Half year results presentation

18 November 2014

Operational highlights
Excellent investment and product pipeline

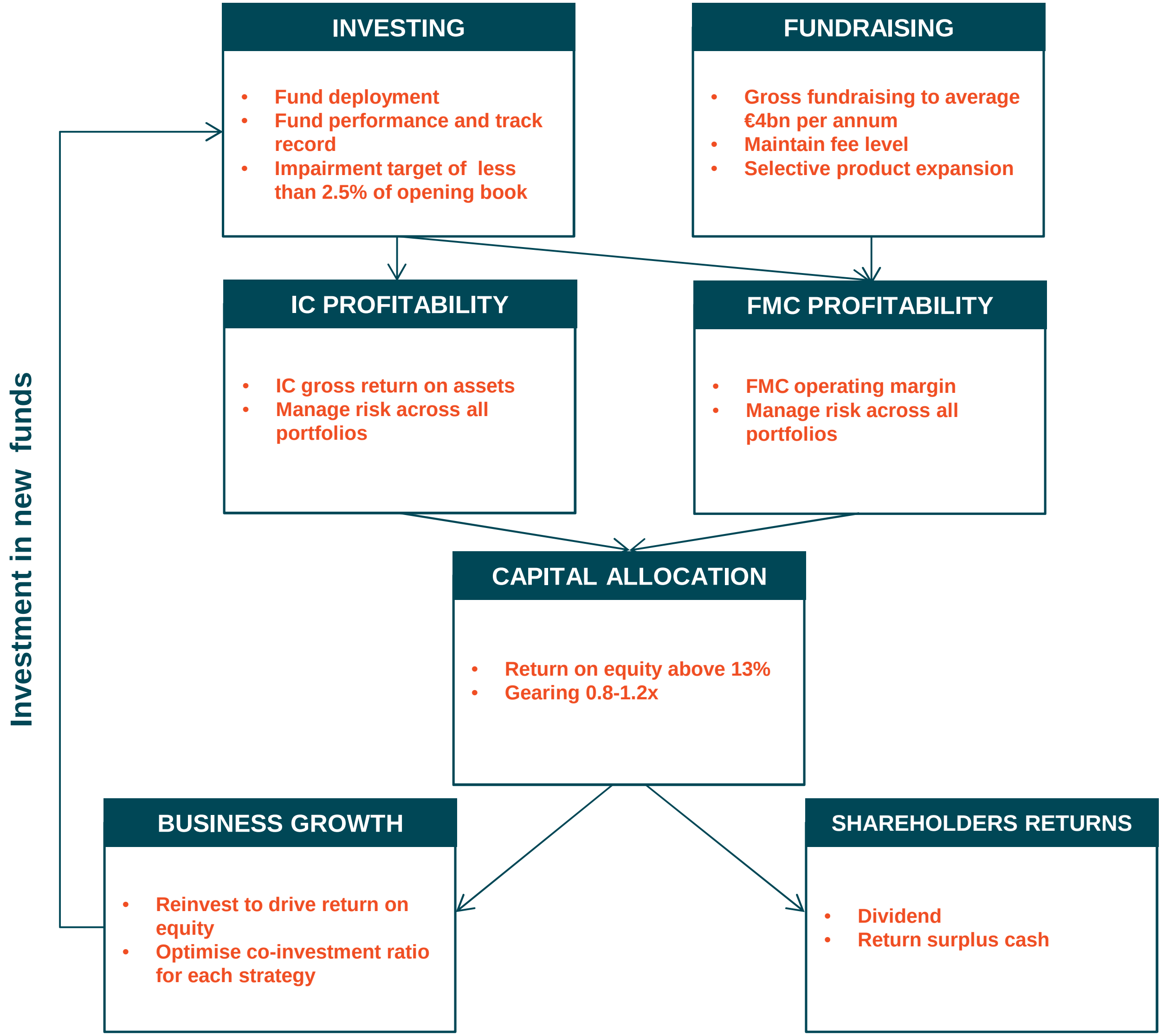
- €1.7bn of new money raised; total AUM up 6% to €13.7bn
- First ever US Private Debt Fund, funds raised $568m, including $200m from ICG, target $750m
- Strong fundraising pipeline, marketing six first time funds and four successor funds
- Realisations of £1.3bn in the period for our Investment Company and fund investors
- Direct investment funds investing on target whilst maintaining credit discipline, invested £1.5bn in the period
- Exercised option to acquire the remaining 49% of Longbow Real Estate Capital LLP

