Final Results
for the year ended 31 March 2013

Embargoed until 7.00am on 22 May 2013

Intermediate Capital Group plc (ICG) announces its final results for the year ended 31 March 2013

Operational Highlights

- Record AUM up 13% to €12.9bn for full year 2013 following a strong fundraising year, with increased geographical and institutionally diverse investors
- Strong momentum in fundraising across products, with two funds closing at maximum size. ICG Europe Fund V closed at €2.5bn and ICG Longbow's third fund expected to close shortly at £700m
- Investment portfolio remains resilient but a low level of realisations during the year impacted the results and cash core income. Since the year end the pace of realisations has materially increased
- New funds investing on target, with ICG Europe Fund V 26% invested at year end, and a strong pipeline of investment opportunities
- Investment in infrastructure continues as the Fund Management Company grows, with the enlarged global distribution team now substantially in place

Financial Highlights

- Group profit before tax of £142.6m compared to £243.8m in FY12 , adjusted[1] Group profit before tax of £148.3m compared to £198.8m in FY12 primarily due to a lower level of realisations in FY13
- Fund Management Company profit of £40.4m compared to £37.7m in FY12
- Investment Company profit[1] of £107.9m compared to £161.1m in FY12 due to a lower level of realisations and interest income in FY13
- Balance sheet further strengthened through new debt facilities, private placement and retail bond issue; unutilised debt facilities now approximately £355m
- Final dividend of 13.7 pence per share, bringing the total dividend for the year to 20.0 pence, up 5% on FY12

	31 March 2013	31 March 2012
Fund Management Company profit before tax	£40.4m	£37.7m
Adjusted Investment Company profit before tax[1]	£107.9m	£161.1m
Adjusted Group profit before tax[1]	£148.3m	£198.8m
Group profit before tax	£142.6m	£243.8m
Group profit after tax	£123.8m	£187.6m
Adjusted Earnings per share[1]	33.6p	39.2p
Earnings per share	32.1p	47.7p
Cash core income	£39.9m	£113.5m
Dividend per share	20.0p	19.0p
Investment portfolio	£2,696m	£2,352m
Third party assets under management	€9,900m	€8,679m

[1] Excluding the one off release of previously accrued costs of £45m in relation to our legacy Medium Term Incentive Scheme (MTIS) in FY12 and the impact of fair value movements on derivatives (FY13: £5.7m; FY12: £nil).

The definitions for Fund Management Company (FMC), Investment Company (IC), Cash core income, Assets under management (AUM) are available in the Financial Review

Commenting on ICG's 2013 full year results, Christophe Evain, CEO, said:

"This has been a very good year for the Fund Management Company while the Investment Company was held back by a temporary lull in realisations during the financial year. Assets under management have reached a record €12.9bn, testament to our strong investment performance, successful fund raising and our strategy to build a product suite that appeals to today's yield conscious investor. Fund raising momentum has continued throughout the year. ICG's Europe Fund V closed at the €2.5bn hard cap, and this has been followed by ICG Longbow's third fund which is expected to close oversubscribed at £700m hard cap. Our investor base is now more diversified and global. Our outlook is positive, with a new CLO underway, our first for five years, a US debt fund in development and two large realisations since year end.

"ICG is in a strong position. We are strengthening our infrastructure and developing our products as we continue to evolve into a global alternative asset manager."

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About ICG

Founded in 1989, ICG is a specialist asset manager providing private debt, mezzanine finance, leveraged credit and minority equity, managing over €12.9bn of assets in third party funds and proprietary capital. ICG has a large and experienced investment team operating from its head office in London with a strong local network of offices in Paris, Madrid, Stockholm, Frankfurt, Amsterdam, Hong Kong, Sydney, New York and Singapore. Its stock (ticker symbol: ICP) is listed on the London Stock Exchange. ICG is regulated in the UK by the Financial Conduct Authority (FCA). Further information is available at: www.icgplc.com.

Chairman’s and Chief Executive’s Statement

Overview

The past year has been one of great strategic significance at ICG as we continue to evolve into a global asset manager with the products and expertise to satisfy today’s yield conscious investors, and to take advantage of the structural shift in our markets towards direct lending. We have been successfully implementing these changes against a backdrop of on-going challenges to the macroeconomic environment.

Opportunities in a challenging environment

Global budgetary constraints have left many governments and central banks with just one single weapon in their armoury to address the current economic slowdown. In a move reminiscent of previous financial crises, the major central banks have flooded the markets with liquidity and have allowed more risky assets to be used as collateral. Recent developments in the US and Japan have continued that trend.

With historically low interest rates driving yields on traditional assets to very low levels, investors have turned to higher yielding assets with good downside protection. Debt markets have therefore attracted renewed appetite from pension funds, insurance companies and other institutions. This has led to a burst of activity in the more liquid high yield bond market which offers a source of financing to larger companies.

There is a sharp contrast in conditions in the loan market. The US collateralised loan obligations (CLO) market had high levels of issuance both in 2012 and in the first months of 2013. This additional capital has led to reduced returns for investors, but risk standards have been maintained. There are signs of CLO activity in Europe, but more stringent regulatory constraints have considerably slowed the return of the debt CLOs such that the syndicated loan market, which finances larger transactions, still has a relatively subdued level of activity.

This inflow of capital has, to date, had little effect on the mid-market. In both European corporate and real estate lending activities traditional lenders, mainly banks, remain constrained and unwilling to engage actively. Whilst new players are slowly emerging to take advantage of the lending gap, conditions and potential yields remain attractive.

ICG is now geared to take full advantage of the renewed activity in the debt markets by continuing to expand our network and exploit our strengths: local knowledge and lending skills. However, we are mindful that global instability and loose monetary policies have led to major economic slowdowns in the past. We remain extremely vigilant for any sign of increased instability or distorted risk / return characteristics and will maintain our investment discipline at all times.

Strong year for fundraising and investing

The global search for higher yielding assets has contributed to our success in attracting new capital into our funds. We raised a record volume of third party money, €2.3bn, in a single financial year. These funds were raised across a number of products with a more geographical and institutionally diverse investor base than previously achieved. This is not only a reflection of the attractiveness of our offering and track record, but demonstrates the benefit of the investment in our own distribution capabilities over the past two years.

Our flagship ICG Europe Fund V closed in December 2012 at its maximum size of €2.5bn, of which €0.5bn was contributed by our Investment Company. This was well above our target of €2.0bn and the largest fund of its kind raised since 2007. In addition, in January 2013 ICG Longbow broadened its product offering by raising a £105m UK property senior debt fund quoted on the London Stock Exchange. This momentum has continued with our next ICG Longbow mezzanine fund expected to close at its maximum permitted size of £700m and our Senior Debt Partners fund having a first close. A further close is expected in the first half of the new financial year.

Our local investment teams have thrived in a complex and challenging macroeconomic environment and are still able to identify investment opportunities with attractive returns in order to deploy the increased level of funds we are managing. All of our funds are investing on target and in total we deployed £782m on behalf of our mezzanine funds and balance sheet in the year, well in excess of the £406m deployed in the year to 31 March 2012.

Continuing to manage portfolio to maximise value

The lack of available senior debt in the market in the early part of the financial year and the continuing valuation gap between sellers and buyers has resulted in a year of low realisations and realised capital gains. However, since the turn of the calendar year we have seen more liquidity in the market and, should this remain, we expect that this will result in an increase in realisations and exits in the next twelve months. Since our year end, we have already seen the repayment of the Medi Partenaires PIK investment, our largest individual asset, and the sale of our Allflex investment, our second largest individual asset, which will realise a capital gain of £106m on completion. We expect further realisations during the year.

