We are focused on building our liquidity cushion and broadening our available repo lines. We continue to run our business to preserve the value of our shareholders' equity and to position the Company to meet our long run objectives of earning an attractive risk adjusted return and paying a consistent dividend in the future."

For a complete copy of the Company's Annual Report , please go to [www.carlylecapitalcorp.com](http://www.carlylecapitalcorp.com).

### **Conference Call**

The Company will host a conference call March 3, at 10:00 a.m. (EST) to discuss its quarterly and year-end results. Investors may listen to the conference call by dialing (888) 713-4216 (U.S. and Canada) or (617) 213-4868 (International). Please reference the passcode "26519322".

The conference call will also be broadcast live through the Company's website at <http://www.carlylecapitalcorp.com>. Please visit the website at least 15 minutes prior to the call to register, download and install any necessary audio software.

A replay of the conference call will be available from 11:00 a.m. EST on March 3, 2008 through March 10, 2008. To access the replay of this conference call, please dial (888) 286-8010 (U.S. and Canada) or (617) 801-6888 (International). Callers must reference the passcode "85020064".

### **About Carlyle Capital Corporation**

The Company is a Guernsey investment company that was formed on August 29, 2006. The Company's long-term objective is to achieve attractive risk-adjusted returns for shareholders primarily through current income and, to a lesser extent, capital appreciation. In the future, management will seek to achieve this objective by investing in a diversified portfolio of fixed income assets consisting of mortgage products and leveraged finance assets. Management employs leverage to finance the Company's investments and its income is generated primarily from the difference between the interest income earned on our assets and the costs of financing those assets.

Carlyle Investment Management L.L.C. ("CIM") manages the Company pursuant to a management agreement. CIM is a registered investment adviser under the U.S. Investment Advisers Act of 1940 and is an affiliate of The Carlyle Group.

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