Financial highlights
Strong performance in line with our expectations

- Profit before tax £88.1m[1] (H1 2014: £162.1m includes realisation of largest balance sheet investment)
- Fund Management Company profit £26.7m (H1 2014: £16.7m); Investment Company profit[2] £61.4m (H1 2014: £145.4m)
- Net impairments significantly lower than last two years at £21.1m (H1 2014: £76.3m)
- Return on equity of 9.8% (H1 14: 16.8%)
- Interim dividend up 4.5% to 6.9 pence per share (H1 14: 6.6p)
- £54m (as at 14 November 2014) returned to shareholders as part of the current £100m share buyback programme

[1]Profit before tax excludes the impact of fair value movements on derivatives (H1 15: £2.8m; H1 14: £6.8m)
[2]Comparative data has been restated for the impact of IFRS10. Please see note 1 of the Interim Statement for full details

ICG operating model



Business transition

FY10 - FY14
Building the platform

- Manage pre global financial crisis portfolio
- Develop a scalable infrastructure platform
- Establish an in-house distribution capability
- Develop new products
- Build a global franchise

Priorities for the next 12 months

- Consolidate and broaden existing strategies
- Maximising profitability on our strategies
- Improve capital efficiency

FY16 - FY18
Achieving scale

- Deliver gross fundraising target
- Enhance brand and client base
- Selective acquisitions and team hires to expand product range
- FMC operating margin to increase
- Optimise co-investment ratio
- Greater capital efficiency

Financial Review

Financial highlights

Strong FMC profits driven by performance fees

	6 months to 30 September 2014	12 months to 31 March 2014	6 months to 30 September 2013
Group profit before tax[1]	£88.1m	£175.1m	£162.1m
Fund Management Company profit before tax	£26.7m	£35.1m	£16.7m
Investment Company profit before tax[1]	£61.4m	£140.0m	£145.4m
Earnings per share[1]	18.9p	39.9p	33.7p
Return on equity	9.8%	10.2%	16.8%
Gearing	40%	39%	49%
Debt headroom	£637m	£678m	£753m
Dividend per share	6.9p	21.0p	6.6p
Net asset value per share	£3.85	£3.92	£3.96

Note: The prior year included a £110m capital gain on the disposal of Allflex, the Group's largest balance sheet asset

[1] Excluding the impact of fair value movements on derivatives (H1 15: £2.8m; H1 14: £6.8m; FY 14: £16.4m)

Segmental reporting

£m		6 months to 30 September 2014	12 months to 31 March 2014	6 months to 30 September 2013
Fund Management Company	Third party fee income	50.8	79.0	38.0
	IC management fee	8.8	20.7	10.7
	Other income	4.1	0.9	0.1
	Operating costs	(37.0)	(65.5)	(32.1)
	FMC profit	**26.7**	35.1	16.7
Investment Company	Net interest income	59.2	149.0	77.8
	Dividend & other income	3.4	26.6	20.2
	Operating costs	(19.6)	(36.6)	(16.6)
	IC management fee	(8.8)	(20.7)	(10.7)
	Impairments	(21.1)	(112.4)	(76.3)
	Net capital gains	48.3	134.1	151.0
	Fair value movement on derivatives	*(2.8)*	*(16.4)*	*(6.8)*
	IC profit	**58.6**	123.6	138.6
Group	*Adjusted profit before tax*[1]	*88.1*	*175.1*	*162.1*
	Profit before tax	**85.3**	158.7	155.3

[1] Excluding the impact of fair value movements on derivatives (H1 15: £2.8m; FY 14; £16.4m; H1 14: £6.8m)