The investment portfolio remains broadly resilient despite the continuing economic uncertainty in Europe. However, our performance in the year has been held back by a higher than expected level of provisions in the first half, predominantly due to material provisions against two large assets. The second half saw a low level of net provisions, in part due to write backs on five assets which are performing strongly.

Excluding single name events, like those in the first half, and the outcome of restructurings which are inherently difficult to forecast, we expect provisions to remain in line with our long term average for the foreseeable future.

The balance sheet equity portfolio valuation increased by £118.6m during the year, of which £58.9m has been taken through the current year income statement, primarily driven by the recent strength of the equity market.

Results in line with expectations and refinanced balance sheet

The low level of realisations and increased provisions means that the adjusted Group profit before tax was £148.3m compared with £198.8m last year.

We have continued to refresh the funding of our balance sheet during the year, extending £640m of facilities for a further three years. In addition, we raised £80m with a second retail bond and €11m in private placements. Since the year end we have raised a further US$150m from private placements and signed £100m of new facilities maturing in 2016, which include a £67m roll over of an existing facility and a new banking relationship. We will continue to seek to diversify our sources of debt funding and reduce our reliance on our largest lenders over the medium term.

Outlook

We are in a strong growth phase and we are building the infrastructure and developing the products that will enable us to evolve into a global alternative asset manager with enhanced levels of client service. We have invested to ensure that we are a leading participant in the structural shift towards greater levels of non-bank lending.

Our product pipeline is strong which, along with our dedicated global distribution team, is underpinning the momentum in our fundraising. Preparations are well advanced for the launch of a dedicated US product which will further broaden the geographical spread of the business.

Since the year end we have seen positive signs for realisations with the repayment of our investment in Medi Partenaires and the agreement to sell our investment in Allflex. A number of other processes are ongoing as sponsors look to exit their older assets. Therefore, subject to the economic backdrop remaining favourable, this could be a year of high realisations and refinancings.

We remain focused on managing our portfolio, with a particular focus on a small number of assets which are undergoing restructuring. We are continuing to maintain our investment discipline and our investment pipeline remains buoyant.

Dividends

The Board continues to review cash core income over a rolling three year period when considering the dividend. Despite the low level of realisations impacting cash core income in the year, the prior year was a good year for realisations and since our year end there has been an increase in realisations, including the Group's two largest assets. This together with the momentum within the Fund Management business, has led the Board to recommend a final dividend of 13.7 pence per share, making a total of 20.0 pence per share for the year, up 5% on last year. The existing scrip dividend alternative is being discontinued and, in its place, shareholders will be offered a dividend reinvestment plan (DRIP) for the FY14 interim dividend. If approved at the AGM, the dividend will be paid on 24 July 2013 to shareholders on the register on 14 June 2013.

Employees, New Hires and the Board

Our people are critical to the business achieving its strategic objectives and we thank them wholeheartedly for the tremendous efforts they have made during the last twelve months. Without their dedication we would not have been able to raise and invest our funds, and manage our assets successfully.

We have made significant progress in strategic global hiring and building our marketing and client relations team. Significantly we now have a global distribution team in place headed by Andreas Mondovits who joined ICG from UBS and our North American team is headed by Salvatore Gentile who previously worked for Blackstone. In total we have added 13% to our headcount as we position ICG as a truly global alternative asset manager.

We also take this opportunity to welcome formally Kim Wahl and Lindsey McMurray who joined the Board as Non-Executive Directors during the year and are already making a strong contribution.

Business Review

Our markets

As central banks have continued their aggressive quantitative easing policies, this year has seen a noticeable return of liquidity in global debt markets. However, the impact has differed significantly across regions and for different sizes of borrower.

Larger European companies have had improved access to debt, particularly through capital markets, but the sustainability of this recovery is questionable. During the financial year there was an absence of significant new fund issuance in Europe and the ever closer expiration periods of CLOs leave a significant funding gap in syndicated loan markets. Whilst the relatively apathetic large leveraged buyout (LBO) market continues to be supported by the reducing rump of these CLOs which are still active, all of this this residual capacity will disappear between 2013 and 2014. There are early signs that the European CLO market may be returning, but it is unlikely to be sufficient to replace the run off of the older CLOs, as European regulators have imposed new capital rules which should only make it possible for the stronger fund managers to sponsor new vehicles. While in the short term the loan market remains sufficiently well supplied, there is some uncertainty as to the medium term prospects of this market as a reliable funding source in the absence of sufficient new fund issuance.

The high yield market has been strong, allowing the largest companies to find alternative and relatively cheap sources of finance. With interest rates at very low levels for the foreseeable future we expect this market to stay strong for some time. However, we have seen volatility in this part of the market, demonstrating there are limitations to the expectation that this source of finance could be the sole answer to the funding gap.

Meanwhile, small and mid-sized companies and LBOs have traditionally relied on the bank market. European bank lending is constrained by the pressures on capital and liquidity as well as the need for banks to refocus on their domestic markets. A considerable imbalance in supply and demand has arisen in that part of the market, providing investors with the potential for attractive risk-adjusted returns in the direct lending space. This is particularly true of the mid-market where companies do not have access to the syndicated loan and high yield markets that are available to the larger companies.

We continue to see disparity between the uncertain supply and the increasing demand for LBO debt, as well as general corporate debt. We expect this situation to persist for a long period of time providing our mezzanine and direct lending businesses with attractive investment opportunities.

Risk / return characteristics of private debt assets are now at a very attractive level and, as a result, institutional investors are increasingly attracted by this well protected, well priced and growing asset class. We believe that experienced specialist asset managers, such as ICG, will play a leading role in reshaping the European debt market in the coming years by providing institutional investors access to higher yielding assets.

The UK real estate market shows similar characteristics in that, whilst there is an availability of financing for prime location assets in the London area, elsewhere there continues to be a significant funding gap. Banks, for instance, have made a timid return to the real estate lending market and have tended to focus on prime location assets, with limited investment appetite beyond this.

In contrast to the European markets, the US debt markets are fully functioning and therefore more competitive, assisted by a less restrictive regulatory environment. Finding yield is more challenging in a well funded market but the buyout market is growing and with it demand for traditional mezzanine. In addition, the US institutional loan market reopened during the year and a significant amount of capital has been raised by new CLOs. Even though pricing levels are competitive, investors have remained disciplined in their risk appetite. With a strong team now in place, ICG will be in a position to take advantage of the recovery in the mezzanine market as well as the broader credit market.

Local Asia Pacific banks were less significantly impacted by the financial crisis. The buyout market remains open and we are well placed in the region with a solid pipeline of investment and product opportunities. The investment pipeline in our core markets remains strong, particularly in China and Australia. However, transactions in the region, especially in China, typically have a longer gestation and execution timetable than in Europe and the US. Elsewhere, the withdrawal of international banks from the Australian senior debt market has left a funding gap in the market for institutional investors. We have already begun preparations to provide an institutional product to meet this demand. In addition, there are increasing opportunities in the wider Asia Pacific region, outside of our traditional heartlands, and we continue to expand the geographical scope of our business.

Fundraising market

The fundraising environment is improving due to the increased liquidity in the market and the search for yield. That said, investors continue to be cautious and are increasingly selective in their choice of investment partners. For many investors, that leads to concentrating and deepening asset manager relationships and, while there are advantages with highly diversified platforms, we believe in the merits of being specialised. We are finding that our long-term track record, specific investment propositions and higher yield strategies are resonating well. Investors are searching for this combination of disciplined active management, credit quality and attractive yield.

We have increasingly seen demand from a diverse range of pension schemes, insurance companies and sovereign wealth funds for high quality investment opportunities in the credit space. These types of institutions contributed to our extremely successful fundraising of ICG Europe Fund V, where we attracted a wide variety of investors across all geographies, and have shown strong interest in our Senior Debt Partners fund. Further, the development of our global distribution capability is enabling us to compete for mandates from those investors who want to manage a concentrated number of relationships, each with a global network.

