
ICG plc

Preliminary Results 2014

20 May 2014

Highlights

Operational

- A record fundraising year with €3.8bn raised, 45% in new strategies
- A record level of realisations reinforcing our track record and generating £1.1bn of cash
- Third party AUM up 8% to €10.7bn, with total AUM flat at €13.0bn
- Product pipeline strong, with \$450m first close of US debt fund in May 2014
- Direct investment funds are investing ahead of target in a competitive environment
- Portfolio broadly resilient but a small number of weaker assets are underperforming

Financial

- Operational success to impact results from FY15 onwards due to nature/timing of new funds raised
- Fund Management Company profit down 13% at £35.0m (£40.4m in FY13)
- Investment Company profit¹ of £140.1m, up from £107.9m in FY13
- Group profit before tax¹ of £175.1m up from £148.3m
- Strong balance sheet with unutilised cash and debt facilities of £678m
- Final dividend of 14.4p, bringing full year dividend to 21.0p per share versus 20.0p last year
- Share buy back programme of up to £100m following exceptional year of cash generation

¹ Excluding the impact of fair value movements on derivatives (FY14: £16.4m; FY13: £5.7m)

Priorities for FY 14

Continued momentum in delivering our strategic priorities

What we said we would do

- Fundraising momentum to be maintained
 - Final close on Longbow Fund III
 - Further closes on Senior Debt Partners
 - New product launches in North America
 - Asia Pacific fund successor launched
 - New European CLO launched
- Continue to invest selectively hitting the required investment run rate
- Manage portfolio, particularly those assets undergoing restructuring, to maximise value

What we have done

A record fundraising year with €3.8bn raised
Longbow Fund III closed at hard cap of £700m
SDP closed in April 2014 at hard cap of €1.7bn
First US CLO closed at \$371m
Marketing underway for Asia Pacific III
Three European CLOs closed totalling €1.3bn

Invested a total of £1.9bn across direct investment funds and the IC

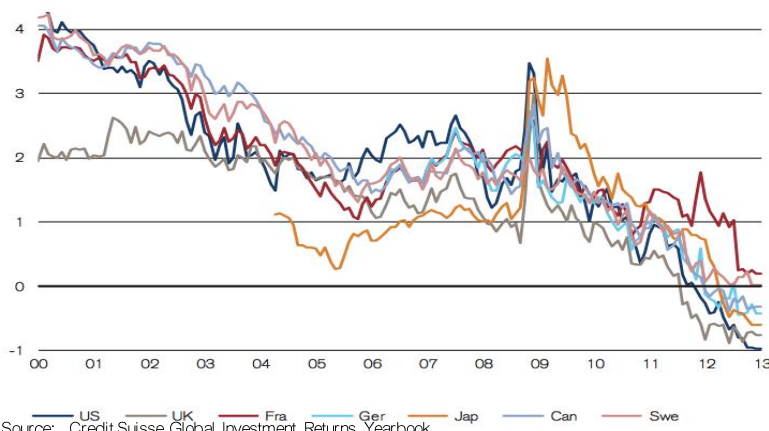
Realisations have generated £3.8bn of cash including £1.1bn of cash for the Investment Company
Portfolio remains broadly resilient

Growing our assets under management

Fundraising market update

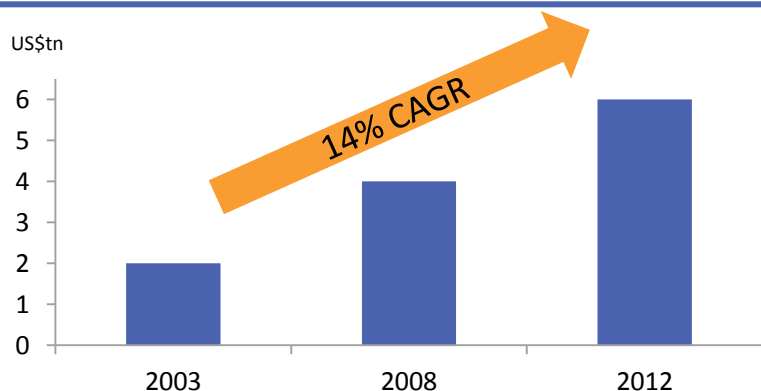
Increasing allocation to alternatives

Real Yields: The Race to Zero and Beyond



- Ongoing search for yield
- Increased interest in alternative credit to balance lower returns from traditional asset classes
- Favouring well established fund managers that can provide “one stop shop” mandates
- Increasing number of funds being raised
- CLO issuance restricted as a result of new European regulations

AUM in Alternatives



Source: BCG Global Asset Management 2013 Report Capitalizing on The Recovery

Investors preferring to deal with smaller number of global managers

Record fundraising year

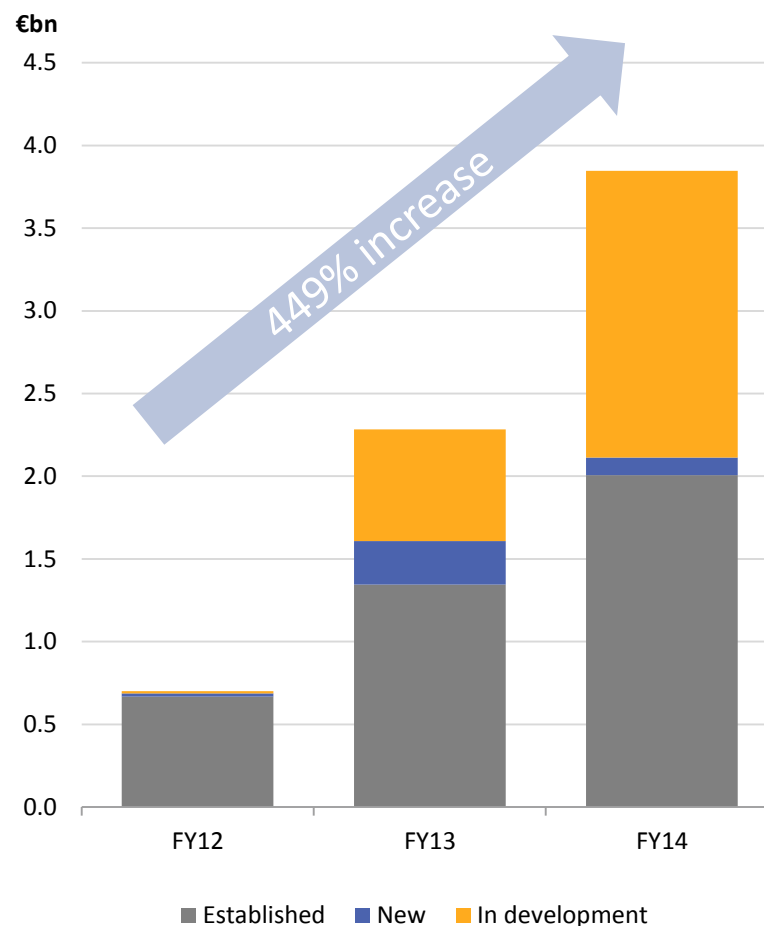
A total of €3.8bn of third party capital raised

Established strategies

- Three European CLOs were issued totalling €1.3bn making ICG a leading issuer of European CLOs
- ICG Longbow fund III closed at £700m
- Marketing commenced for Asia Pacific fund III

Funds in development

- 45% of funds raised will generate new sustainable fee streams
- Senior Debt Partners raised €1.3bn in FY14 and closed at €1.7bn in early FY15
- First dedicated US fund, a \$371m US CLO, raised
- Marketing for US debt fund continues, with a \$450m first close in May 2014. This includes \$200m from ICG

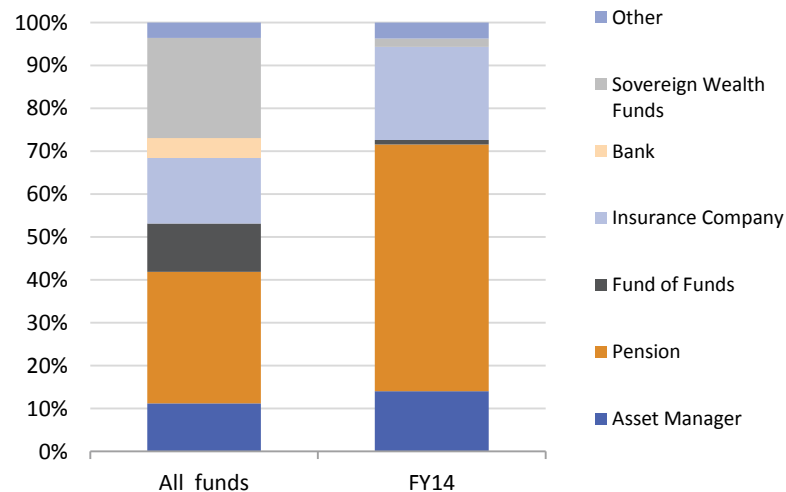


Investor base

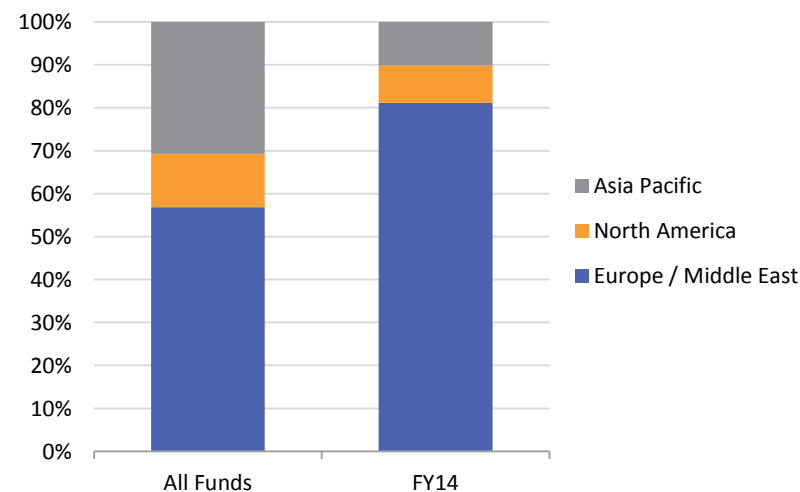
Investment in distribution strengthening fundraising relationships

- Funds raised in FY14 had a European focus which is reflected in the geographical diversity of the investor base
- Increased interest from pension schemes, with some large mandates from UK and Scandinavian pension funds

Investor diversity: FY14 vs all funds



Geographical diversity: FY14 vs all funds



Expanding product portfolio

Increasing number of first time funds being marketed

Growing assets under management

■ Established strategies

- European mezzanine
- Asia Pacific mezzanine
- UK real estate mezzanine
- European CLOs

■ New strategies

- Liquid credit products

■ In development strategies

- Direct lending senior debt
- US CLOs and debt
- UK real estate senior debt
- Australian senior loans
- Japanese mezzanine

FY14 achievements

ICG Longbow Fund III
St Paul's (CLO) II – IV

Funds raised
€2.0bn

Total Credit Fund
European Loan Fund
High Yield Bond Fund

Funds raised
€0.1bn

Senior Debt Partners
ICG Longbow Senior Debt
US CLO

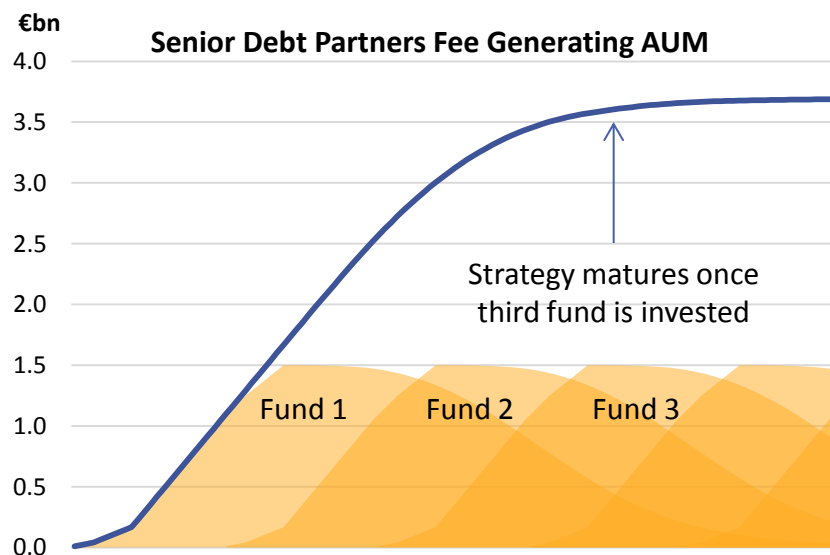
Funds raised
€1.7bn

Case study: First time funds

Important step in establishing long term fee generating AUM

First time funds

- 45% of funds raised in FY14 were for first time funds of which 75% was Senior Debt Partners (SDP)
- The AUM and fee maturity is likely to be reached once the third fund is raised and invested as at that stage there will be:
 - One fund investing
 - One fund recently fully invested
 - One fund in realisation
- For SDP this is at c6 years from the launch of the first fund depending on the size and investment pace
- SDP is already profitable as it is leveraging existing investment expertise and infrastructure



Case study: USA

Delivering on our expansion into North America

- We have had a New York office since 2007 and been investing from our balance sheet since 2008, building a track record and our understanding of the market
- Recruited a team of 14 investment professionals with over 150 years investment experience investing in the US market
- During FY14, we raised our first dedicated US fund, a CLO, and launched our first private debt fund which had a first close in May 2014

