

CapitalSource Finance LLC provides financing for small and mid-sized businesses, offering unparalleled solutions to the complex financial challenges those businesses face - so they can grow and prosper. We excel in situations that require extraordinary service, creativity, flexibility, insight and speed.

CapitalSource was founded in September 2000 by John K. Delaney and Jason M. Fish as a funding resource for growing middle market companies. We filed our initial public offering in August of 2003 and are traded under the symbol "CSE" on the New York Stock Exchange.

Capabilities and Key Facts

Loan Commitments: \$10,500,000,000

2005 Gross Income: \$645,000,000

2005 Net Income: \$164,000,000

Employees: 549

Offices: 23

Loan Commitments, Employees and Offices are as of June 30, 2006

CapitalSource has the financial strength to make loans up to \$300 Million and we can participate in even larger transactions through our syndication capabilities. By offering a broad array of financial products, we have outstanding more than \$10.5 billion in loan commitments. We offer:

- Senior Term Loans
- Mezzanine Term Loans
- Private Equity Co-Investments
- HUD Financing
- Asset-Based Revolvers
- Floating and Fixed Rate Mortgages
- Debtor-in-Possession Financing

Lending Areas and Business Units

- Asset-Based Lending
- Auto Finance
- DIP Financing
- Direct Consumer Finance
- Distressed Debt Financing
- Fractional Ownership Finance
- Healthcare Equipment
- Healthcare Leveraged Finance
- Healthcare Real Estate
- HUD Financing-Multifamily
- HUD Financing-Healthcare
- Leveraged Loans
- Media and Communications Loans
- Mortgage Finance
- Real Estate Finance
- Receivables Finance
- Retail Finance
- Security Finance
- Vacation Ownership Finance

We conduct our lending activities through three focused business units.

The Healthcare and Specialty Finance team at CapitalSource provides financing solutions to a broad range of middle market companies including healthcare, security and other general businesses, through the following groups:

- **Business Credit Services** - generic asset-based lending activities
- **CapitalSource Mortgage Finance** - the Company's FHA/HUD lending subsidiary
- **Healthcare Credit** - all non-real estate healthcare lending activities
- **Healthcare Real Estate** - all healthcare real estate lending activities
- **Security Lending** - financing activities to companies who protect life, property and the Homeland

The Structured Finance team provides innovative debt facilities to companies active in the vacation ownership, real estate and finance industries through the following groups:

- **Real Estate** - all of the Company's non-healthcare real estate lending activities
- **Rediscount** - the Company's lender finance business

The Corporate Finance team at CapitalSource works closely with middle market companies and their investors to deliver sophisticated financings. Although we will review a wide variety of opportunities, we have expertise in the following industries:

- Retailers, Catalogers and Apparel Companies
- Consumer Products & Services
- Value-Added Manufacturing
- Business Services

Executive Management

John K. Delaney
Chairman of the Board and
Chief Executive Officer

Jason M. Fish
Vice Chairman of the Board
and Chief Investment Officer

Dean C. Graham
President and Chief
Operating Officer

Bryan M. Corsini
Chief Credit Officer

Thomas A. Fink
Chief Financial Officer

Steven A. Museles
Chief Legal Officer

Michael C. Szwajkowski
President, Structured Finance
Business

Keith D. Reuben
Co-President, Healthcare &
Specialty Finance Business

James J. Pieczynski
Co-President, Healthcare &
Specialty Finance Business

Joseph A. Kenary
Executive Vice President,
Corporate Lending

Donald F. Cole
Chief Operations Officer

David C. Bjarnason
Chief Accounting Officer

Steven I. Silver
Chief Marketing Officer

Chris J. Woods
Chief Technology Officer

Clients

- As of June 30, 2006, we had 955 loans outstanding.

Our clients are growth-oriented middle market companies in the United States, Canada and Europe who use financing to facilitate:

- Asset or Debt Purchases
- Leveraged Buyouts
- Leveraged Recapitalizations
- Working Capital Needs
- Acquisitions

Locations

Headquartered in Chevy Chase, MD, we have a national network of offices in cities including Atlanta, Boston, Buffalo, Chicago, Dallas, Los Angeles, Nashville, New York, Philadelphia, San Francisco and St. Louis. We opened an office in London, UK in October 2005.

A Simple Business Plan

Out-of-the-box thinking sets us apart from other lenders. First, we deliver unique financing solutions for large, underserved, niche markets. By concentrating on areas with the highest risk-adjusted returns, we have attained strong earnings growth without compromising credit quality. We excel by using the four most important attributes that a successful lender can offer:

- **Insight**- Our expertise helps us identify a company's intrinsic enterprise value.
- **Creativity**- Our financing is structured to suit the needs of each client.
- **Speed**- We can close some transactions in as little as 14 days.
- **Partnership**- We work with businesses to help them grow and prosper.

For more information, contact:

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