Operating review

We have continued to make progress towards achieving our strategic objectives:

1. Grow our Fund Management Company
2. Invest selectively
3. Manage our portfolio to maximise value

1. Grow our Fund Management Company

A key measure of the growth of the FMC is the increase in AUM. In this respect the last twelve months have been very successful.

In the year to 31 March 2013 we raised €2.3bn in new money across multiple products. This is the most third party money we have ever raised in a single financial year and, together with the benefit of a low number of realisations, has resulted in a 13% increase in AUM in the year to €12.9bn at 31 March 2013. This includes €9.9bn of third party funds. As a result third party fees increased 16% to £77.4m in the year as we have been able to retain our pricing structures.

Our enhanced distribution capabilities, due to the investment made in our marketing and distribution team over the last two years, leave us well positioned to continue raising funds across products and geographies. In addition, we are now able to market ourselves to investors who are looking to mandate a small number of partners who have a global reach. This growth potential is further underpinned by a strong balance sheet which provides the FMC with access to seed capital.

An important driver to attract new and repeat investors is the on-going performance of our existing funds. Based on the latest available information, the majority of our funds continue to demonstrate top quartile performance compared to private equity funds.

Mezzanine and equity funds

Third party mezzanine and equity funds under management, including ICG Longbow, have increased by 33% to €4,928m primarily due to the final close of our flagship fund, ICG Europe Fund V, at its hard cap of €2.5bn. This is well in excess of the original target of €2.0bn and constitutes the largest fund of its type to be raised since 2007. ICG Europe Fund V is comprised of a €500m commitment from ICG and €2.0bn from third parties and is currently 26% invested.

ICG Europe Fund V will have a significant impact on our long term fee income with a run rate over the five year investment period of €23.0m per annum, gradually reducing over the following five years as we realise the Fund.

ICG Europe Fund V has a more geographically balanced investor base than its predecessor funds which were predominantly raised from European institutions. The investor base in ICG Europe Fund V is almost evenly split between the US, Europe and Asia Pacific. Furthermore, our investor base has been further strengthened by the diversity of investor type, with a much smaller portion of commitments from capital constrained banks. These have been replaced by traditional institutional investors, such as pension and sovereign wealth funds. This provides a strong base for future fundraising.

Elsewhere, preparations for a dedicated North America fund are well advanced and we have begun to prepare for the successor fund to Intermediate Capital Asia Pacific Fund II 2008 (ICAP08), which is currently 55% invested.

ICG Longbow

Our investment in ICG Longbow continues to deliver ahead of expectations.

During the year ICG Longbow completed investing its £242m second mezzanine fund and followed this with the launch of a new fund, ICG Longbow Fund III. This has a target size of £500m and a maximum size of £700m. A first close in December 2012 of £215m, which included a £50m commitment from the Investment Company, and is expected to close at its £700m maximum size shortly.

Elsewhere, the team have capitalised on their strong track record, extensive sourcing network and the lack of available senior debt in the UK real estate market, by raising a £105m listed senior debt fund, ICG Longbow Senior Secured UK Property Debt Investments Limited.

Credit funds

Third party credit funds under management have remained flat at €4,972m. During the year we have added €516m to AUM through the launch of new funds and segregated mandates. This offsets the run off of our older CLO funds.

Our Senior Debt Partners fund is a closed end fund combining our existing expertise in originating investment opportunities and our knowledge of the European senior debt market. The fund will invest in senior secured loans in European mid-market companies. These direct investment opportunities are originated and structured by a dedicated team, supported by our existing and established local network. There was a first close in March 2013 and a further close is expected in the first half of the new financial year. The fund has a €1bn target size.

Our Total Credit fund was launched on 13 July 2012 with €50m of seed capital from ICG. The fund has shown a strong performance since its launch, with net asset value (NAV) up 15%. A good track record will enable us to attract further third party funds to the product.

Our open ended High Yield Bond Fund continues to build on its very strong track record, generating a gross return of 41% since its inception on 31 December 2009. This is a testament to our ability to invest selectively.

2. Invest selectively

The year to 31 March 2013 was a strong investment year for the Group. We invested £782.2m, including £261.9m for our Investment Company.

On-going economic uncertainty and the lack of availability of senior debt meant deal flow in the wider European market was slow in 2012, although this has picked up since. However, our local network of experienced investment professionals was able to generate and complete seven European transactions during the course of the financial year, a tremendous achievement in this slow market.

We supported the management led buyouts of ATPI, a UK corporate travel and management business with a focus on need-to-work travel, and Symington's, a UK food business with a focus on value and convenience products. In continental Europe, we were the sole debt provider for the acquisition of Esmalglass by Investcorp. Esmalglass is a leading supplier of key intermediate products for the ceramics industry worldwide with significant exposure to emerging markets. Further investments included the senior debt of Icopal, an international manufacturer of roofing and water proofing products; a £256 million portfolio of performing senior loans from a European bank acquired on attractive terms; an investment in the UK pension's advisory company Punter Southall and an investment in Norwegian road side assistance company, Viking. Following these transactions, ICG Europe Fund V is 26% invested within the first 18 months and is well on track to maintain this investment rate.

Since the year end we have supported, subject to regulatory clearance, the management led buyout of Euro Cater A/S, the largest food distributor in Denmark. This continues the momentum of investing ICG Europe Fund V.

The diversity of these investments demonstrates that in the current European market there are few standard mezzanine deals. As a result our local investment teams have to work harder to source transactions and structure them in a way that meets the requirements of all parties.

Our Asia Pacific and US teams have also completed one transaction each in the period.

In Asia Pacific, we supported the acquisition of SCF, a leading provider of specialist containers in the Australian market. This is the second ICG sponsorless transaction in Australia and took ICAP 08 to 55% invested. To allow the remaining capacity to be invested, the Fund approved the extension of the investment period by one year to April 2014.

In the US, we have backed KRG Capital Partners' acquisition of Convergint Technologies, investing in subordinated debt and equity. Convergint Technologies is one of the leading commercial security and life safety system integrators in North America.

Our European credit funds business continues to see a good pipeline of new opportunities, aided by improved deal activity in the middle market and a buoyant high yield market. In particular, our Senior Debt Partners fund benefits from a strong current pipeline of deals, attractively priced and structured, of which we expect to close a number over the course of 2013.

We continue to see a strong pipeline of new investments and have significant capital to deploy. However, we will remain extremely selective and maintain our historical rigour in investment decisions.

3. Manage our portfolio to maximise value

The Investment Company's portfolio continues to demonstrate resilience, with 61% of our portfolio companies by number (75% on a value weighted average basis) performing above or at the same level as the previous year. There are no changes to the names of our weaker assets and we are engaged in a small number of restructurings, primarily amongst our French portfolio. Our investment teams are actively engaged in restructurings in order to protect our investments which can lead to us having greater involvement in these companies.

Gross provisions of £141.1m were significantly more than the £83.5m last year. The first half saw material provisions taken against two assets which account for £86.2m of the total. The second half saw a lower level of provisions offset by write backs on five assets which have seen a strong operational recovery. Together, this has resulted in net impairments for the year of £80.0m compared to £70.6m in the prior year.

Whilst we do not expect that aggregate net provisions will exceed our long term average in the foreseeable future, single name events do periodically occur. Furthermore, the negotiation stance of individual parties in restructuring negotiations is becoming increasingly unpredictable making it difficult to forecast the outcome of these negotiations with any degree of certainty.

Our portfolio is well positioned to withstand further economic pressure, with an average leverage of 4.7 times EBITDA. This is much lower than the 5.8 times of late 2008. Furthermore, businesses and sponsors have had to focus on profitability and cash generation in recent years thereby improving the underlying resilience of these businesses. Our 20 largest assets which account for 50% of our portfolio by value are performing well, as are our new investments.