North America Private Debt

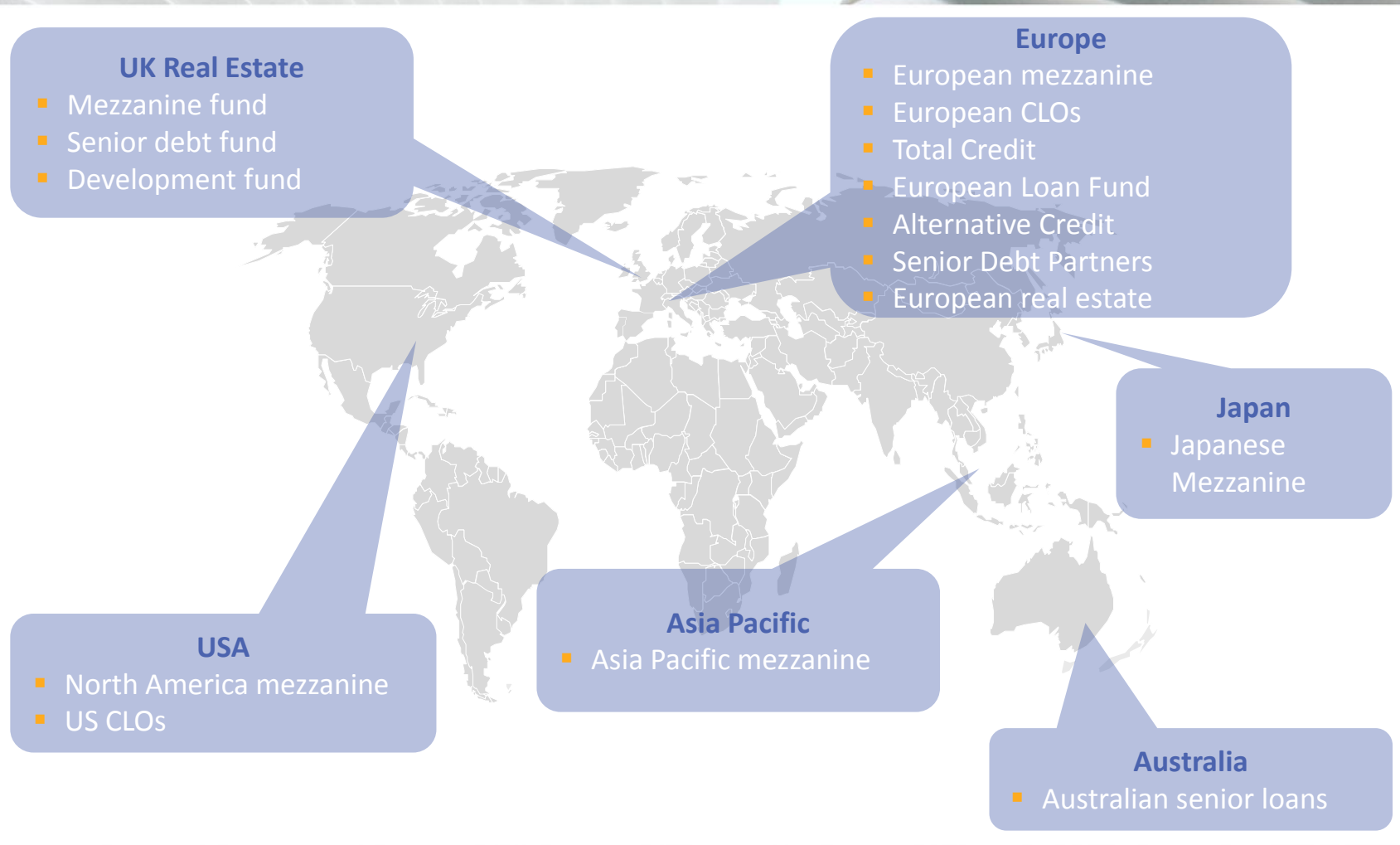
- First close of ICG North American Private Debt Fund in May 2014 with \$450m
- Dedicated New York based private debt investment team recruited to source and manage investments
- Two assets warehoused by the balance sheet for the fund – Convergent and APCO
- Marketing continuing with further closes expected during FY15

US Senior Loans (CLO)

- Raised \$371m with the close of US CLO I in March 2014
- Dedicated New York based credit fund team recruited to invest and manage products
- Currently invested in 135 assets across mid-market and larger capitalised companies
- Assets currently being warehoused for a second CLO to be launched later this year

Future fundraising

Diverse product portfolio to facilitate AUM growth



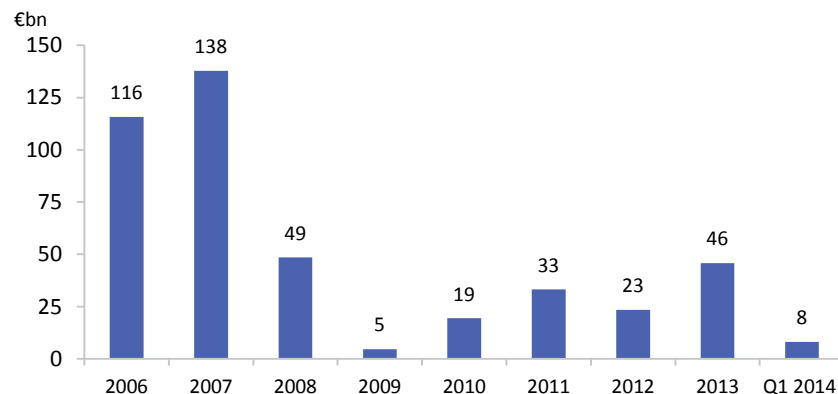


Invest selectively

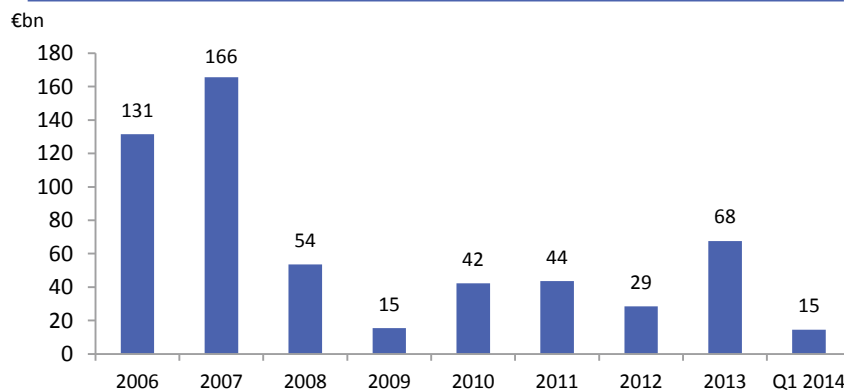
Investment market update

European LBO market volumes remain low

European LBO volume



Senior loan volume



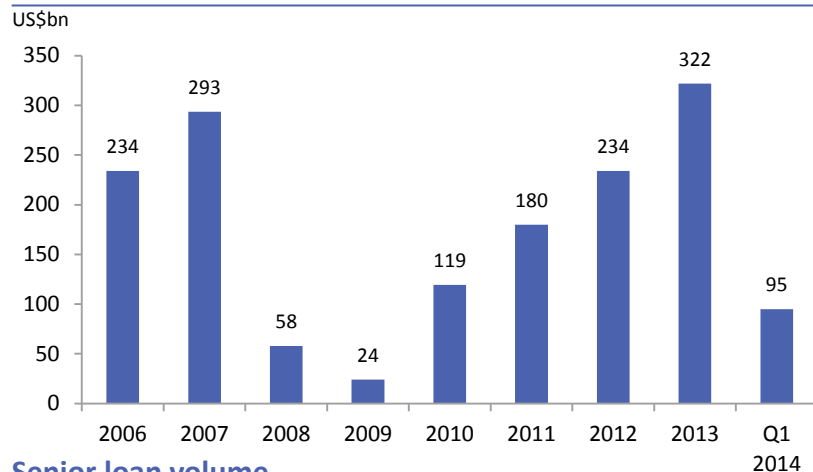
Source: S&P Q1 2014

- Imbalance in the supply and demand for credit by mid sized borrowers being filled by institution led financing and specialist asset managers
- Availability of senior debt and sponsors' dry powder means demand for traditional mezzanine low
- LBO market impacted by corporate M&A competition and buoyant IPO market
- Direct lending market suffered most from banks' withdrawal
- Increasing competition for assets
- European CLO market recovering from a low base but remains modest

Investment market update

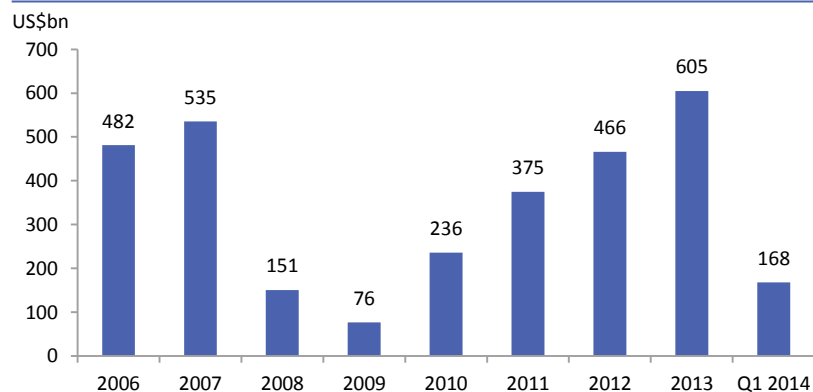
US is fully functioning but uncertainty remains

US LBO volume



- Buoyant market with high levels of inflows from CLOs and mutual funds
- Liquid credit market and well capitalised sponsors increases competition for assets
- LBO volume and demand for traditional mezzanine is strong

Senior loan volume



Source: S&P Q1 2014

Investment market update

Increasing competition for assets

Asia Pacific

- Fragmented nature of market provides little region wide market data
- Steady growth in the market
- Institutions well funded with ample liquidity for investment
- Competitive markets
- Focus is on optimising financing structures for existing buyouts and ICG sponsored deals

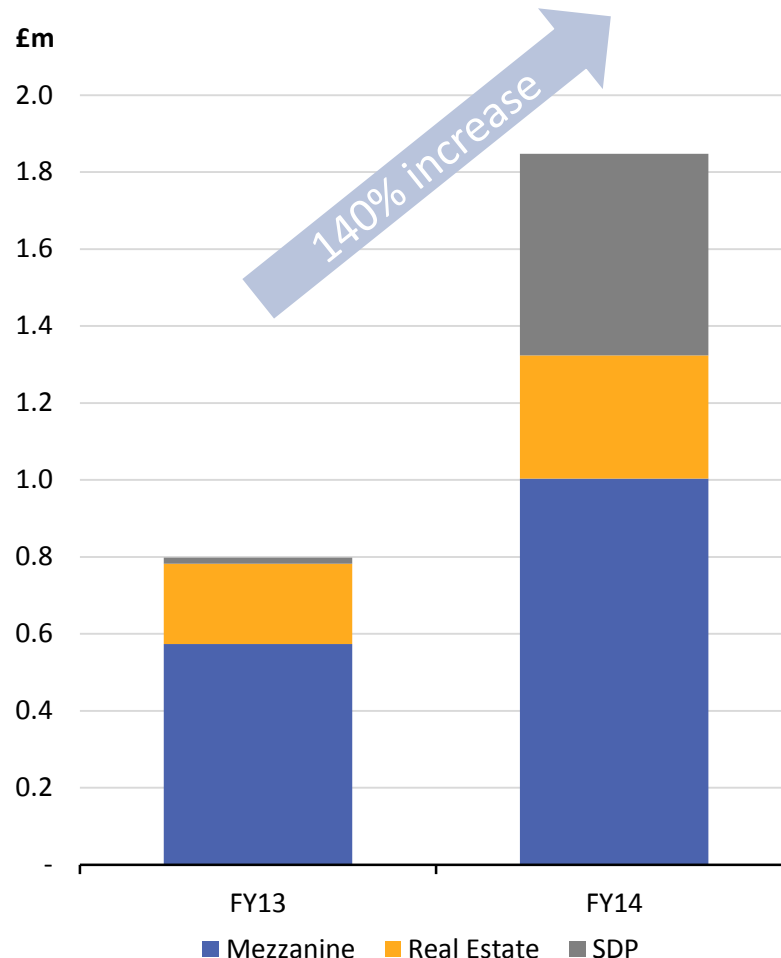
UK Real Estate

- UK commercial real estate market is seeing increased levels of activity
- Aggregate loans of £120bn have maturities between now and the end of 2015
- Providers holding approximately 43% of existing debt have withdrawn from the market
- Banks have begun lending again but are minority players, limiting their support to their core client base

Investing selectively – direct investment funds

Deployed £1.9bn on behalf of the IC and Funds

- The investment rate for direct investment funds, Senior Debt Partners, ICG Longbow III, Europe Fund V, remain ahead of plan
- During FY14 our mezzanine investment teams signed eight deals in Europe, three in Asia and one in the US
- Senior Debt Partners completed 17 deals during the year totalling £524m
- Longbow completed 10 deals during the year totalling £330m
- New IC investments totalling £393m including:
 - £212m co-invested alongside our mezzanine funds
 - £46m invested in Senior Debt Partners and ICG Longbow III
 - £135m invested in European and US CLOs, and other credit funds
- In addition to our direct investment funds, we invested £0.8bn of CLOs in the year