Balance sheet and capital strategy

Return on equity to improve as balance sheet re-geared

£m		30 September 2014	31 March 2014	31 March 2013
Assets	Loans and investments	1,824.5	1,907.7	2,025.7
	Warehoused assets	64.8	115.8	114.2
	Cash	140.2	114.9	184.1
	Other	130.0	102.5	107.2
	Total assets	**2,159.5**	**2,240.9**	**2,431.2**
Liabilities	Borrowings	577.8	586.8	731.6
	Other	130.2	146.1	177.8
	Shareholders funds	1,451.5	1,508.0	1,521.8
	Total liabilities	**2,159.5**	**2,240.9**	**2,431.2**
Balance sheet metrics	Return on equity	9.8%	10.2%	8.9%
	Gearing ratio	40%	39%	74%
	Debt facilities	1,106	1,182	1,495
	Debt headroom	637	678	355

- Re-gear the balance sheet to a range of 0.8-1.2x by July 2016
- Improve Return on Equity from single digit run rate to over 13%
- Maintain debt headroom over £200m

Cash flow
Highly cash generative as older assets realise

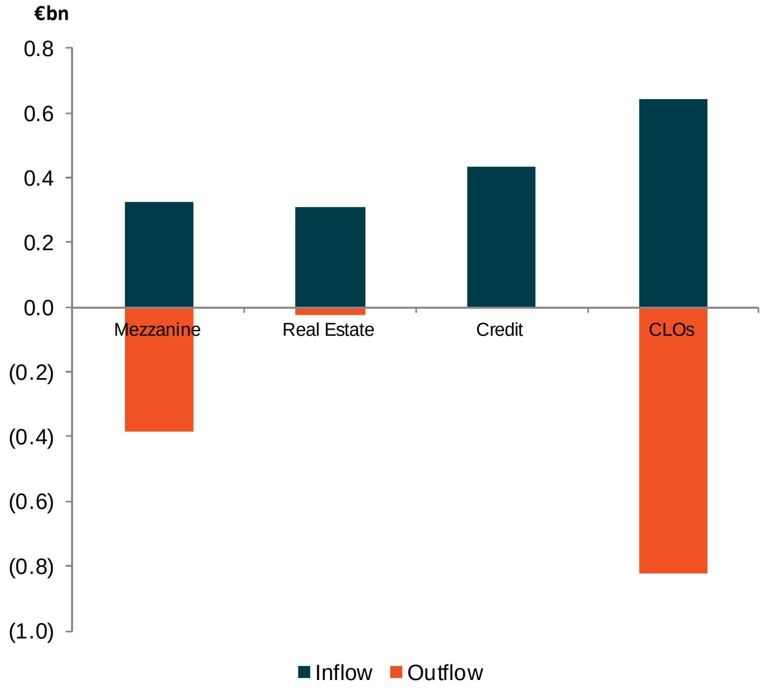
£m	6 months to 30 September 2014	12 months to 31 March 2014	6 months to 30 September 2013
Cash in from realisations and recoveries	293.4	903.0	633.4
Cash paid to purchase loans and investments	(270.9)	(393.5)	(131.1)
Cash movement in assets held in warehouse or for syndication	50.8	(81.4)	(83.1)
Cash in from fees	30.6	80.2	27.9
Cash in from dividends and interest	86.4	302.4	203.3
Cash interest paid	(17.6)	(37.8)	(19.0)
Operating expenses paid	(51.0)	(89.0)	(43.5)
Taxes and other	(17.3)	(30.8)	(16.5)
Total operating and investing cash flows	**104.4**	**653.1**	**571.4**
Cash core income	55.4	246.0	171.2

- Dividend cover averaging 4.5x over the last three years

Fund Management Company

Assets under management
AUM inflow expected to increase

AUM H1 inflows/outflows by strategy



- Total inflows in H1 €1.7bn; total outflows in H1 €1.2bn
- Realisations primarily arising on older CLO vintages
- AUM up 6% and expected to increase further as fund raising momentum continues
- Fee earning AUM increased by 10% since FY14