Repayments over the year were at a low level given the slowness of the European buyout market. We realised £128.8m of principal repayments and £28.7m of PIK for the Investment Company during the year. Since the year end £73.6m of principal and £46.6m of PIK has been realised.

In recent months, private equity sponsors are increasingly looking to exit or refinance a number of their investments, with a number of processes having already begun. Visibility on timing remains unclear as sales transactions continue to be delayed due to a valuation gap between buyers and sellers. However, we do expect the number of realisations to increase during the next twelve months with businesses taking advantage of cheaper refinancing options or current sponsors having to return cash to their investors and therefore realise assets, even at lower valuations than they expected.

Key priorities for the current year

Our key priorities include a focus on targeting new third party money with our broad range of products across geographies. In particular, our enlarged distribution team will be aiming to significantly increase the size of our Senior Debt Partners fund and to make further progress with our Total Credit fund during the course of the year.

Elsewhere, preparations for the launch of a dedicated US product are nearing completion and early planning is underway for a successor fund to ICAP 08. We will aim to advance both opportunities during the next twelve months.

Our recent fundraising achievements mean that we have a lot of capital available to deploy. We therefore expect to maintain our current investment rate subject to finding investment opportunities with the appropriate risk/return balance. We will maintain our historical investment discipline.

The recent increase in liquidity in the market could result in a significant increase in realisations during the year. These realisations will come from either portfolio companies refinancing their existing debt or sponsors exiting their investments.

Financial Review

This review provides an overview of the Group's financial performance, position and cashflow for the year and as at the year to 31 March 2013.

Definitions

ICG has two business segments, the Fund Management Company (FMC) and Investment Company (IC).

The FMC is the Group's operating vehicle, which sources and manages investments on behalf of the IC and third party funds. It incurs the costs associated with the investment executives, office network and infrastructure departments. Infrastructure principally consists of the marketing and information technology teams.

The IC is the investment unit of the Group. It co-invests alongside third party funds, primarily in mezzanine and equity assets. The IC is charged 1% of the carrying value of the investment portfolio as a fee by the FMC for managing the portfolio. The IC incurs all costs associated with being a listed entity.

The Group defines its assets under management (AUM) as the total cost of assets invested, managed and advised plus commitments to its managed and advised funds, in addition to debt facilities for the funds.

Return on equity (ROE) is defined as profit after tax divided by average shareholders' funds for the year ended March 2013.

Cash core income is defined as profit before tax excluding fair value movement on derivatives less realised and unrealised capital gains, impairments and unrealised rolled up interest.

Pre-incentive cash profit is defined as profit before tax adjusted for non-cash items, fair value movement of derivatives, unrealised capital gains and unrealised rolled up interest.

Overview

The Group's profit before tax for the year was £142.6m (2012: £243.8m). This comprises profit before tax of the FMC of £40.4m (2012: £37.7m) and profit before tax of the IC of £102.2m (2012: £206.1m). Included in the profit of the IC and Group are the impact of the fair value movements on hedging derivatives of £5.7m (2012: nil) in the current year and in FY12 a £45.0m one off release of previously accrued costs in relation to the legacy Medium Term Incentive Scheme (MTIS). Excluding these items the Group profit before tax for the year was £148.3m (2012: £198.8m) and the profit before tax of the IC was £107.9m (2012: £161.1m).

Throughout this review all numbers are presented excluding these adjusting items, unless otherwise stated.

The decrease in Group and IC profit before tax for the year can be attributed to lower capital gains as a result of lower exits during the year and a reduction in net interest income, principally due to a lower average IC loan book.

Taxation charge for the year was £18.8m (2012: £56.2m). This includes a prior year one-off tax credit of £9.0m relating to the final payments made under the MTIS. Excluding the effect of this the effective tax rate is 20% (2012: 20%).

The Group generated a ROE of 8.9% (2012: 11.5%), which has been impacted by a low level of realisations in the current year. The Group continues to aim to deliver mid teens ROE over the financing cycle. Earnings per share for the period were 33.6p (2012: 39.2p). Cash core income for year was £39.9 m (2012: £113.5m) due to a lower level of realisations.

AUM as at 31 March 2013 increased to €12,930m (£10,911m) from €11,408m (£9,507m) as at 31 March 2012.

As at 31 March 2013, the balance sheet has unutilised debt facilities of £355m. During the year the balance sheet was refinanced through the extension of £640m of bank facilities for a further three years. In addition, the Group raised £80m with its second retail bond. This second retail bond has a maturity of eight years and bears interest at 6.25%. Since the year end the momentum in continuing to refinance our balance sheet and diversify our sources of financing has continued. We have raised a further $150m from private placements and signed £100m of new facilities to 2016, which includes a £67m roll over of an existing facility and a new relationship bank.

The Group had net current liabilities of £409.4m at the end of the year (2012: net current asset £6.9m). The increase is attributable to £462.5m of existing debt facilities expiring in the new financial year. As outlined above, these have already been replaced with new facilities which have a start date that coincides with the roll off of the current facilities.

The Board has recommended a final dividend of 13.7p per share (2012: 13.0p), which will result in a full year dividend of 20.0p per share (2012: 19.0p per share).

Profit and loss account

Fund Management Company

Assets under management
AUM as at 31 March 2013 increased by 13% to €12,930m (£10,911m) (2012: €11,408 m (£9,507m)). The movement in exchange rates has positively impacted AUM denominated in GBP by 2% compared to 31 March 2012.

Third party AUM increased by 14% to €9,900m (2012: €8,679m). This increase comprised €2,260m of new funds raised, offset by €1,057m of realisations and a €18m positive impact of foreign exchange on the value of the Group's non Euro denominated funds.

Third party AUM includes €4,928m (2012: €3,714m) in relation to Mezzanine funds AUM, including ICG Longbow of €533.1m (2012: €254.3m), and €4,972m (2012: €4,965m) in relation to Credit funds AUM.

Mezzanine funds AUM has increased 33% primarily due to additional funds raised on ICG Europe Fund V of €1,418m. ICG Europe Fund V closed in December 2012 at its hard cap of €2.5bn, including €0.5bn investment commitment from the IC. The increase in AUM as a result of ICG Europe Fund V offset the expiration of the Recovery Fund 08 investment period during the year.

ICG Longbow raised an additional £320m of funds through ICG Longbow Fund III which raised £215m at its first close in December 2012 including a £50m IC commitment, and a listed senior debt fund which raised £105m in January 2013.

Credit funds AUM are flat on 2012 as realisations on the older CLO funds of €510m have been offset by new funds raised in the period of €516m.

The IC investment portfolio is £2,696m (2012: £2,352m), this includes £183.0m (2012: £77.8m) of seed equity and debt in ICG's Credit funds. The increase in seed capital is principally due to investment in ICG's Total Credit Fund and Senior Debt Partners.

Fee income
Fee income increased by 10% in the year to £100.7m (2012: £91.2m). This comprises fee income from third parties of £77.4m (2012: £66.7m), up 16%, and the IC management fee of £23.3m (2012: £24.5m).

Mezzanine and equity funds third party fee income totalled £58.2m (2012: £43.5m). The increase in third party fee income is attributable to the £26.2m of fees earned from ICG Europe Fund V in the year, a £22.5m increase on the prior year. This includes catch up fees paid in respect of the prior year of £7.0m. There was £0.3m of carried interest in the current year as compared to £7.0m in 2012.

Credit funds third party fee income was £19.2m (2012: £23.2m). Fee income in the prior year included a catch up on deferred fees from subordinated products from previous financial years of £1.7m and £1.6m of performance fees. Fee income on the older credit funds continues to decrease as they are in realisation.