Investing direct investment funds

Funds on track to be fully invested

Who we invested in

ICG Europe Fund V

58%
invested

- Supported management buyout of Euro Cater, a leading Nordic food service company
- ICG and Fund V invested €200m across the capital structure

ICG Longbow III

37%
invested

- Supported acquisition of regional outlet centre with planning consent to develop new facilities
- Fund III provided a £55m whole loan facility with acquisition and development tranches

Senior Debt Partners I

42%
invested

- Supported the buyout by Permira of Doc Martens, a leading UK footwear and apparel brand
- ICG and SDP invested £35m in the senior debt of the company in support of the buyout

Note: percentage invested as at 31 March 2014

Manage our portfolio

Realisations

Year of record realisations

- Increased availability of finance has seen a record year of realisations with full or partial repayment of 12 of our top 20 assets
- The IC has realised over £1.1bn of cash during the year at an average IRR of 14%
- Realisations are principally due to refinancings with the minority equity interests retained
- Realised capital gains in the period of £141m, primarily due to the exit of Allflex in which we have held an investment in since 1998

12

OF TOP 20 ASSETS REALISED

£3.8bn

TOTAL CASH REALISED
£1.1bn FOR IC

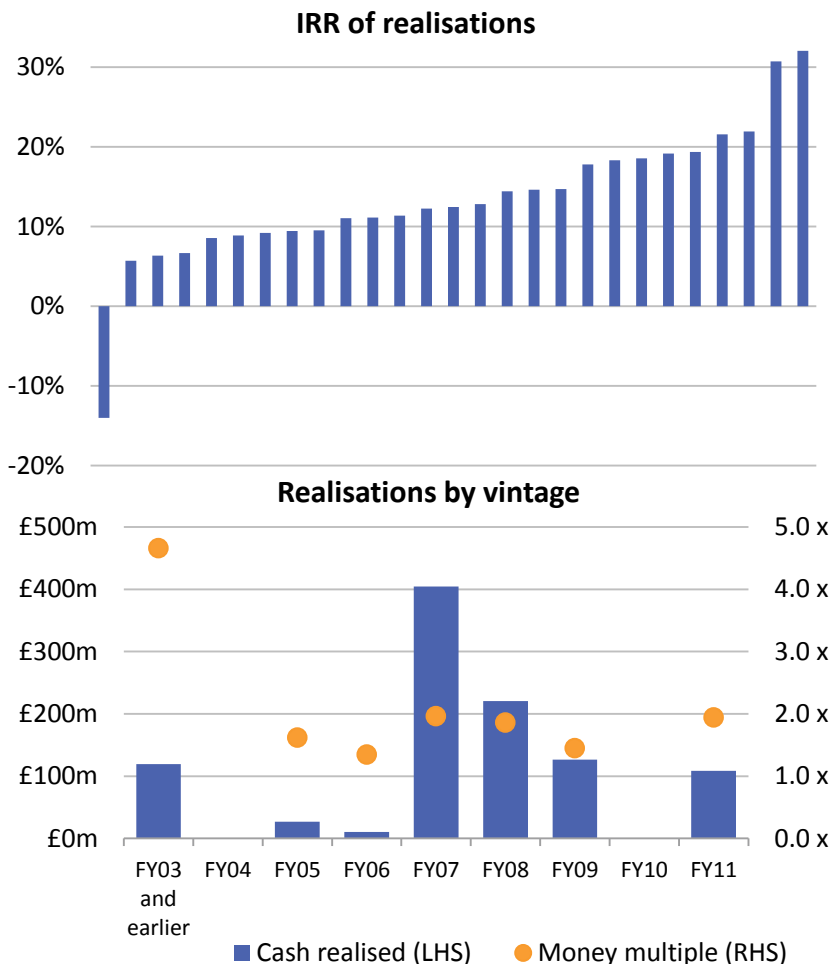
1.9x

MONEY MULTIPLE

Realisations by vintage

Strong period of realisations enabling investment in growth

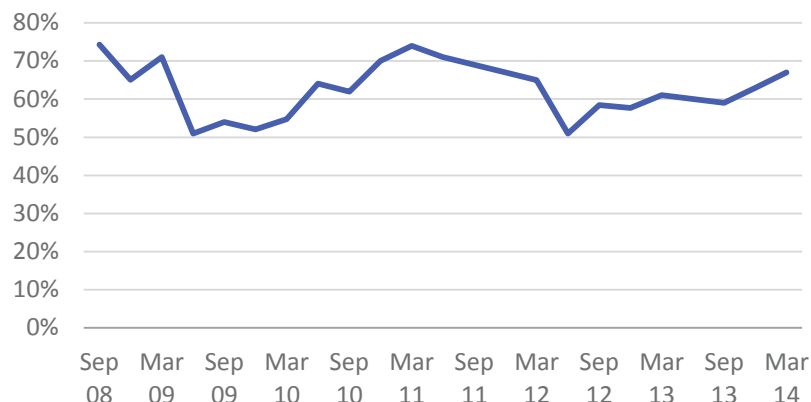
- Realisations were principally of assets invested between 2005 and 2008
- The vintages of these assets and the availability of finance suggests a catch up from previous years
- Average money multiple in excess of 1.5x across all vintages where more than one asset realised
- Average IRR of realised assets is 14% which will increase once our minority equity is exited
- Excellent returns, even on those assets invested in immediately prior to the financial crisis, have cemented our excellent track record



Portfolio performance

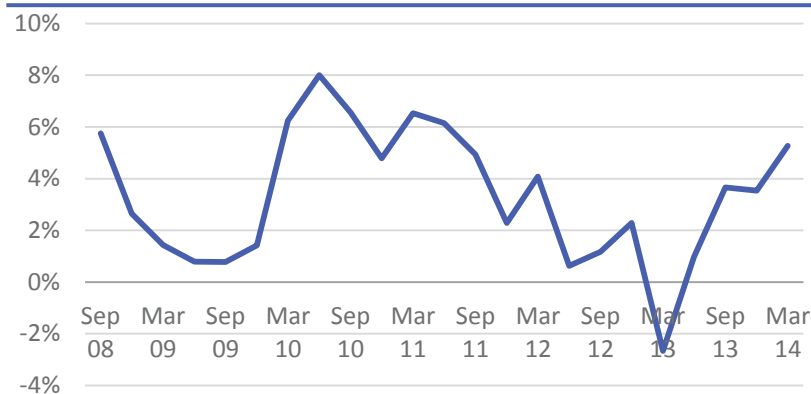
EBITDA performance of portfolios improving

% of mezz assets performing above prior year



- The performance of our mezzanine investment portfolio is broadly resilient with 67% above or at last year's level; 75% on a weighted basis
- Level of provisions should gradually reduce as we work through weaker assets borne out of the financial crisis
- Restructured assets showing signs of stabilised and improving performance
- Credit portfolio companies performing strongly with over half growing at 5%+

Median growth rate of credit portfolio assets



IC top 10 assets

Company	Country	Performance
Applus+	Spain	Green
Gerflor	France	Green
Materis	France	Green
SAG	Germany	Green
Feu Vert	France	Red
N&W Global Vending	Italy	Green
Fort Dearborn	USA	Green
Nocibe	France	Green
Euro Cater	Denmark	Green
AAS Link	Australia	Green

Financial Review

Financial highlights

Group profit up 18% predominately driven by realisations

Highlights

Group profit before tax *	£175.1m	↑ 18%
FMC profit before tax	£35.0m	↓ 13%
IC profit before tax *	£140.1m	↑ 30%
Group and IC profit recycled from reserves	£125.7m	↑ >100%
Third party AUM	€10,669m	↑ 8%
Investment portfolio **	€2,311m	↓ 24%
Unutilised cash and debt facilities	£678m	↑ 91%
Cash core income	£231.7m	↑ >100%

Final dividend

14.4p

Prior year: 13.7p

Total annual dividend

21.0p

Prior year: 20.0p

Share buyback

£100m

*Excludes £16.4m negative impact of fair value movements on derivatives held for hedging purposes; FY13: £5.7 m

** Excludes the impact of consolidating the US CLO

Segmental reporting

Investment	£m	March 2014	March 2013	March 2012
Fund Management Company	Fee income	99.6	100.7	91.2
	Other income	0.9	1.5	2.9
	Admin expenses	(65.5)	(61.8)	(56.4)
	FM profit	35.0	40.4	37.7
Investment Company	Net interest income	133.8	159.7	183.5
	Div & other income	26.6	3.8	7.6
	Admin expenses	(57.3)	(48.6)	(62.7)*
	Impairments	(112.4)	(80.0)	(70.6)
	Net capital gains	149.4	73.0	103.3
	IC profit	140.1	107.9	161.1
	FVM derivatives	(16.4)	(5.7)	-
Group	Profit before tax	158.7	142.6	198.8

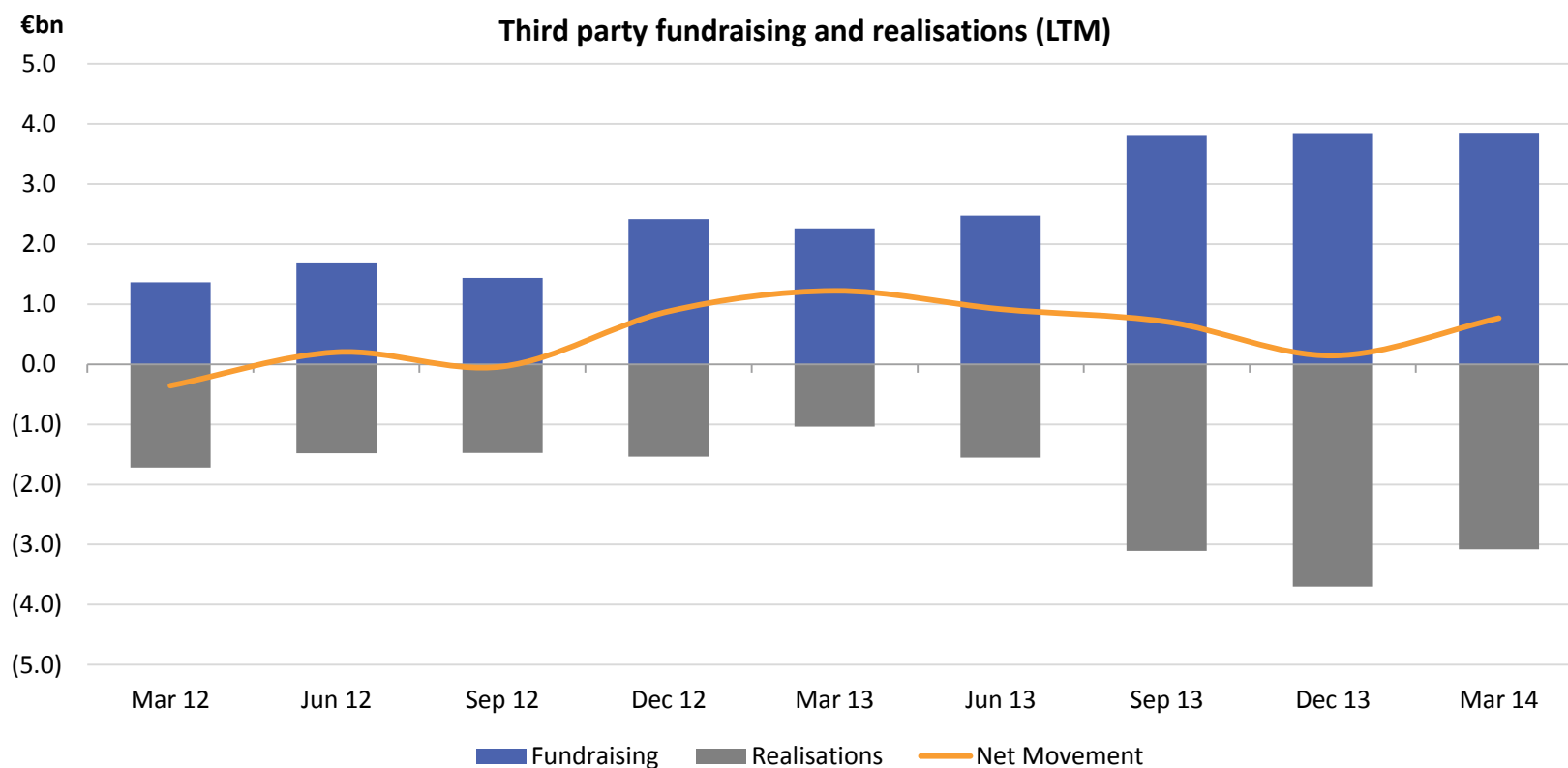
*Excluding £45m one-off release relating to termination of MTIS