AUM by Business Unit

€m	30 September 2014 AUM	30 September 2014 Fee earning AUM	31 March 2014 AUM	31 March 2014 Fee earning AUM
Mezzanine	3,658	3,395	3,678	3,477
Real Estate	1,653	1,207	1,274	588
Credit	2,207	1,243	1,866	896
CLOs	3,841	3,841	3,851	3,851
	11,359	9,686	10,669	8,812

AUM outflows

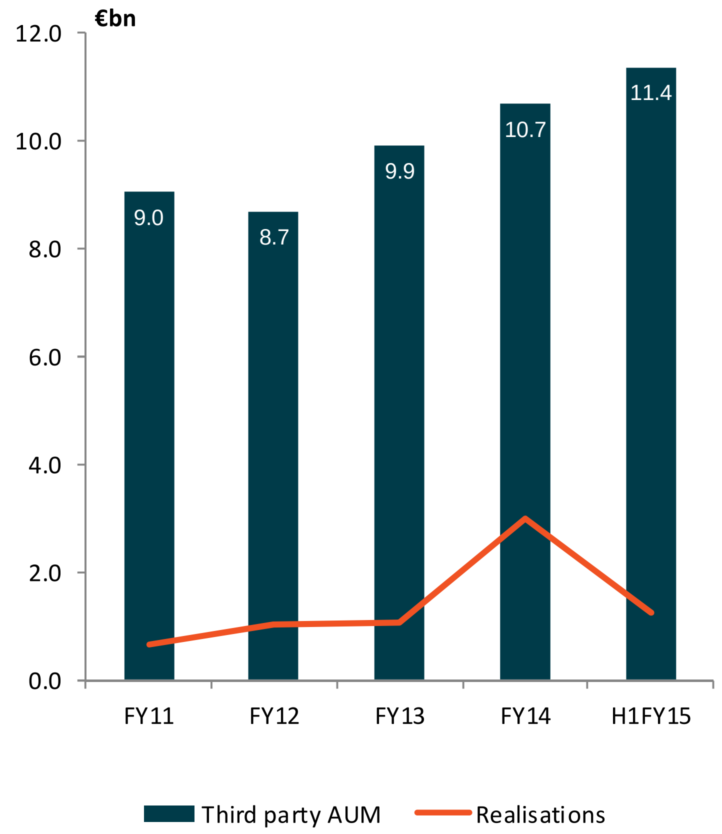
Net AUM to increase as pace of realisations declines

- Record period of realisations are a catch up from earlier periods delayed by economic downturn
- Pace of realisations set to slow as older vintages run off
- Ongoing fundraising should result in an increase in total AUM
- Invested funds have a further life cycle of 6-8 years

AUM by fund life cycle

€m	30 September 2014	31 March 2014	31 March 2013	31 March 2012
Investing	8,539	6,799	4,742	5,421
Fully invested	2,820	3,870	5,158	3,258
	11,359	10,669	9,900	8,679