Other income
Other income of £1.9m (2012: £3.3m) includes interest and dividends on CDO assets.

Operating expenses
Operating expenses of the FMC were £61.8m (2012: £56.4m), including salaries and incentive scheme costs. Salaries were £20.9m (2012: £19.1m) following the investment in the distribution team and US

business. Other administrative costs of £26.3m (2012: £23.8m) have increased 10.5% year on year as the placement fees incurred on raising ICG Europe Fund V have begun amortising. The cash cost of placement fees will reduce for future fundraisings as our in house distribution team undertakes more of these activities.

Investment Company

Profit before tax for the IC was £107.9m (2012: £161.1m).

Balance sheet investments
The balance sheet investment portfolio at 31 March 2013 of £2,696m is 15% up on last year's £2,352m. This includes £183.0m (2012: £77.8m) of seed capital in ICG's Credit funds.

During the year the balance sheet made net investments of £133.1m, which included £261.9m new and follow on investments and total repayments of £128.8m. Investments of £78.7m are held by ICG Europe Fund V Jersey Limited, the co-invest entity. New investments in the period include Symington's and Esmalglass in Europe, SCF in Asia Pacific and Convergint in the US.

Proceeds on full exits in the year totalled £56.5m, arising from the repayments of Dako, Mayborn, Meyn and Team Systems. Total rolled up interest received on all repayments (full and partial) was £28.7m.

In addition, the sterling value of the portfolio increased by £60.1m due to the appreciation of Sterling. The portfolio is 63% euro denominated and 13% US dollar denominated. Sterling denominated assets only account for 12% of the portfolio.

The investment portfolio comprises £1,246m (46%) of senior mezzanine and senior debt, £427m of junior mezzanine investments (16%) and £840m of equity investments (31%). It excludes amounts invested in ICG's credit funds mentioned above. The equity comprises £504m of non-interest bearing equity and £336m of interest bearing equity.

Net interest income
Net interest income of £159.7m (2012: £183.9m) comprises interest income of £214.3m (2012: £242.3m), cost of funding from the FMC of £0.4m (2012: £0.4m) less interest expense of £55.0m (2012: £58.8m). The timing of investments and exits in the current and prior year resulted in a decrease in the average IC portfolio during the year. This contributed £20.0m of the decrease in net interest income. Interest income includes cash interest income of £72.4m (2012: £84.8m) and rolled up interest income of £141.9m (2012: £157.5m).

Other income
Other income, principally waiver and prepayment fees, amounted to £1.4m (2012: £1.5m).

Operating expenses
Excluding a cost of £25.7m in the prior year relating to the final year of the MTIS scheme, operating expenses amount to £25.3m (2012: £27.2m), of which incentive scheme costs of £18.1m (2012: £18.5m) are the largest component. Other staff and administrative costs were £7.2m compared to £8.7m last year.

The management fee on IC investments managed by the FMC reduced to £23.3m (2012: £24.5m) as a result of the reduction in the average size of the loan book.

Capital gains
Capital gains in the year totalled £73.0m (2012: £118.0m) of which £14.1m were realised (2012: £73.8m) and £58.9m unrealised (2012: £44.2m).

The Group added £118.6m to the value of the equity portfolio, of which an estimated two thirds is driven by the recent strength of the equity market. Of this, £58.9m is recognised as an income statement movement and £59.7m as a movement in reserves.

Impairments
Net impairments for the period were £80.0m (2012: £70.6m). Gross impairments amounted to £141.1m (2012: £83.5m), of which £86.2m is in relation to two assets impaired in the first half. Recoveries of £61.1m (2012: £12.9m) have been taken on a number of assets which saw a strong operational recovery during the period, one of which underwent a successful restructuring post the balance sheet date.

Group cash flow, debt and capital position

Cashflow
Operating cash out flow for the year was £84.4m (2012: £426.6m net inflows).

The decrease in the net cash flows is largely as a result of lower exits and increased investments undertaken as compared to the prior year. Included in the operating cash flow are the final MTIS payments and capital gains on sales of investments.

Interest income received during the year was £92.0m (2012: £198.1m). During the year, realisation of rolled up interest decreased to £28.7m (2012: £113.3m) due to the lower level of realisations. Interest expense paid was £59.0m (2012: £50.4m), including £18.6m (2012: £5.6m) of fees paid on arranging and maintaining bank facilities. Dividend income was £4.3m (2012: £9.0m).

Third party fee income received amounted to £77.9m (2012: £70.9m). Operating expenses were £101.6m (2012: £126.4m), including final payments in respect of the MTIS of £39.0m (2012: £54.1m).

Tax expense paid was £45.4m (2012: £66.6m). Repayments, syndication proceeds and recoveries totalled £112.3m (2012: £246.7m). The decrease is largely as a result of lower levels of exits during the year.

During the year the Group invested £261.9m, compared to £121.9m in the prior year, funded by the drawdown of bank facilities. This further contributed to the decrease in cash flow during the year.

Capital and debt position
Shareholders' funds increased by 8% to £1,562.9m (2012: £1,450.7m). This includes an uplift to reserves of £59.7m from fair valuing investments in unlisted shares and dividend distributions of £74.9m.

Total debt was £1,155m (2012: £979m). Net debt to shareholders' funds as at 31 March 2013 increased to 74% from 66% in the prior year, which is attributable to an increase in net investments during the year.

Financial outlook

For the FMC, continued fundraising activity across a number of products is expected to increase underlying fee income further. The current year fee income includes one off catch up fees on ICG Europe Fund V. Whilst these will not reoccur in the new financial year there is the increased potential for performance fees as older funds realise their assets. The investment in the Group's infrastructure and global distribution team is now substantially complete and contributing to the fundraising momentum. The FY14 results will reflect the annualisation of the operating investment made during the previous twelve months and further growth in the US.

For the IC, whilst we do not expect that aggregate net provisions will exceed our long term average in the foreseeable future, single name events do periodically occur and it is increasingly difficult to forecast the outcome of restructuring negotiations. We expect net interest income to continue to track in line with the movement in the average loan book. The current economic environment has created an opportunity for sponsors to exit their assets. As long as this continues the Group is expecting to see an increased number of realisations. This will place downward pressure on the loan book which we expect to be partially offset by the investment pipeline and the investment in seed capital that will fuel the growth of the FMC.

Principal risks and uncertainties

Business risks

Business risk is defined as the risk of loss resulting from the failure to meet strategic objectives.

Credit risk

The performance of the Group's funds and investment portfolio is affected by a number of factors. The Group may experience poor investment performance (both in absolute terms and relative to the performance of portfolios managed by competitors and relative to other asset classes) due to the failure of strategies implemented in managing the portfolio assets.

The amount of assets under management and the performance of the investment portfolio may also be affected by matters beyond the Group's control, including conditions in the domestic and global financial markets and the wider economy, such as the level and volatility of bond prices, interest rates, exchange rates, liquidity in markets, credit spreads, margin requirements, the availability and cost of credit and the responses of governments and regulators to these economic and market conditions. Adverse movements in any of the global conditions described above could result in losses on investments from the Group's own balance sheet in the investment portfolio and reduced performance fees received on third party funds, all of which, individually or taken together, could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group.

The majority of third party funds currently managed by the Group are not marked to market and, therefore, market valuations have limited immediate impact on the amount of assets under management.

Mitigation: ICG has a disciplined investment policy and all investments are selected and regularly monitored by the Group's Investment Committees. ICG limits the extent of credit risk by diversifying its portfolio assets by sector, size and geography.

Fundraising risk

The Group may be unable to raise future investment funds from third parties.