Fund Management Company

Third party AUM

Momentum in fundraising continuing; realisations impacting AUM

Third party AUM up 8% with €3.8bn of new funds raised and €3.0bn of realisations

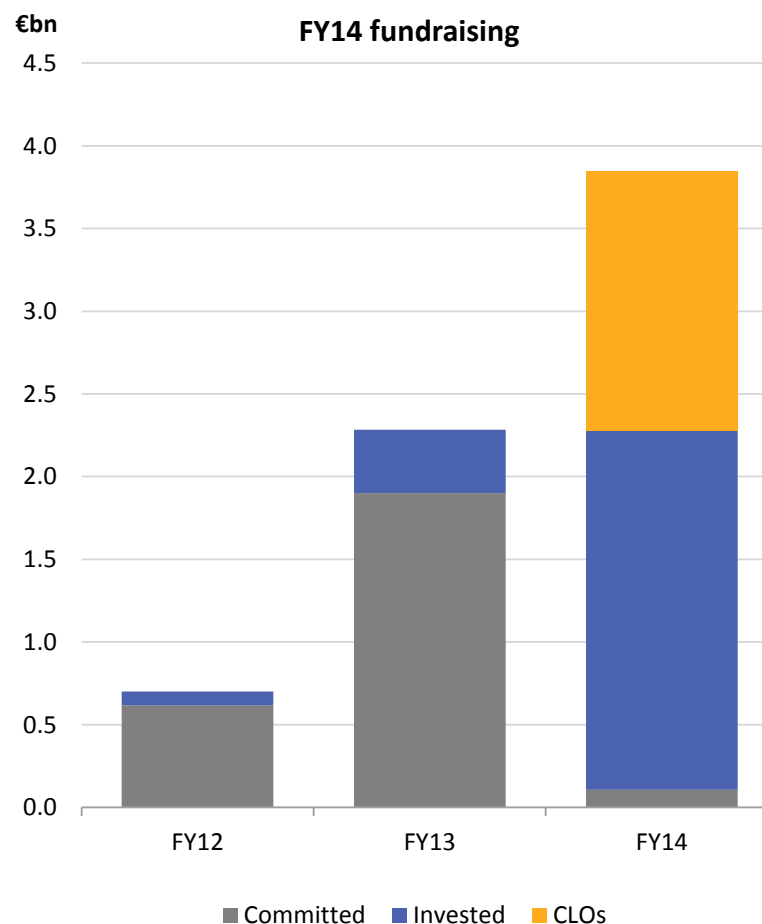


Record fundraising year

Funds raised in year charge fees on invested capital

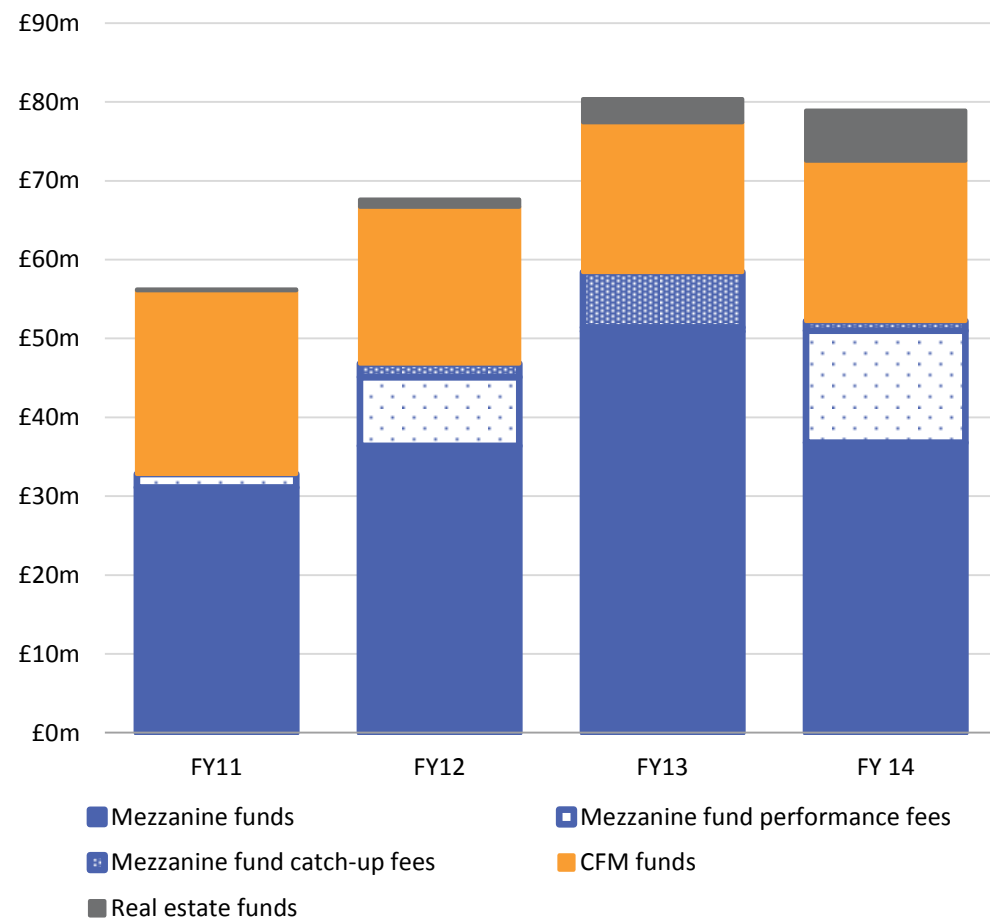
- Impact of FY14 record fundraising has yet to fully benefit the income statement due to the mix of funds raised
- CLOs typically charge fees on invested capital but are invested quickly so immediate fee stream benefit
- Once fully invested, funds raised in FY14 would contribute £23.2m of fee income. In FY14 they contributed £6.3m
- During a fund's investment period, as a rule of thumb, fees are charged on:

	Committed capital	Invested capital
Mezzanine funds	✓	
Credit funds		✓
Real estate funds		✓



Third party fee income

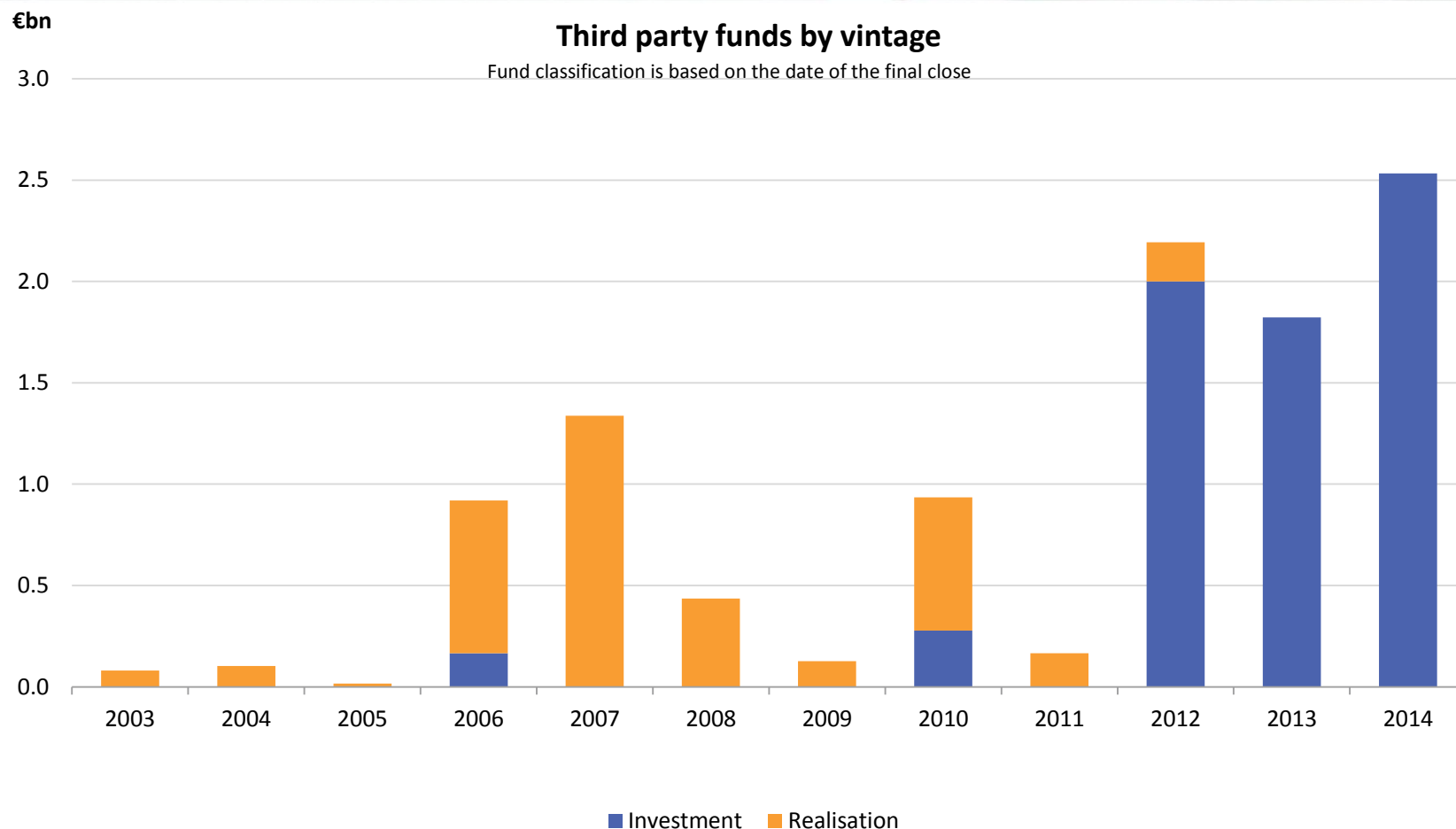
Fee mix changes as older funds realised and new funds invest



- Realisation of older mezzanine assets weighted to the first half reducing fee income for the year
- Mezzanine fees in FY13 benefitted from the close of ICG Europe Fund V
- Investment of Longbow funds increases real estate fee income
- Performance fees were earned on Mezzanine Fund 2003 and Intermediate Capital Asia Pacific Fund 2005 as older assets were realised

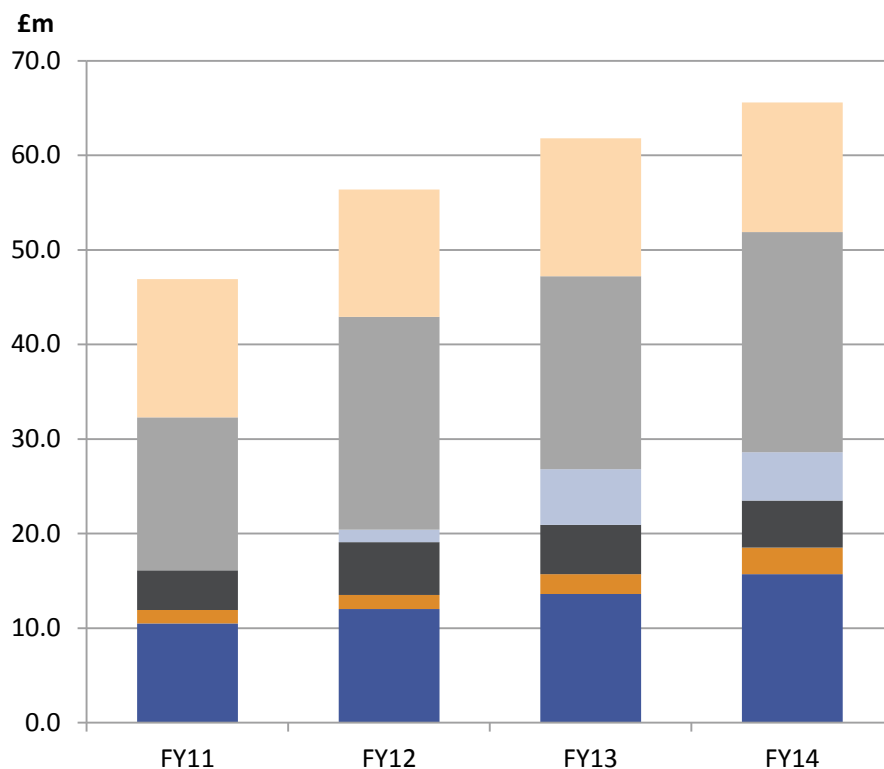
Fund Life Cycle

Recent fundraising replenishing AUM and extending fee stream



FMC operating costs

Increasing headcount to drive growth



Operating costs up 6% on FY13

Salary costs up £2.6m due to

- Annualisation impact of recent hires
- Average headcount up 21%
- Investing in growth