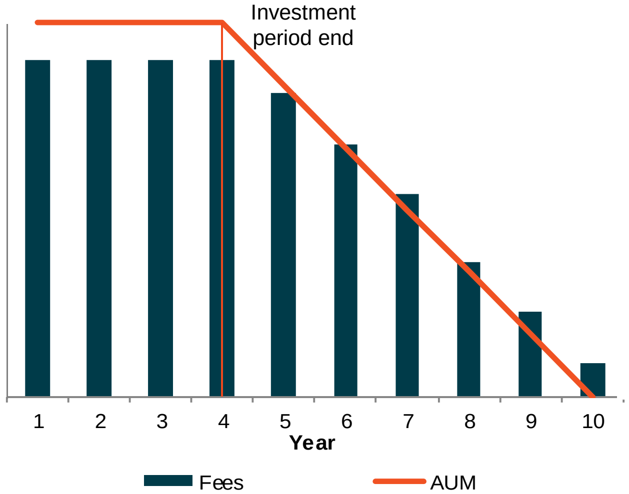
AUM in invested funds



Fee profile – credit and real estate funds

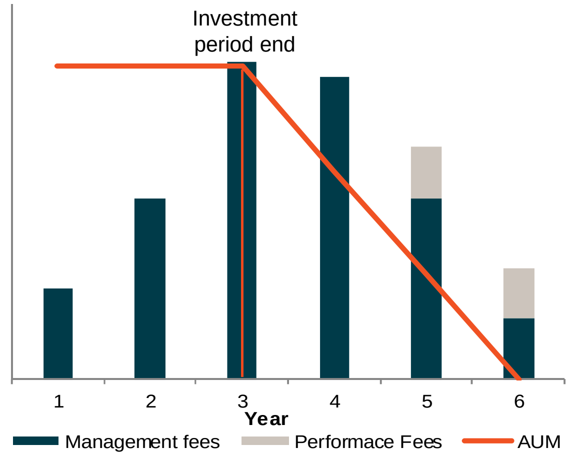
Fees driven by investment profile

Securitised vehicle (CLO) fee profile



- Management fees charged on an investment basis on funds raised from close of CLO
- Expected 4 year investment period and total life cycle 10 years
- Fees decrease as assets realised
- Multiple CLOs can be raised in one year

Credit and Real Estate fund fee profile

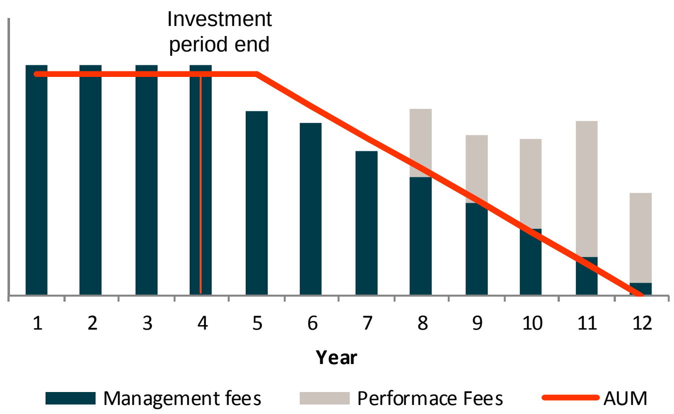


- Management fees charged on an investment basis and increase as fund invests over 2-3 years
- Expected 2-3 year investment period and total life cycle of 6 years
- Management fees decrease as assets realised, but performance fees earned in later years of life cycle
- Funds raised sequentially

Fee profile – mezzanine funds

Performance fees integral to our economic return

Mezzanine fee profile



- Management fees are typically charged on a commited capital basis from first close
- Management fees are charged on an invested basis once fully invested or from the end of the investment period
- Management fees decrease as assets realised, but performance fees earned in later years of life cycle
- Funds raised sequentially