This could limit the Group's capacity to grow AUM and could decrease the Group's income from management, advisory and performance fees and carried interest. The Group's ability to raise investment funds from third parties depends on a number of factors, including the appetite of investors, the general availability of funds in the market and competitor fundraising activity. Certain factors, such as the performance of financial markets or the asset allocation rules or regulations to which such third parties are subject, could inhibit or restrict the ability of certain third parties to provide the Group with investment funds to manage or invest in the asset classes in which the Group invests. Furthermore, loss of investor confidence in the Group or in the alternative investment sector generally, whether because of changes in investor risk appetite, investor liquidity requirements, regulatory and fiscal changes, poor relative or absolute performance of the Group's investment or alternative investment funds generally, or for any other reason, could lead to an adverse impact on the Group's performance or financial position.

Mitigation: ICG has a long track record in developing credit related investment products for institutional investors. The Group has built a dedicated fundraising team to grow and diversify its institutional client base by geography and type.

Liquidity and funding risk

Liquidity and funding risk is the risk that ICG will be unable to meet its financial obligations as they fall due because assets held cannot be realised.

The level of repayments on the Group's loan portfolio and consequently on the realisation of rolled up interest as well as delays in realising minority interests could have a negative impact on the Group's investment capacity. In addition, there can be no assurance that the Group will be able to secure borrowings or other forms of liquidity in the longer term on commercially acceptable terms or at all. Failure to secure borrowings or other forms of liquidity on commercially acceptable terms may adversely affect the Group's business and returns. The Group's ability to borrow funds or access debt capital markets in the longer term is dependent on a number of factors including credit market conditions. Adverse credit market conditions may make it difficult for the Group to refinance existing credit facilities as and when they mature or to obtain debt financing for new investments. In addition, the cost and terms of any new or replacement facilities may be less favourable and may include more onerous financial covenants.

Mitigation: The Group maintains a portfolio of investments that has both a diversified range of maturities and a suitable mix of cash paying and non-cash paying investments in order to minimise the risk that a significant proportion of its assets would face concurrent adverse conditions for repayments and realisations. In addition the Group maintains a prudent funding strategy. It is our policy to maintain diverse sources of medium term finance and to ensure that we always have sufficient committed but unutilised debt facilities.

Market risks

Risks relating to the Group and its business.

General market conditions

The Group's strategy and business model are based on an analysis of assumptions regarding its operating environment. This includes market evaluations and the identification and assessment of external and internal risk factors. Significant unexpected changes or outcomes, beyond those factored into the Group's strategy and business model may occur which could have an adverse impact on the Group's performance or financial position.

Mitigation: The Executive Committee regularly reviews the likely impact of potential changes in the operating environment and seeks, when appropriate, advice from external experts to support their review.

Interest rate risk

The Group and some of the Group's portfolio companies are exposed to fluctuations in interest rates which could adversely affect the Group's returns.

The Group has a mixture of fixed and floating rate assets, which are funded with a mixture of equity and borrowings. A failure to match borrowings by type or maturity or the failure or inappropriate use of derivative financial instruments for the purpose of hedging could have an adverse impact on the Group's returns and financial condition. In addition, many of the Group's portfolio companies rely on leverage to finance their business operations and increase the rate of return on their equity. Investments in highly leveraged entities are inherently more sensitive to interest rate movements. Therefore, a significant increase in interest rates could adversely affect the returns and financial condition of the Group's portfolio companies and may even lead to some of the Group's portfolio companies breaching financial or operating covenants in their credit agreements or default on their debt.

Mitigation: The Group seeks to minimise interest rate exposure by matching the type, maturity and currency of its borrowings to those of a group of assets with a similar anticipated holding period. The Group's Investment Committees take into account the ability of each portfolio company to successfully operate under a different interest rate environment both before validating the investment and during the life of the investment.

Foreign exchange risk

The Group is exposed to fluctuations in exchange rates which could adversely affect the Group's returns and financial condition.

The Group reports in sterling and pays dividends from sterling profits. The underlying assets in the Group's portfolio are principally denominated in euros, and to a lesser degree in US dollars and other currencies. Changes in the rates of exchange of these currencies may have an adverse effect on the value of the Group's investments and any undrawn amount of the Group's debt facilities. Although the Group has in place measures to mitigate the foreign exchange risk on its assets and liabilities, to the extent that any structural currency exposures are unhedged or unmatched, such exposure could adversely affect the Group's returns and financial condition. Failure by a counterparty to make payments due under derivative financial investments may reduce the Group's returns.

Mitigation: The Group seeks to reduce structural currency exposures by matching loans and investment assets denominated in foreign currency with borrowings or synthetic borrowings in the same currency. In addition, the Group has used and continues to use derivative financial instruments and other instruments on a limited basis, as part of its foreign exchange risk management, to hedge a proportion of unrealised income recognised on a fair value basis. The Group spreads its derivative contracts across a number of counterparties and regularly evaluates the counterparty risk. The Group seeks to transact only with sound financial institutions.

Concentration Risk

The Group is exposed to concentration risk if its investment portfolio is exposed to undue geographical or sector specific concentration. Further, the Group is exposed to concentration risk when it is reliant on a small number of banks to provide balance sheet funding.

The Group invests only in certain geographies, industries, and sectors. If investment in any one geography, industry or sector becomes unduly concentrated, the Group could suffer increased impairment to its investment performance or increased financial loss as a consequence of adverse market, economic, or environmental conditions impacting a particular geography, industry, or sector. In addition, the Group sources a significant proportion of its balance sheet funding from a small number of banks. The Group could suffer impairment to its ability to make investments or financial loss in the event of failure of one, or more, of the relationship banks.

Mitigation: The Group has in place an Investment Policy and robust investment process designed to maintain appropriate diversification of the investments made.

The Group seeks to increase the proportion of its balance sheet funding from non-bank sources such as private placements and the issuance of bonds. The Group's Treasury Policy and procedures are also designed to diversify bank-sourced balance sheet funding in terms of quantum and maturity.

Operational risk

Loss of staff

If the Group cannot retain and motivate its senior investment professionals and other key employees, the Group's business could be adversely affected.

The Group's continued success is highly dependent upon the efforts of the Group's investment professionals and other key employees. The Group's future success and growth depends to a substantial degree on the Group's ability to retain and motivate key employees, the market for whom is very competitive. The Group may be unable to retain such key employees or to continue to motivate them.

The Group's investment professionals possess substantial experience and expertise in investing and are responsible for locating, executing and monitoring the Group's investments. The loss of even a small number of the Group's investment professionals could jeopardise the Group's ability to source, execute and manage investments as well as affect recoveries on troubled assets, which could have a material adverse effect on the Group's business.

Mitigation: The Group attempts to reward its investment professionals and other key employees in line with market practice. In 2009 the Group's Remuneration Committee commissioned PricewaterhouseCoopers to review the compensation structure of ICG and to advise upon appropriate benchmarking against which remuneration could be set. Following this review, new remunerations schemes were approved by shareholders at the 2010 AGM. These schemes are aligned with the Group's strategy and in line with the appropriate benchmark and comply with the UK Financial Conduct Authority (FCA) remuneration code.

Regulatory risk

Exposure to new regulatory regimes or changes to existing regulatory regimes under which the Group operates or a breach of applicable regulation to which the Group is subject could damage the Group's reputation and affect the Group's compliance costs, returns and financial condition.