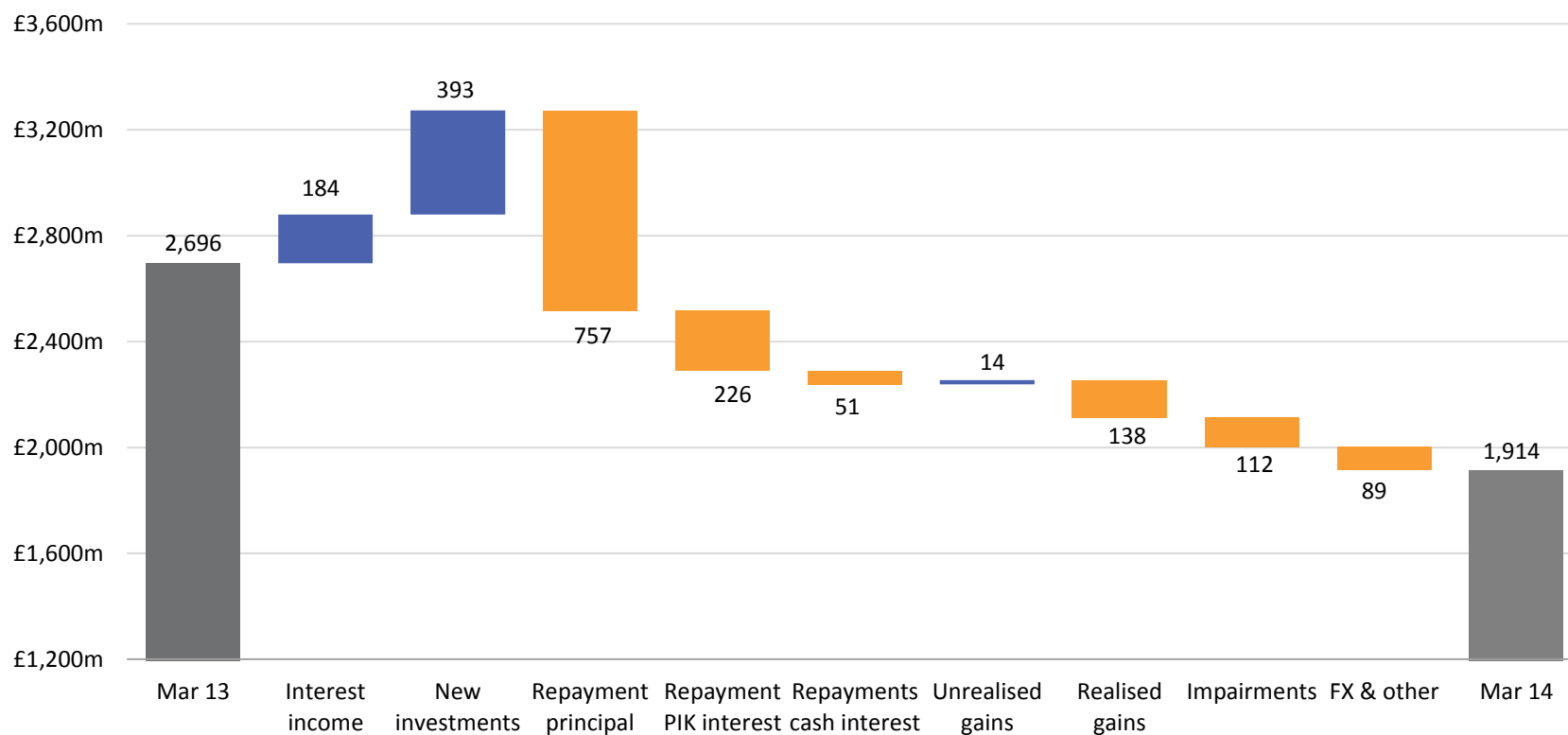
Non staff costs up 8% with increased IT and occupancy costs to support our expanded US and Singapore operations

■ Investment team salaries
 ■ MCR salaries
■ Infrastructure salaries
 ■ Placement fees
■ Other non staff costs
 ■ Incentive schemes

Investment Company

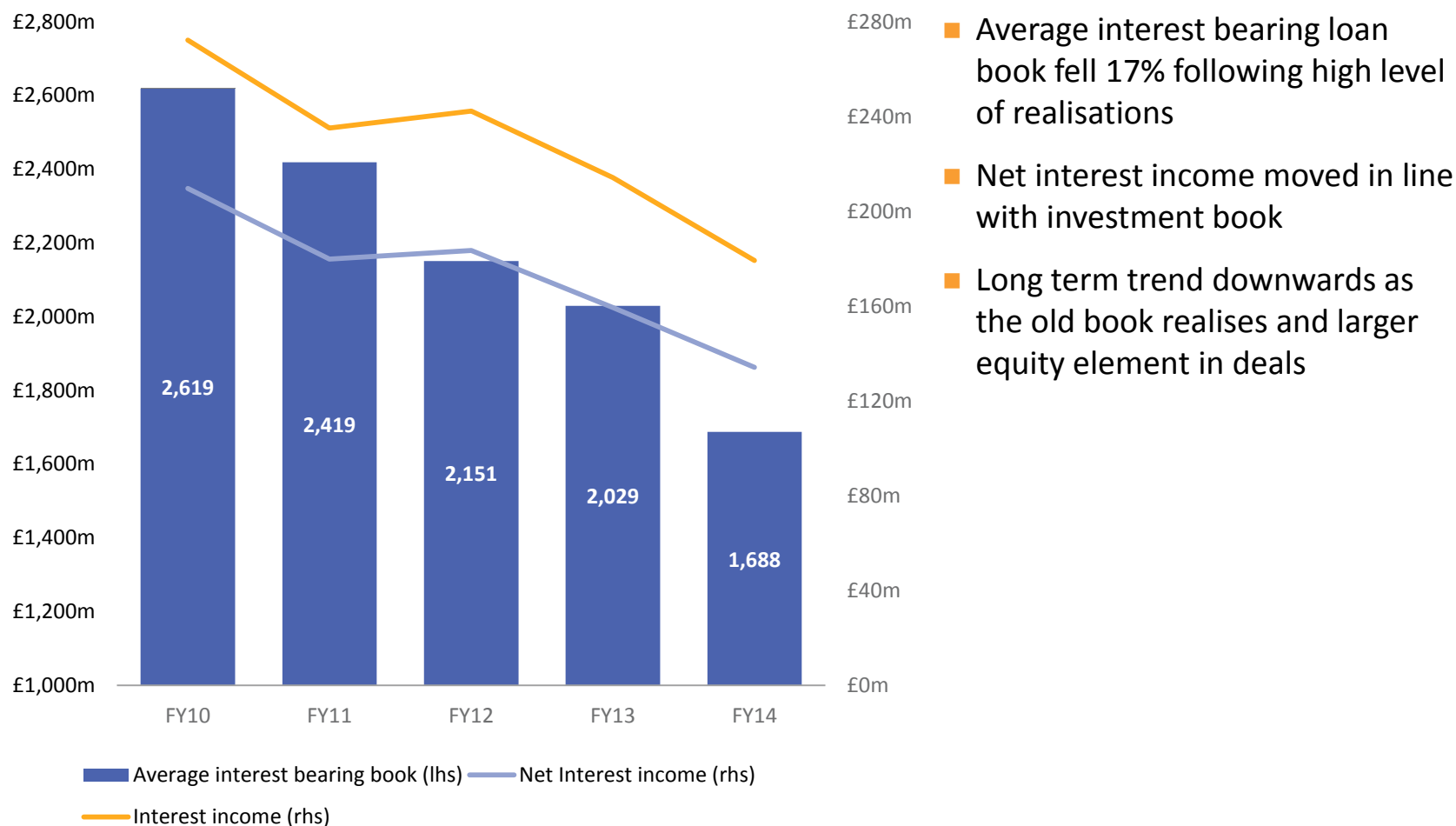
Loan book

Significant realisations has resulted in a 29% decrease in loan book



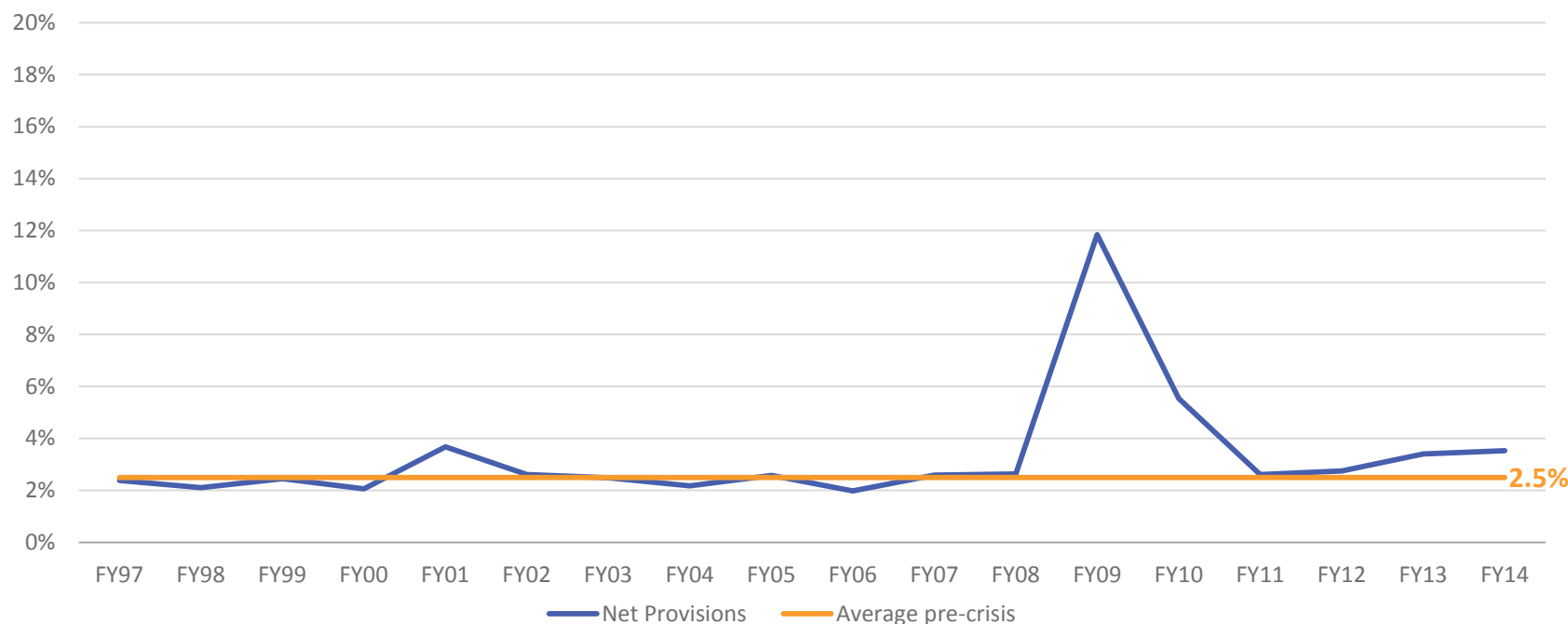
Net interest income

Decrease in NII driven by decrease in average book size



Long terms provisions

Net provisions against our weaker assets



* LTM to 31/3/14

- Net impairments of £95.1m in FY14, excludes £17.3m related to restructured assets
- Recoveries of £21.2m

Gains on investments

High realised capital gains due to the exit of Allflex

£m	March 2014	March 2013	March 2012
Net realised gains	122.1	14.1	73.8
Unrealised gains	27.3	58.9	44.2
Total gains	149.4	73.0	118.0

- Total unrealised capital gains of £27.3m
 - Increases in fair value - £70.8m
 - Decreases in fair value - £43.5m
- Income statement unrealised gains includes £9.5m following restructuring of Via Location
- £125.7m of realised capital gains recycles from the AFS reserve

Balance sheet

Balance Sheet

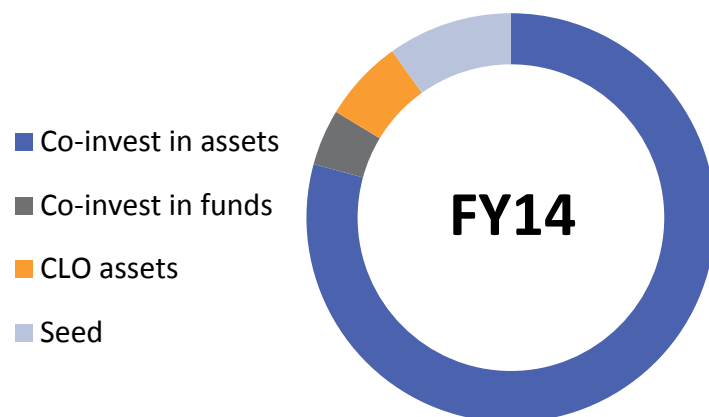
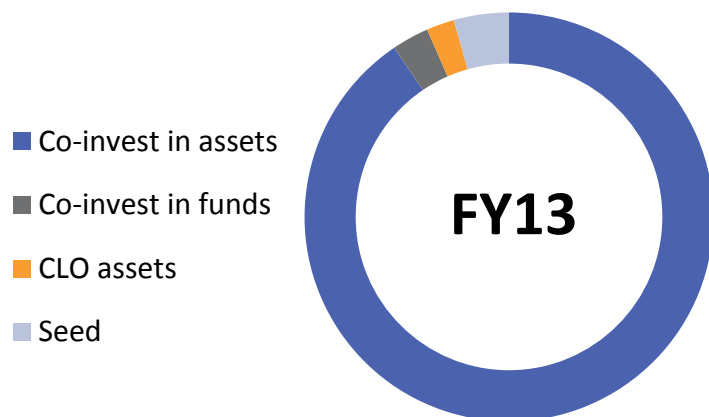
BALANCE SHEET	March 2014 - £m	31 March 2013 - £m
Loans & investments	2,081	2,696
Warehoused assets	116	30
Other	(102)	(8)
	2,095	2,718
Borrowings	587	1,155
Shareholders' funds	1,508	1,563
	2,095	2,718

BALANCE SHEET METRICS	March 2014 - £m	31 March 2013 - £m
LTM ROE*	10.2%	8.9%
Gearing ratio	39%	74%
Debt facilities	1,182	1,492
Headroom at year end	678	355

* Excludes FV on derivatives of £16.4m in FY14 (FY13: £5.7m)