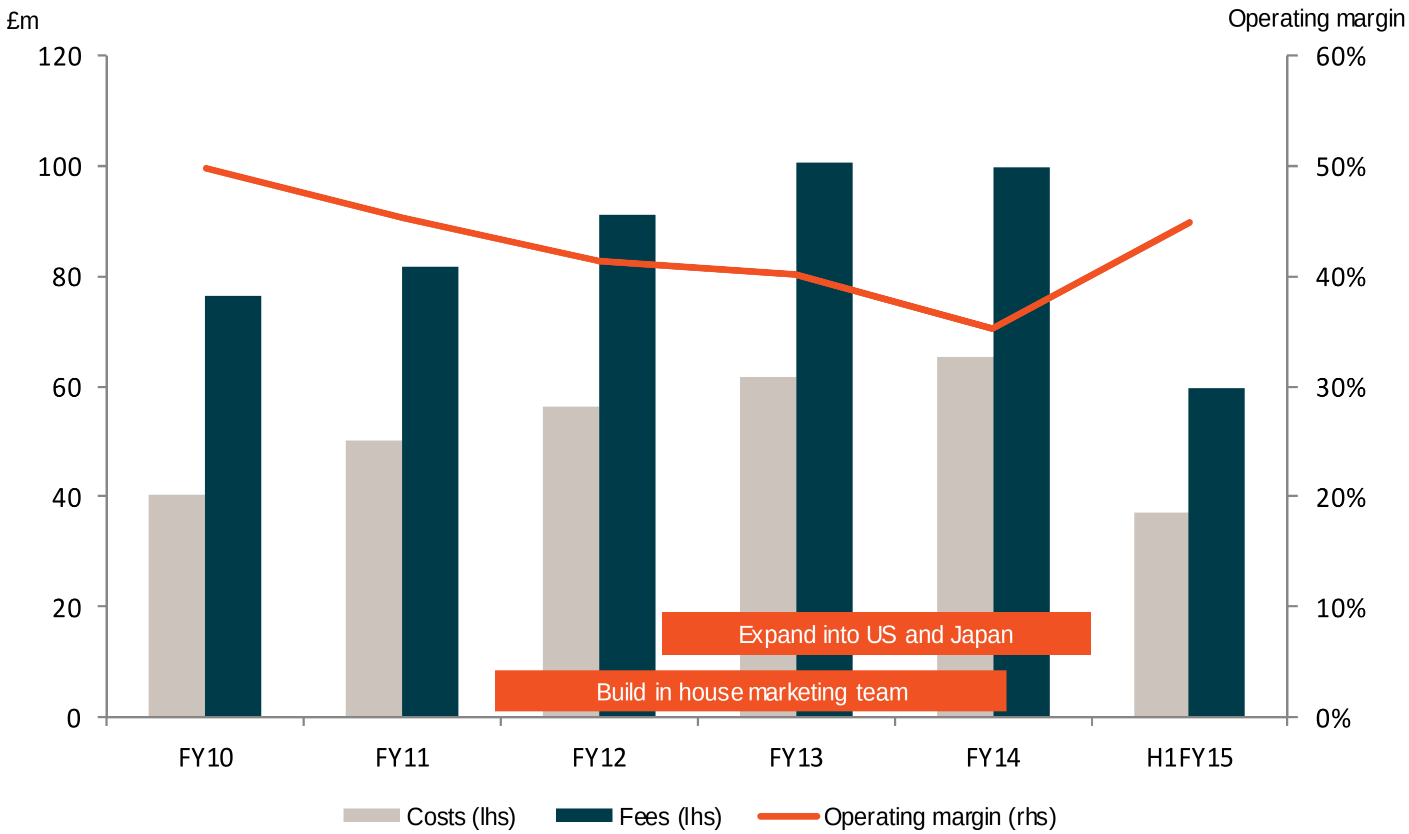
Performance fees earned

- Performance fees an increasing part of fee income as size and quantity of funds increases
- Of direct lending funds closed in previous 10 years £35m performance fees recognised to date. £175m[1] performances fees expected in total
- £140m yet to be recognised will be recognised over a period of c6 years