The Group operates in a number of jurisdictions and its business, particularly the fund management part of the business, is subject predominantly to the regulatory regimes of the United Kingdom and Hong Kong from where core regulated activities are currently undertaken. The Group's strategy anticipates that it will undertake regulated fund management activities in other jurisdictions as it grows and, as a result, will over time become exposed to an increased number of other regulatory regimes. The FCA is the Group's lead regulator. This will remain the case as long as the Group is headquartered in the United Kingdom. The FCA and other regulatory authorities, have broad regulatory powers dealing with all aspects of financial services, including the authority to grant, and in specific circumstances to vary or cancel permissions and to regulate marketing and sales practices, advertising and the maintenance of adequate financial resources. If the Group were to breach any such laws or regulations, including those to which it had not previously been subject, it would be exposed to the risk of investigations, fines, temporary or permanent prohibition from engaging in certain activities, suspensions of personnel or revocation of their licenses and suspension or termination of regulatory permissions to operate. While the Group currently operates within the relevant regulatory framework, either its expansion to new jurisdictions or changes in that existing framework will increase costs and time spent on this area, and increases the risk of failing to identify applicable requirements or the risk of a breach due to the enhanced volume of requirements.

Mitigation: The Group has in place a team of dedicated compliance professionals that supports the Board in meeting its regulatory responsibilities which includes, but is not limited to, identifying the laws and regulations to which the Group's activities are exposed and establishing policies and procedures to ensure compliance with those regulations. To assist in this the Compliance team will draw on the expertise of local law firms and compliance consultants in order to identify applicable regulations as well as assist in the formulation of appropriate policies and procedures. In addition, the Group has in place a governance structure supported by a risk framework that seeks to identify, control, and mitigate material risks faced by the Group, which includes regulatory risks. The adequacy of controls in place is periodically assessed by a variety of methods including tailored risk-based monitoring programmes designed to specifically address regulatory and reputational exposure for each of the regulatory regimes to which the Group is exposed.

Responsibility Statement

The responsibility statement below has been prepared in connection with the Company's full annual report for the year ending 31 March 2013. Certain parts thereof are not included within this announcement.

We confirm to the best of our knowledge:

- the financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

This responsibility statement was approved by the Board of Directors on 21 May 2013 and is signed on its behalf by:

Christophe Evain
CEO

Philip Keller
CFO

Consolidated Income Statement
For the year ended 31 March 2013

	2013 £m Audited	2012 £m Audited
Finance income	**218.6**	251.3
Fair value movements on financial assets	**73.0**	118.0
Fee and other operating income	**78.8**	68.2
Total revenue	**370.4**	437.5
Finance costs	**(60.7)**	(58.8)
Impairments	**(80.0)**	(70.6)
Administrative expenses	**(87.1)**	(64.3)
Profit before tax	**142.6**	243.8
Tax expense	**(18.8)**	(56.2)
Profit for the year	**123.8**	187.6
Attributable to		
Equity holders of the parent	**124.4**	188.3
Non-controlling interests	**(0.6)**	(0.7)
	123.8	187.6
Earnings per share	**32.1p**	47.7p
Diluted earnings per share	**32.1p**	47.6p

All activities represent continuing operations

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2013

	2013 **£m** **Audited**	2012 £m Audited
Profit for the year	**123.8**	187.6
AFS financial assets:		
Fair value movements	**67.1**	148.9
Less reclassification adjustment of gains recycled to profit	**(7.5)**	(48.3)
Exchange differences on translation of foreign operations	**1.2**	(0.2)
	60.8	100.4
Tax on items taken directly to or transferred from equity	**(11.0)**	(23.1)
Other comprehensive income for the year	**49.8**	77.3
Total comprehensive income for the year	**173.6**	264.9

Consolidated Statement of Financial Position

As at 31 March 2013

Audited	31 March 2013 £m	31 March 2012 £m
Non-current assets		
Intangible assets	**6.6**	7.8
Property, plant and equipment	**4.6**	5.6
Financial assets: loans, investments and warrants	**2,695.8**	2,352.2
Derivative financial instruments	**14.7**	21.6
	2,721.7	2,387.2
Current assets		
Trade and other receivables	**53.9**	47.1
Financial assets: loans and investments	**30.4**	49.7
Debtor for current tax	**0.7**	-
Derivative financial instruments	**40.2**	12.8
Cash and cash equivalents	**52.5**	159.3
	177.7	268.9
Total assets	**2,899.4**	2,656.1
Equity and reserves		
Called up share capital	**80.4**	80.0
Share premium account	**671.7**	668.0
Capital redemption reserve	**1.4**	1.4
Own shares reserve	**(45.7)**	(33.0)
Other reserves	**196.4**	125.9
Retained earnings	**659.0**	608.3
Equity attributable to owners of the Company	**1,563.2**	1,450.6
Non controlling interest	**(0.3)**	0.1
Total equity	**1,562.9**	1,450.7
Non-current liabilities		
Provisions	**3.6**	3.9
Financial liabilities	**688.9**	892.5
Derivative financial instruments	**3.8**	3.7
Deferred tax liabilities	**53.1**	43.3
	749.4	943.4
Current liabilities		
Provisions	**0.4**	0.5
Trade and other payables	**79.0**	124.1
Financial liabilities	**472.4**	83.6
Liabilities for current tax	**28.4**	52.6
Derivative financial instruments	**6.9**	1.2
	587.1	262.0
Total liabilities	**1,336.5**	1,205.4
Total equity and liabilities	**2,899.4**	2,656.1

Consolidated Statement of Cash Flows

For the year ended 31 March 2013

	31 March 2013 £m Audited	31 March 2012 £m Audited
Operating activities		
Interest receipts	**92.0**	198.1
Fee receipts	**77.9**	70.9
Dividends received	**4.3**	9.0
Interest payments	**(59.0)**	(50.4)
Cash payments to suppliers and employees	**(101.6)**	(126.4)
Net receipt/(payment) for purchase of current financial assets	**18.7**	(16.0)
Purchase of loans and investments	**(260.6)**	(121.9)
Recoveries on previously impaired assets	**0.8**	4.6
Proceeds from sale of loans and investments	**143.1**	458.7
Cash (used in)/generated from operations	**(84.4)**	426.6
Taxes paid	**(45.4)**	(66.6)
Net cash (used in)/generated from operating activities	**(129.8)**	360.0
Investing activities		
Purchase of property, plant and equipment	**(1.3)**	(1.4)
Net cash used in investing activities	**(1.3)**	(1.4)
Financing activities		
Dividends paid	**(74.9)**	(68.9)
Increase/(decrease) in long term borrowings	**163.9**	(249.7)
Net cash flow from derivative contracts	**(53.8)**	(8.9)
Purchase of own shares	**(13.3)**	(16.8)
Capital contributions from non-controlling interest	**0.1**	0.2
Proceeds on issue of shares	**2.3**	1.3
Net cash generated from/(used in) financing activities	**24.3**	(342.8)
Net (decrease)/increase in cash	**(106.8)**	15.8
Cash and cash equivalents at beginning of year	**149.8**	140.9
Effect of foreign exchange rate changes	**(1.2)**	(6.9)
Net cash and cash equivalents at end of year	**41.8**	149.8
Presented on the statement of financial position as:		
Cash and cash equivalents	**52.5**	159.3
Bank overdraft	**(10.7)**	(9.5)
Net cash and cash equivalents	**41.8**	149.8

Consolidated Statement of Changes in Equity

For the year ended 31 March 2013

£m	Share	Share	Capital	Reserve	Available	Own	Retained	Total	Non-	Total

	capital	premium	redemption reserve fund	for share based payments	for sale reserve	shares	earnings		controlling interest	equity
Balance at 31 March 2012	80.0	668.0	1.4	24.7	101.2	(33.0)	608.3	1,450.6	0.1	1,450.7
Profit for the year	–	–	–	–	–	–	124.4	124.4	(0.6)	123.8
AFS financial assets	–	–	–	–	59.6	–	–	59.6	–	59.6
Exchange differences on translation of foreign operations	–	–	–	–	–	–	1.2	1.2	–	1.2
Tax relating to components of other comprehensive income	–	–	–	–	(11.0)	–	–	(11.0)	–	(11.0)
Total comprehensive income for the year	–	–	–	–	48.6	–	125.6	174.2	(0.6)	173.6
Own shares acquired in the year	–	–	–	–	–	(13.3)	–	(13.3)	–	(13.3)
Options/awards exercised	0.4	3.7	–	(0.9)	–	0.6	–	3.8	–	3.8
Capital contribution	–	–	–	–	–	–	–	–	0.2	0.2
Credit for equity settled share schemes	–	–	–	22.8	–	–	–	22.8	–	22.8
Dividends paid	–	–	–	–	–	–	(74.9)	(74.9)	–	(74.9)
Balance at 31 March 2013	**80.4**	**671.7**	**1.4**	**46.6**	**149.8**	**(45.7)**	**659.0**	**1,563.2**	**(0.3)**	**1,562.9**