Balance sheet portfolio in transition

Strong period of realisations enabling investment in growth



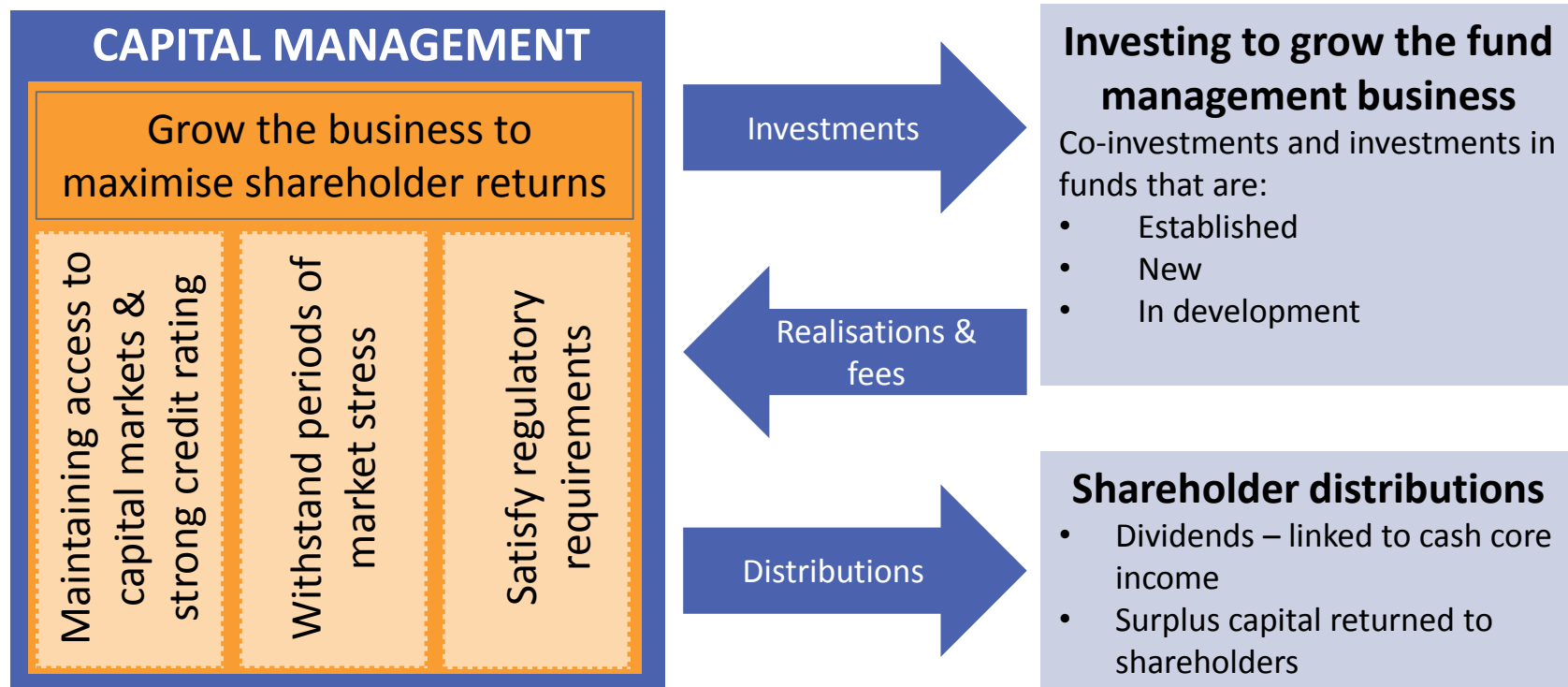
* % of total loanbook

Co-investment in assets breakdown £m	2014	% *	2013	% *
Interest bearing	1,044	55%	2,009	74%
Equity	581	30%	504	19%
Total	1,625	85%	2,513	93%

- Non interest bearing equity 30% of loan book, up from 19% at March 2013
 - Retained minority equity positions in many realised assets
 - Investment in sponsorless transactions
- Undrawn commitments for existing funds of £277m

Capital Management Approach

Grow the business to maximise shareholder returns



Capital Allocation

Recycling of capital into a broad range of strategies

Category	Impact Horizon	Examples	Current balance in loanbook	Anticipated capital investment in next 3 years
Well established strategies	Current	European Mezzanine European CLOs	£1.5bn	£0.5bn – £0.7bn
Established strategies that are in growth phase	Current – Medium Term	Senior Debt Partners US CLOs Longbow Real Estate	£0.4bn	£0.2bn – £0.4bn
Long Term Growth Strategies	Medium – Long Term	Australian Senior Loans Alternative Credit European Real Estate	-	£0.3bn – £0.4bn

Fees case study

Generating returns by effective use of capital

Senior Debt Partners

- ICG invested €50m into a €1.7bn fund ie. 3% of the total fund
- The FMC earns average management fees of 0.7% on third party invested capital
- The IC earns a return on its €50m investment which is received in the form of dividends from the fund
- Assuming a fund life of eight years the revenues on the capital employed would be:

	€m
FMC fee income	57.6
IC income on invested capital	19.3
Marginal ICG profit	43.2
Average investment in fund	27.2
<i>Annualised return</i>	<i>20%</i>

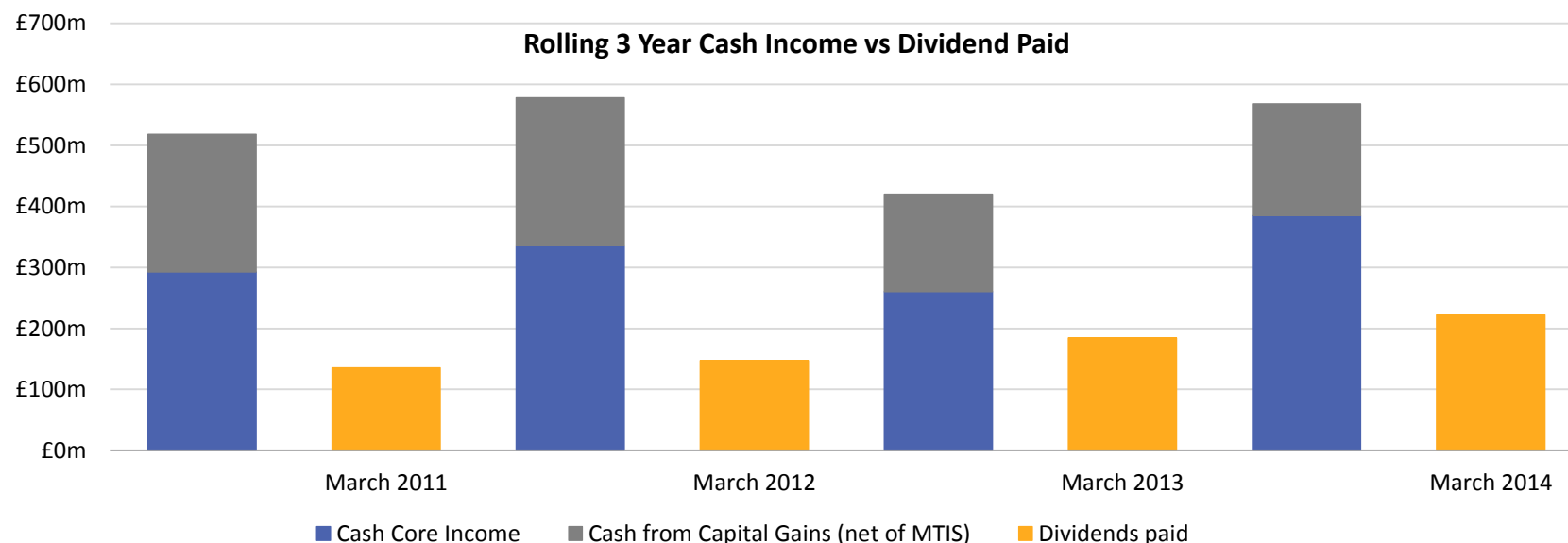
US Private Debt

- ICG co-invested \$200m alongside the fund, with fundraising ongoing
- The FMC earns average management fees of 1.5% on third party invested capital
- The IC earns a return on its \$200m investment which is received in the form of interest and dividends direct from the underlying investment
- Assuming a fund life of ten years the revenues on the capital employed would be:

	\$m
FMC fee income (incl. carried interest)	49.5
IC income on co-investment capital	254.5
Marginal ICG profit	170.2
Average co-investment in assets	131.6
<i>Annualised return</i>	<i>16%</i>

Cash Core Income

Solid dividend coverage



- FY14 cash core income of £232m with a further £145m from realised capital gains
- On a rolling 3 year basis cash core income is £385m in FY14, up from £260m at March 2013
- Dividend well covered on aggregate 3 years (policy)
 - Cash core income is 1.7x the dividend paid (including realised gains: 2.6x)

Financial outlook

Well positioned for growth

FMC

- AUM growth expected with strong product pipeline
- Improved quality of fee base with new funds raised
- Increased management fee income with investment of funds raised in FY14
- Increased profitability once the Group has invested funds raised over the next two years

IC

- Reducing level of provisions expected as remaining weaker assets worked through
- Stabilising of loan book after a strong year of realisations
- NII to track downward due to annualised impact of realisations
- Strong pipeline of new investment opportunities

Priorities for FY15

Raise and invest our expanded product range in delivering

FY15 Priorities

- Fundraising momentum to be maintained
 - North America Fund I to close
 - Asia Pacific Fund III to close
 - New funds launched in Japan and Australia
 - Further CLOs raising in both Europe and the US
 - Specialised funds to be launched such as alternative credit and real estate senior debt
- Continue to invest selectively hitting the required investment run rate
- Manage portfolio, particularly those assets undergoing restructuring, to maximise value

Progress So Far

First close of North America Fund I in May 2014 at USD\$450m

Japanese Fund launch imminent

Final close of SDP at hard cap of €1.7bn

Investment in Education Personnel has taken Europe Fund V to 66% invested

Realisation of our largest asset will generate over €100m of cash income for the IC

Conclusion & Q&A

Appendix

Funds

Mezzanine and Growth Capital Funds

Fee structure

Funds in investment period

Fund	Size	Equity	End of investment period	% Invested	Main fee
ICAP 08	\$0.6bn	\$0.6bn	April-2014	77%	1.25% on invested
EF V	€2.0bn	€2.0bn	Sep-2016	58%	1.5% on committed equity

Funds in realisation

Fund	Size	Equity	End of investment period	% Invested	Main fee	Carry
RF08	€0.84bn	€0.64bn	Oct-2012	89%	1.0% on invested*	20 % of 20 over 8
EF06	€1.75bn	€1.25bn	Mar-2011	93%	1.25% on invested	20 % of 20 over 8
IMP08	€0.13bn	€0.13bn	Feb-2010	91%	1.5% on invested	20 % of 20 over 8
MF03	€1.42bn	€0.67bn	Sep-2006	97%	1.0% on invested	25% of 20 over 8
ICAP 05	\$0.3bn	\$0.3bn	Apr-2008	95%	2.0% on invested	25 % of 20 over 8

* Plus 0.75% on debt amounts invested up to a maximum leverage of 1:1.

ICG Europe Fund V



Summary	Capital Invested	€2,000m
		58%
Portfolio	Investments	16
	Invested Capital	€1,163m
Partial Exits	Assets	2
	Cost Invested	€99m
	Money Multiples/IRR	1.5x / 30%
	Distribution	€58m (net of recallable capital)
Performance	Gross IRR	18%
	Money Multiple	1.2x
	Average Life	12 months
	Net IRR	13%
	Net MM	1.1x

ICG European Fund 2006



Summary	Capital Invested	€1,750m
		93%
Portfolio	Investments	47
	Invested Capital	€1,621m
Exits	Assets	13
	Cost Invested	€446m
	Money Multiples/IRR	1.8x / 20%
	Distribution	€803m
Performance	Gross IRR	11%
	Money Multiple	1.5x
	Average Life	57 months
	Net IRR	8%
	Net MM	1.4x

ICG Mezzanine Fund 2003



Summary	Capital Invested	€1,340m *
		97%
Portfolio	Investments	80
	Invested Capital	€1,677m
Exits	Assets	67
	Cost Invested	€1,387m
	Money Multiples/IRR	1.4x / 15%
	Distribution	€992m
Performance	Gross IRR	14%
	Money Multiple	1.4x
	Average Life	101 months
	Net IRR*	14%
	Net MM*	1.6x

* For ICG Mezzanine Fund 2003 No.1 LP.

ICG Recovery Fund 2008



Summary	Capital Invested	€843m
		89%
Portfolio	Investments	11
	Invested Capital	€719m
Exits	Assets	2
	Cost Invested	€10m
	Money Multiples/IRR	1.7x / 44%
	Distribution	€189m
Performance	Gross IRR	17%
	Money Multiple	1.6x
	Average Life	33 months
	Net IRR	12%
	Net MM	1.4x

ICG Minority Partners Fund 2008

Summary	Capital Invested	€132m
		91%
Portfolio	Investments	4
	Invested Capital	€121m
Exits	Assets	3
	Cost Invested	€101m
	Money Multiples/IRR	2.2x / 48%
	Distribution	€205m
Performance	Gross IRR	35%
	Money Multiple	2.0x
	Average Life	40 months
	Net IRR	25%
	Net MM	1.8x

Intermediate Capital Asia Pacific Fund 2005

Summary	Capital Invested	\$300m
	Invested	95%
Portfolio	Investments	8
	Invested Capital	\$290m
Exits	Assets	5
	Cost Invested	\$159m
	Money Multiples/IRR	1.4x / 14%
	Distribution	\$391m
Performance	Gross IRR	14%
	Money Multiple	1.6x
	Average Life	59 months
	Net IRR	11%
	Net MM	1.5x

Intermediate Capital Asia Pacific Fund 2008

Summary	Capital Invested	\$600m
		77%
Portfolio	Investments	10
	Invested Capital	\$475m
Exits	Assets	2
	Cost Invested	\$105m
	Money Multiples/IRR	1.7x / 17%
	Distribution	\$269m
Performance	Gross IRR	13%
	Money Multiple	1.3x
	Average Life	31 months
	Net IRR	10%
	Net MM	1.3x

Funds

Other direct investing funds

ICG Senior Debt Partners

		Total strategy*	Fund*
Summary	Capital Invested	€1,423m 42%	€589m 50%
	Investments Invested Capital	13 €605m	13 €302m
Partial Exits	Assets		2
	Cost Invested		€31m
	Money Multiples/IRR	n/a	1.1x / 13%
	Distribution		Nil
Performance	Gross IRR		18%
	Money Multiple		1.1x
	Average Life	n/a	5 months
	Net IRR		4%
	Net MM		1.0x

* Total ICG Senior Debt Partners strategy comprises ICG Senior Debt Partners Fund and various managed accounts. The table discloses the total strategy, including the Fund and managed accounts, and ICG Senior Debt Partners Fund alone. Date is as at 31 March 2014.