[1] Based on target multiples. Actual multiples are expected to exceed targets

FMC operating margin

Operating margin benefits from increased performance fees



FMC operating costs
Strong cash generation driving incentive costs

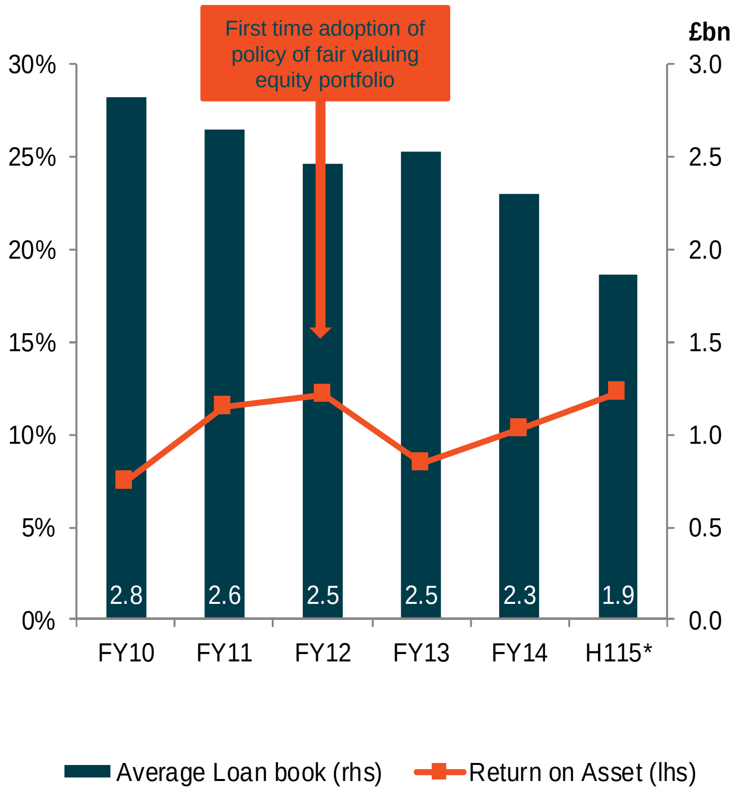
£m	6 months to 30 September 2014	6 months to 31 March 2014	6 months to 30 September 2013
Investment team salaries	8.9	7.9	7.8
MCR salaries	1.8	1.5	1.3
Infrastructure salaries	2.8	2.4	2.6
Salaries	**13.5**	**11.8**	**11.7**
Cash bonus	2.5	2.0	2.0
Deferred aw ards	6.9	4.9	4.7
Incentive schemes	**9.4**	**6.9**	**6.7**
Other non staff costs	11.3	12.0	11.3
Placement fees	2.8	2.7	2.4
Total	**37.0**	**33.4**	**32.1**

Investment Company

Return on assets

Portfolio to stabilise after a period of record realisations

Average investment book and return on assets



*Annualised

Average loan book by asset type

	30 September 2014		31 March 2014	
	£m	%	£m	%
Mezzanine and senior debt	822	44%	1,277	55%
Interest bearing equity	331	18%	363	16%
Non interest bearing equity	404	22%	426	19%
Investment in open ended credit funds	180	10%	143	6%
Investment in CLOs	130	7%	92	4%
	1,867	100%	2,301	100%

- Average investment book fell 19% following high level of realisations
- Return on assets of 12%, up from 10% in FY14 which was adversely impacted by impairments

Capital gains

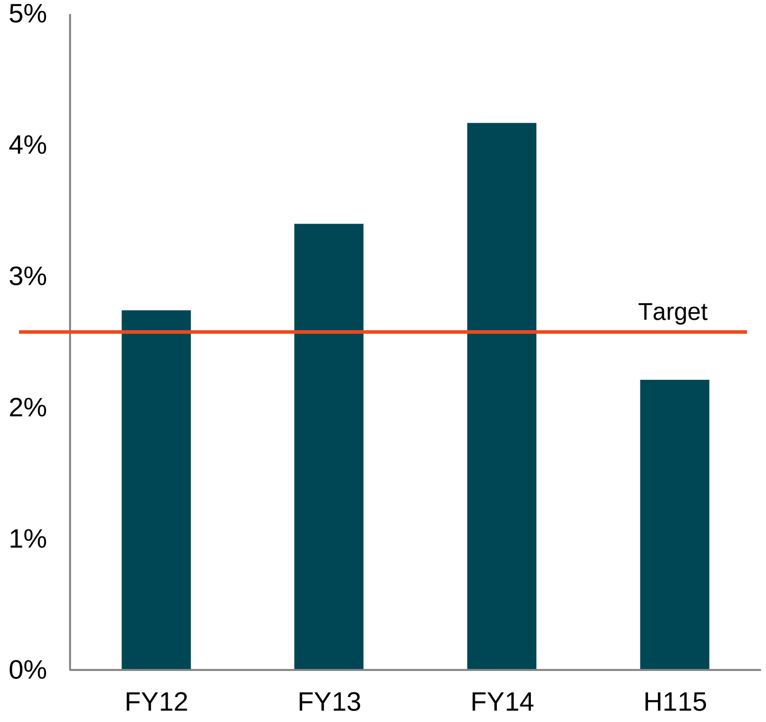
Restructured assets performing well, driving unrealised gains