£m	Share capital	Share premium	Capital redemption reserve fund	Reserve for share based payments	Available for sale reserve	Own shares	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31 March 2011	79.8	665.7	1.4	13.1	23.7	(23.8)	490.3	1,250.2	0.2	1,250.4
Profit for the year	–	–	–	–	–	–	188.3	188.3	(0.7)	187.6
AFS financial assets	–	–	–	–	100.6	–	–	100.6	–	100.6
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(0.2)	(0.2)	–	(0.2)
Tax relating to components of other comprehensive income	–	–	–	–	(23.1)	–	–	(23.1)	–	(23.1)
Total comprehensive income for the year	–	–	–	–	77.5	–	188.1	265.6	(0.7)	264.9
Own shares acquired in the year	–	–	–	–	–	(12.8)	–	(12.8)	–	(12.8)
Scrip dividend	0.1	1.1	–	–	–	–	–	1.2	–	1.2
Options/awards exercised	0.1	1.2	–	–	–	3.6	–	4.9	–	4.9
Net loss on consideration paid in the form of shares	–	–	–	(1.5)	–	–	–	(1.5)	–	(1.5)
Capital contribution	–	–	–	–	–	–	–	–	0.6	0.6
Credit for equity settled share schemes	–	–	–	13.1	–	–	–	13.1	–	13.1
Dividends paid	–	–	–	–	–	–	(70.1)	(70.1)	–	(70.1)
Balance at 31 March 2012	80.0	668.0	1.4	24.7	101.2	(33.0)	608.3	1,450.6	0.1	1,450.7

Financial Statements

Financial Information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 March 2013 or 2012, but is derived from those accounts. Statutory accounts for 2012 have been delivered to the Registrar of Companies and those for 2013 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

While the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs) as adopted by the European Union, this announcement does not itself contain sufficient information to comply with IFRSs.

Business and geographical segments

For management purposes, the Group is currently organised into two distinct business groups, the Fund Management Company (FMC) and the Investment Company (IC). Segmental information is presented as reviewed by the Executive Committee, with the exception of £3.4m relating to gains on the investment in ICG Europe Fund V, which is included in Fair value movements on financial assets below but included in management information as Net interest income.

	Mezzanine Fund Management						
Year ended 31 March 2013 (£m)	Europe	Asia	US	Credit Fund Management	Total FMC	IC	Total
External fee income	51.4	6.8	–	19.2	77.4	–	77.4
Inter-segmental fee	19.3	2.6	0.9	0.5	23.3	(23.3)	–
Fund management fee income	70.7	9.4	0.9	19.7	100.7	(23.3)	77.4
Other operating income					–	1.4	1.4
Fair value movements on financial assets					–	73.0	73.0
Net interest income					(0.4)	159.7	159.3
Dividend income					1.9	2.4	4.3
Net fair value loss on derivatives					–	(5.7)	(5.7)
					102.2	207.5	309.7
Impairment					–	(80.0)	(80.0)
Staff costs					(20.9)	(3.0)	(23.9)
Incentive scheme costs					(14.6)	(18.1)	(32.7)
Other administrative expenses					(26.3)	(4.2)	(30.5)
Profit before tax					**40.4**	**102.2**	**142.6**

	Mezzanine Fund Management						
Year ended 31 March 2012 (£m)	Europe	Asia	US	Credit Fund Management	Total FMC	IC	Total

External fee income	36.7	6.8	–	23.2	66.7	–	66.7
Inter-segmental fee	20.6	2.0	0.9	1.0	24.5	(24.5)	–
Fund management fee income	57.3	8.8	0.9	24.2	91.2	(24.5)	66.7
Other operating income					–	1.5	1.5
Fair value movements on financial assets					–	118.0	118.0
Net interest income					(0.4)	183.9	183.5
Dividend income					3.3	5.7	9.0
Net fair value gain on derivatives					–	–	–
					94.1	284.6	378.7
Impairment					–	(70.6)	(70.6)
Staff costs					(19.1)	(6.3)	(25.4)
Incentive scheme costs					(13.5)	(18.5)	(32.0)
Medium Term Incentive Scheme					–	19.3	19.3
Other administrative expenses					(23.8)	(2.4)	(26.2)
Profit before tax					**37.7**	**206.1**	**243.8**

Balance Sheet Investments

At 31 March 2013, the Investment Company's portfolio amounted to £2,696m, including £840m of equity investments.

Top 20 assets at 31 March 2013

The top 20 assets account for 50% of the IC's investment portfolio and are listed below.

Company	Country	Industry	Investment year	£m*
Medi Partenaires	France	Healthcare	2007	120.1
Allflex	UK	Business Services	1998	106.7
Applus+	Spain	Business Services	2007	102.5
AAS Link	Australia	Financial services	2007	97.4
Elis	France	Business Services	2007	97.0
Attendo	Sweden	Healthcare	2007	87.7
Materis	France	Building Materials	2006	77.9
Gerflor	France	Building Materials	2011	75.7
Minimax	Germany	Electronics	2006	63.4
BAA	UK	Transport	2006	58.9
Ethypharm	France	Pharmaceuticals	2007	48.7
SAG	Germany	Utilities	2008	47.7
Eos Loan Fund 1	UK	Portfolio investment	2010	45.2
Westbury Baxter	UK	Food and consumer products	2011	44.5
Hoyts	Australia	Entertainment	2007	43.7
Feu Vert	France	Automotive	2007	42.5
Lowenplay	Germany	Leisure	2008	41.6
Fort Dearborn	USA	Packaging & Paper	2010	40.8
Nocibe	France	Retail	2006	40.4
Team Systems	Italy	Business Services	2010	40.2
Total				1,322.6

*carrying value on ICG balance sheet at 31 March 2013, including equity stake listed below when relevant.

Top 10 equity assets at 31 March 2013

The top 10 equity positions (included in the above table) account for 16% of the IC's investment portfolio and 53% of our equity portfolio and are listed below.

Company	Country	Industry	Investment year	£m
Allflex	UK	Business Services	1998	106.7
AAS Link	Australia	Financial services	2007	62.2
Gerflor	France	Building Materials	2006	56.1
Eos Loan Fund 1	UK	Portfolio investment	2010	45.2
Intelsat	USA	Telecoms	2008	38.0
Applus+	Spain	Business Services	2007	34.4
Riverland	UK	Portfolio investment	2012	30.7
AVR	Netherlands	Waste Management	2006/2007	24.9
Team Systems	Italy	Business Services	2010	23.2
Mennisez	France	Food and consumer products	2006	21.6
Total				443.0

Company Information

Timetable

The major timetable dates are as follows:

Ex dividend date	12 June 2013
Record date for financial year 2013 final dividend	14 June 2013
AGM and Interim Management Statement	17 July 2013
Payment of final dividend	24 July 2013
Half year results announcement for the 6 months to 30 September 2013	21 November 2013

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Website

The Company's website address is www.icgplc.com. Copies of the Annual and Interim Reports and other information about the Company are available on this site.