ICG Longbow Fund II



Summary	Capital Invested	£242m
		100%
Portfolio	Investments	13
	Invested Capital	£190m
Exits	Assets	5
	Cost Invested	£45m
	Money Multiples/IRR	1.4x / 23%
Performance	Gross IRR	14%
	Net IRR	10%
	Distribution yield to date	8%

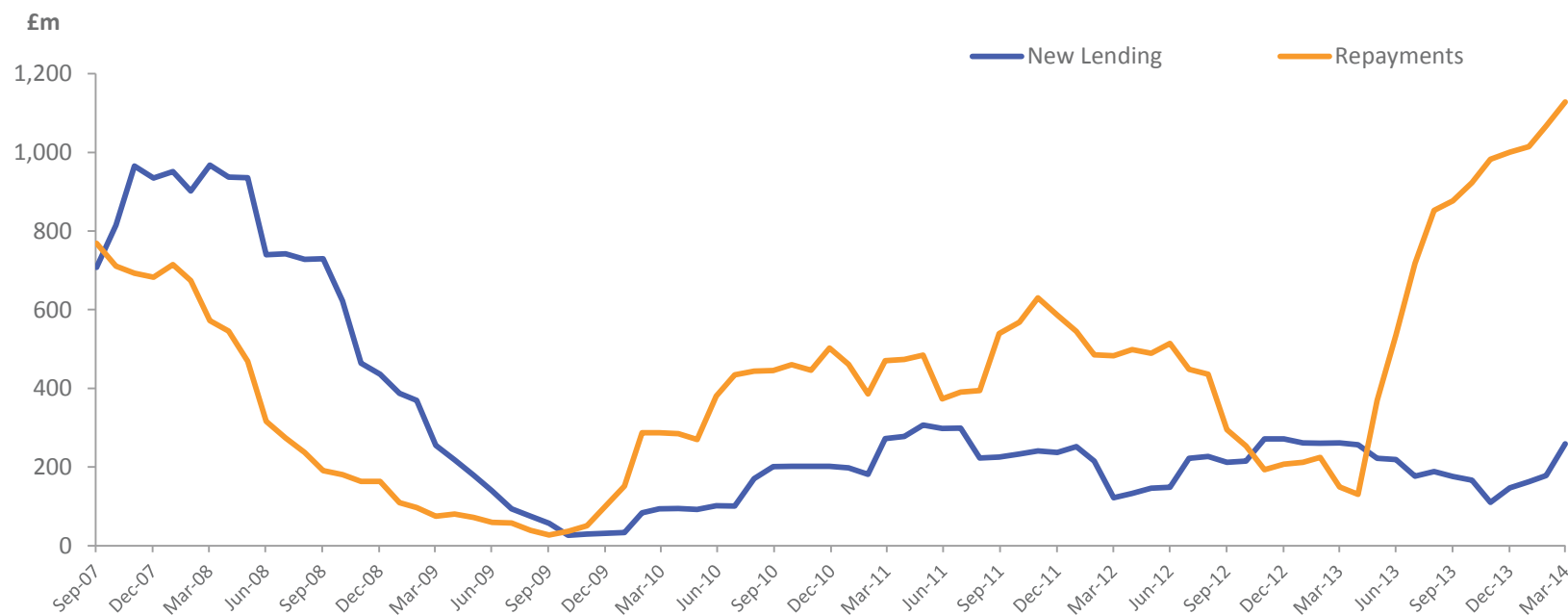
ICG Longbow Fund III



Summary	Capital Invested	£700m
		37%
Portfolio	Investments	13
	Invested capital	£259m
Exits	Assets	1
	Cost invested	£33m
	Money multiples/IRR	1.0x / 3%
Performance	Gross IRR	16%
	Net IRR	9%
	Distribution yield to date	6%

Investment Company

New Lending vs Repayments *



* last 12 months

Top twenty assets

Company	Activity	Country	Sponsor	Performance
Applus+	Inspection, certification & technological services	Spain	Carlyle	
Gerflor	PVC flooring	France	ICG	
Materis	Manufactures speciality chemicals	France	Wendel	
SAG	Provides services & technical solutions for utilities	Germany	EQT	
Feu Vert	Auto centre operator	France	CDC Capital	
N&W Global Vending	Vending machine manufacturer	Italy	Barclays / Investcorp	
Fort Dearborn	Product labels	USA	KRG Capital Partners	
Nocibe	Cosmetic & perfume retailer	France	Charterhouse	
Euro Cater	Food service company	Denmark	Management	
AAS Link	Share registry and fund administration services	Australia	Pacific Equity Partners	
Fraikin	Rental trucks and vans	France	CVC Partners	
Inspecta	Testing, inspection and certification	Finland	3i Group plc	
Intelsat	Fixed satellite services	USA	BC Partners	
Flaktwoods	Supplier of energy efficient air solution	France	Sagard	
Casa Reha	Care home operator	Germany	HG Capital	
Motip Dupli	Aerosol paint manufacturer	Netherlands	Management	
AVR	Waste management	Netherlands	CVC Partners	
Mennisez	Bread manufacturer	France	Management	
Tractel	Lift and access products	France	LBO France	
Courtepaille	Restaurant operators	France	Fondations Capital	

Top ten equity assets

Company	Activity	Country	Sponsor	Performance
Gerflor	PVC flooring	France	ICG	
Applus+	Inspection, certification & technological services	Spain	Carlyle	
AAS Link	Share registry and fund administration services	Australia	Pacific Equity Partners	
Intelsat	Fixed satellite services	USA	BC Partners	
AVR	Waste management	Netherlands	CVC Partners	
Mennisez	Bread manufacturer	France	Management	
Minimax	Company information	Germany	Charterhouse	
Parkeon	Parking and transport ticketing	France	Equistone Partners	
Bureau Van Dijk	Company information	Netherlands	Charterhouse	
Ethypharm	Drug development and manufacturer	France	Astorg	

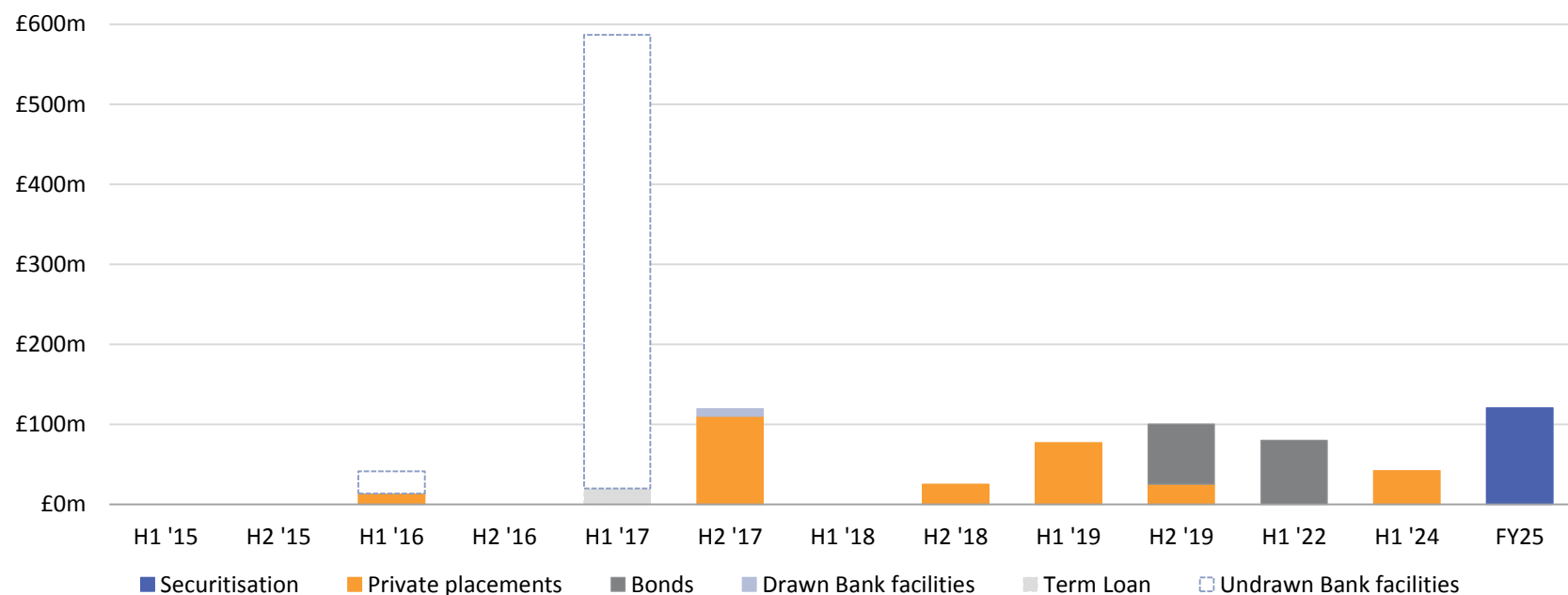
Includes all equity classes: AFS, FVTPL and loan stock

Top ten interest bearing assets

Company	Activity	Country	Sponsor	Performance
Applus+	Inspection, certification & technological services	Spain	Carlyle	
Materis	Manufactures speciality chemicals	France	Wendel	
SAG	Provides services & technical solutions for utilities	Germany	EQT	
N&W Global Vending	Vending machine manufacturer	Italy	Barclays / Investcorp	
Feu Vert	Auto centre operator	France	CDC Capital	
Fort Dearborn	Product labels	USA	KRG Capital Partners	
Inspecta	Testing, inspection and certification	Finland	3i Group plc	
Nocibe	Cosmetic & perfume retailer	France	Charterhouse	
Fraikin	Rental trucks and vans	France	CVC Partners	
Flaktwoods	Supplier of energy efficient air solution	France	Sagard	

Financial Information

Debt Summary



- Three bank facilities totalling c.£130m have been either established or extended
- US Private placements of US\$150m were raised with maturities of 2018 and 2023
- A medium term note programme established with an inaugural €50m issued maturing in 2019
- Investment grade ratings of BBB– from Fitch and S&P

Fee Income

£m	March 2014	March 2013	March 2012
Mezzanine fund management fee income	53.6	55.2	42.6
Credit fund management fee income	18.9	19.2	23.2
Real estate fund management fee income	6.4	3.0	0.9
Total fund management fee income	78.9	77.4	66.7
Investment Company fee income	6.9	1.4	1.5
Total third party fee income	85.8	78.8	68.2

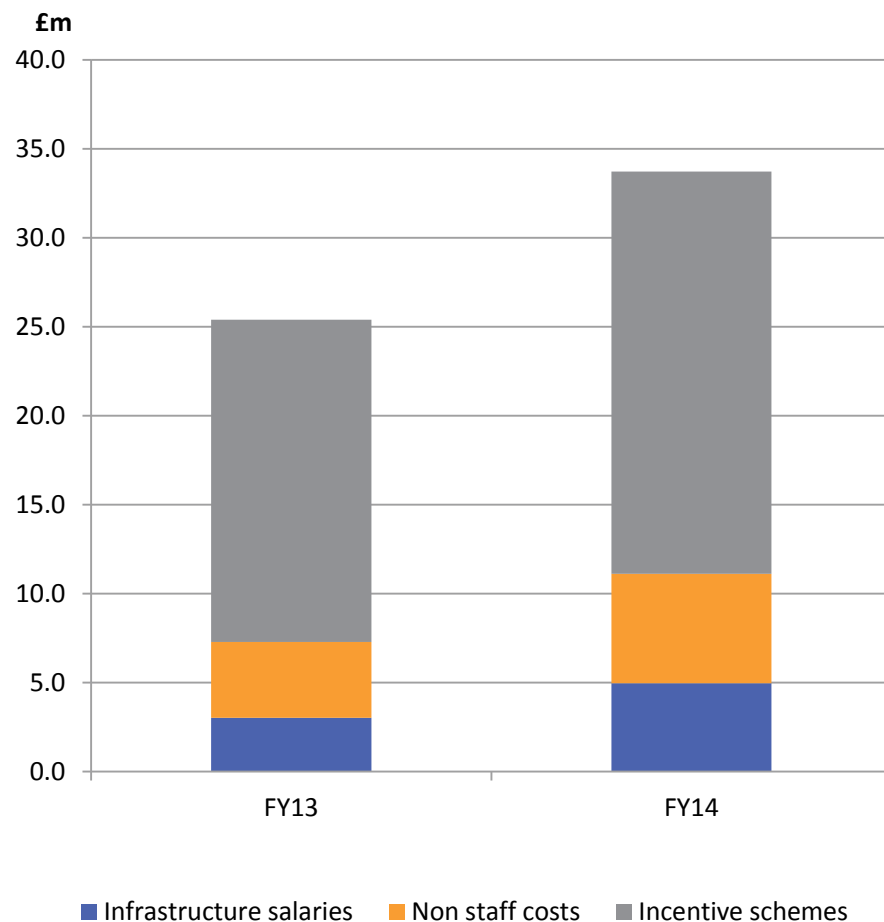
Credit Funds

Fee Income

£m	March 2014		March 2013		March 2012	
	AUM	Fees	AUM	Fees	AUM	Fees
CLOs	3,851	14.3	3,743	15.3	3,672	15.6
Managed Accounts & Pooled Funds	1,866	3.9	1,229	3.7	1,293	4.4
Performance and Catch up Fees	-	0.7	-	0.2	-	3.2
Total	5,717	18.9	4,972	19.2	4,965	23.2

Investment Company operating costs

Investment in business growth driving costs higher



- FY14 costs are £11.3m higher than the prior year
- Higher cash bonus pool following a record year of realisations resulting in a higher incentive scheme charge
- Other costs up £6.8m predominately due to impact of investment in growth of the business – establishment of US credit team and Japan operation

Impairments

£m	March 2014	March 2013	March 2012
Gross impairment	133.6	141.1	83.5
Restructurings	(17.3)	-	-
Recoveries	(21.2)	(61.1)	(12.9)
Net impairment	95.1	80.0	70.6

Fair Value Accounting

Top AFS and FVTPL assets

AFS assets

Company	Business	Country	Value (£m) at Mar-14	Value (£m) at Mar-13
Intelsat	Fixed satellite services	USA	31.6	38.0
AAS Link	Share registry and fund administration services	Australia	26.2	29.1
Meniszez	Bread Manufacturing	France	22.7	17.9
Minimax	Company information	Germany	15.2	7.4
Elior	Contract catering	France	11.3	11.4
Applus+	Business services	Spain	9.7	5.3

FVTPL assets

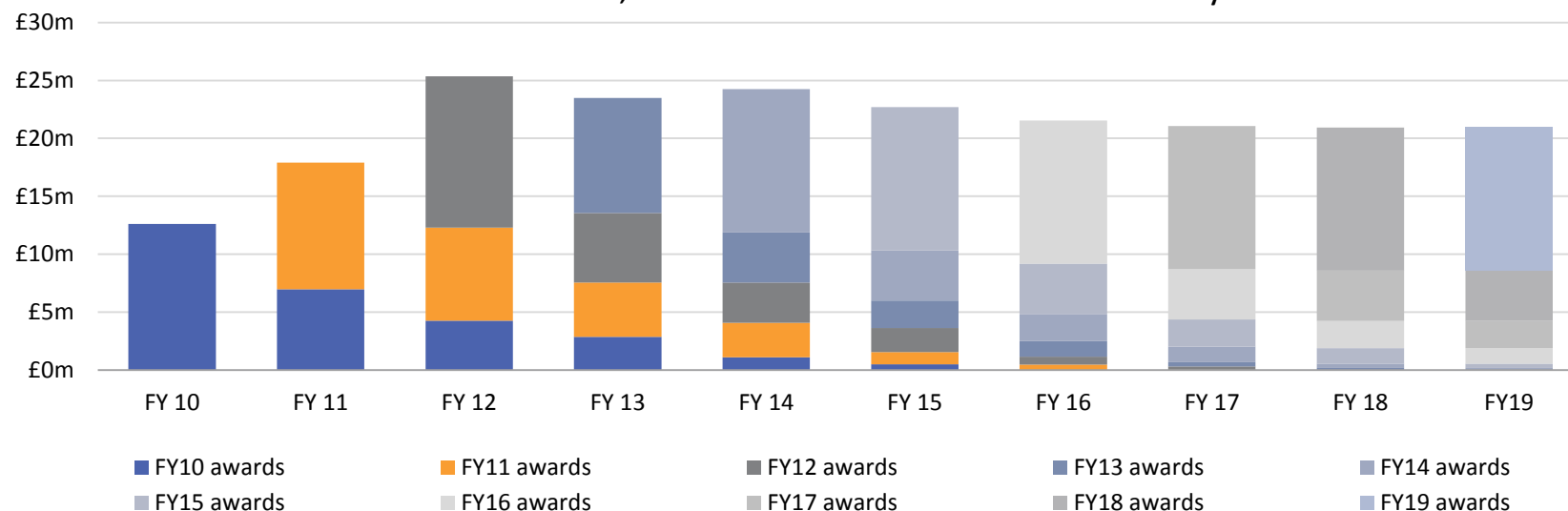
Company	Business	Country	Value (£m) at Mar-14	Value (£m) at Mar-13
Gerflor	PVC flooring	France	45.8	32.2
Euro Cater	Food service distributor	Denmark	33.9	-
ATPI	Business travel	UK	22.8	19.6
Symingtons	Food manufacturing	UK	17.7	15.6
Vitaldent	Dental clinics	Spain	17.1	-

Incentive schemes

	Group	Segmental	
£m	March 2014	FMC	IC
FY 10 Awards	1.2	0.6	0.6
FY 11 Awards	3.0	2.0	1.0
FY 12 Awards	3.4	2.8	0.6
FY 13 Awards	4.3	3.9	0.4
FY 14 Accruals	24.3	4.3	20.0
Total	36.2	13.6	22.6

Long term P&L impact of incentive schemes (excluding balance sheet carry)

Based on FY10 to FY14 actual awards, and constant FY14 awards for future years



Future P&L impact of FY10 to FY14 awards – Excluding Balance Sheet Carry

	FY15	FY16	FY17	FY18	FY19
£m	10.3	4.8	2.0	0.5	0.2

BSC: Charge given percentage to interest income

FY13: 4.2%; FY14: 5.7%; FY15: 8.8%

Cash Flow Analysis

£m	March 2014	March 2013	March 2012
Operating cash flow	252.1	31.3	138.2
Cash flow relating to Capital Gains	144.8	(3.4)	41.7
Repayments & recoveries	683.2	148.3	368.6
Tax & others	(28.1)	(45.4)	(66.6)
Free Cash flow	1,052.0	130.8	481.9
New investments	514.8	261.9	123.3
Dividend	78.2	74.9	68.9
Net share purchases	26.4	10.9	15.3
Net debt increase	432.6	(216.9)	274.4
Cash Core Income	231.7	39.9	113.5

Pre-tax Profits, Earnings Per Share & Dividends

	March 2014	March 2013	March 2012
Pre tax profit excluding FV* (£m)	175.1	148.3	198.8
Pre tax profit (£m)	158.7	142.6	198.8
Net profit (£m)	137.4	123.8	187.6
EPS (pence per share)	35.7	32.1	39.2
DPS (pence per share)	21	20	19

* Adjusted for fair value movement on derivatives

Cash Core Income

Cash Core Income Calculation

	£m
Pre tax profit excluding FV	175.1
Less capital gains	(149.4)
Add back US CLO gain	0.9
Plus provisions	112.4
Less accrued PIK	(133.7)
Plus PIK realised	226.4
Cash Core Income	231.7

Consolidation of US CLOs

- The first US CLO is consolidated in line with IFRS
- Consolidation does not impact the risk profile of the Group
- There will be no change in the Group's income statement upon consolidation
- The Group will receive fees and dividends from the US CLOs
- Seed capital held by the Group will be eliminated on consolidation
- Additional loan assets will be brought in which represent the portfolio of loans the CLOs has invested in
- An additional liability will be recognised representing the monies owed to their party investors in the CLO

Group Balance Sheet March 2014			
Balance Sheet	ICG	US CLOs	Consolidated
£m	excl US CLOs	Adjustments	ICG *
Financial assets	1,914	167	2,081
Cash	115	50	165
Other assets	211	8	219
Total Assets	2,240	225	2,465
Financial liabilities	(586)	(190)	(776)
Other Liabilities	(146)	(35)	(181)
Total Liabilities	(732)	(225)	(957)
Equity	(1,508)	-	(1,508)

Disclaimer

THE MATERIALS BEING PROVIDED TO YOU ARE INTENDED ONLY FOR INFORMATIONAL PURPOSES AND CONVENIENT REFERENCE AND MAY NOT BE RELIED UPON FOR ANY PURPOSE. THIS INFORMATION IS NOT INTENDED TO PROVIDE, AND SHOULD NOT BE RELIED UPON, FOR ACCOUNTING, LEGAL, TAX ADVICE OR INVESTMENT RECOMMENDATIONS ALTHOUGH INFORMATION HAS BEEN OBTAINED FROM AND IS BASED UPON SOURCES THAT INTERMEDIATE CAPITAL GROUP PLC ("ICG PLC") CONSIDERS RELIABLE, WE DO NOT GUARANTEE ITS ACCURACY AND IT MAY BE INCOMPLETE OR CONDENSED. ALL OPINIONS, PROJECTIONS AND ESTIMATES CONSTITUTE THE JUDGMENT OF ICG PLC AS OF THE DATE OF THE MATERIALS AND ARE SUBJECT TO CHANGE WITHOUT NOTICE. ICG PLC DISCLAIMS AND HEREBY EXCLUDES ALL LIABILITY AND THEREFORE ACCEPTS NO RESPONSIBILITY FOR ANY LOSS (WHETHER DIRECT OR INDIRECT) ARISING FOR ANY ACTION TAKEN OR NOT TAKEN BY ANYONE USING THE INFORMATION CONTAINED THEREIN. THESE MATERIALS ARE NOT INTENDED AS AN OFFER OR SOLICITATION WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY OR INVESTMENT INTEREST AND MAY NOT BE RELIED UPON IN EVALUATING THE MERITS OF INVESTING IN ANY INVESTMENT INTERESTS. THESE MATERIALS ARE NOT INTENDED FOR DISTRIBUTION TO, OR USE BY ANY PERSON OR ENTITY IN ANY JURISDICTION OR COUNTRY WHERE SUCH DISTRIBUTION OR USE WOULD BE CONTRARY TO LOCAL LAW OR REGULATION. NEITHER ICG PLC OR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, AND NOTHING CONTAINED HEREIN SHALL BE RELIED UPON AS A PROMISE OR REPRESENTATION WHETHER AS TO PAST OR FUTURE PERFORMANCE.

THESE MATERIALS (INCLUDING THEIR CONTENTS) ARE CONFIDENTIAL, BEING FOR USE ONLY BY THE PERSONS TO WHOM THEY ARE ISSUED. DISTRIBUTION OF THESE MATERIALS TO ANY PERSON OTHER THAN THE PERSON TO WHOM THIS INFORMATION WAS ORIGINALLY DELIVERED AND TO SUCH PERSON'S ADVISORS IS UNAUTHORISED AND ANY REPRODUCTION OF THESE MATERIALS, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ANY OF THEIR CONTENTS, WITHOUT THE PRIOR CONSENT OF ICG PLC OR ITS AFFILIATES IS PROHIBITED. THIS COMMUNICATION IS LIMITED TO AND DIRECTED TO THOSE PERSONS INVITED TO THE PRESENTATION. IT IS THEREFORE ONLY DIRECTED AT PROFESSIONAL CLIENTS, AS DEFINED BY THE FINANCIAL CONDUCT AUTHORITY. ANY OTHER PERSONS SHOULD NOT SEEK TO RELY UPON THE INFORMATION CONTAINED HEREIN. COLLECTIVE INVESTMENT SCHEMES REFERRED TO HEREIN ARE NOT REGULATED FOR THE PURPOSES OF THE UK'S FINANCIAL SERVICES AND MARKETS ACT 2000 AND ARE NOT AVAILABLE TO MEMBERS OF THE GENERAL PUBLIC. ICG PLC IS AUTHORISED AND REGULATED IN THE UNITED KINGDOM BY THE FINANCIAL CONDUCT AUTHORITY.

THESE MATERIALS ARE NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION IN AND MAY NOT BE TAKEN OR TRANSMITTED INTO THE UNITED STATES OF AMERICA, CANADA, JAPAN, SOUTH AFRICA OR AUSTRALIA AND MAY NOT BE COPIED, FORWARDED, DISTRIBUTED OR TRANSMITTED IN OR INTO THE UNITED STATES OF AMERICA, CANADA, JAPAN OR AUSTRALIA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD BE UNLAWFUL. THE DISTRIBUTION OF THESE MATERIALS IN ANY OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THESE MATERIALS COME SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE ANY SUCH RESTRICTIONS. ANY FAILURE TO COMPLY WITH SUCH RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA OR ANY OTHER SUCH JURISDICTION.

THESE MATERIALS DO NOT AND ARE NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE CONSTRUED AS, AN OFFER, INDUCEMENT, INVITATION OR COMMITMENT TO PURCHASE, SUBSCRIBE TO, PROVIDE OR SELL ANY SECURITIES, SERVICES OR PRODUCTS OF INTERMEDIATE CAPITAL GROUP PLC ("ICG PLC") IN ANY JURISDICTION OR TO PROVIDE ANY RECOMMENDATIONS FOR FINANCIAL, SECURITIES, INVESTMENT OR OTHER ADVICE OR TO TAKE ANY DECISION.