£m	6 months to 30 September 2014	12 months to 31 March 2014	6 months to 30 September 2013
Realised gains/(losses)	4.4	(3.6)	(11.6)
Realised gains recycled from AFS	9.2	125.7	110.1
Unrealised gains	34.7	12.0	52.5
Total	**48.3**	**134.1**	**151.0**

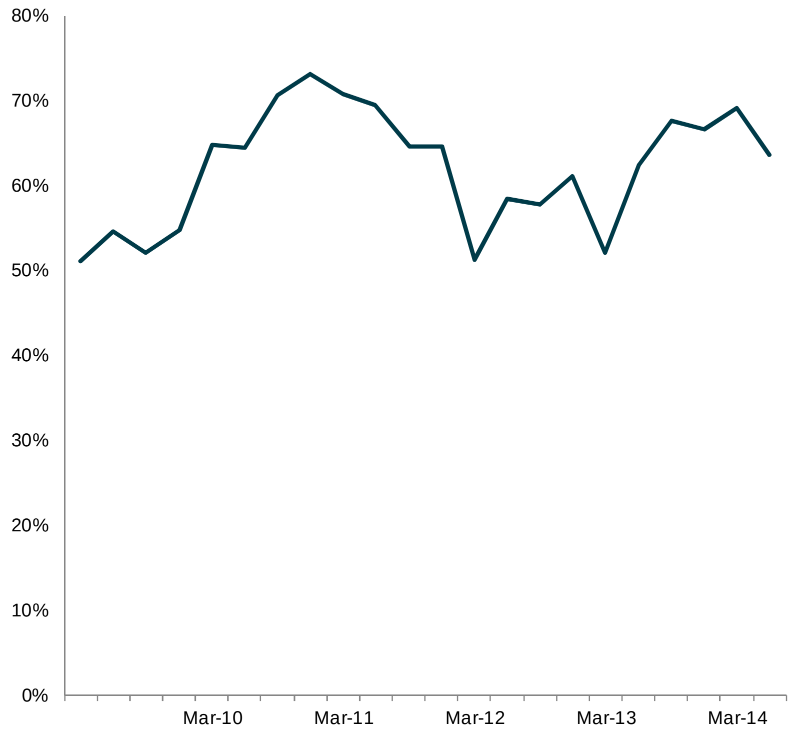
Impairments

Reducing impairments as pre 2009 assets stabilise

Net impairments as a percentage of opening book



Percentage of portfolio performing above prior year



ICG

Investment Company costs
Strong cash generation driving incentive costs

£m	6 months to 30 September 2014	6 months to 31 March 2014	6 months to 30 September 2013
Salaries	2.9	4.4	2.4
Cash Bonus	5.0	4.0	4.0
Deferred awards	8.0	7.4	7.2
Incentive schemes	**13.0**	**11.4**	**11.2**
Other non staff costs	3.7	4.2	3.0
Total	**19.6**	**20.0**	**16.6**

New ICG data pack

Additional information to aid modelling

Financial information

Performance summary
Reconciliation of opening to closing AUM
Funds raised in the 6 months to September 2014
Balance sheet portfolio by instrument
Movement in debt headroom
Debt maturity profile
Fund Management Company fee income
AUM and fee income by business
Segmental analysis
Operating costs
Gains on investments
Impairments
Incentive schemes
Incentive schemes - balance sheet carry
Cash core income
Cashflow
Earnings per share
Gearing and NAV per share calculations
Foreign exchange sensitivity analysis

Funds information

Mezzanine
Real Estate
Credit Funds Management

Portfolio information

Asset performance
Portfolio by geography
Portfolio by sector

Operating Review

ICG operating model

INVESTING

- Fund deployment
- Fund performance and track record
- Impairment target of less than 2.5% of opening book

FUNDRAISING

- Gross fundraising to average €4bn per annum
- Maintain fee level
- Selective product expansion

IC PROFITABILITY

- IC gross return on assets
- Manage risk across all portfolios

FMC PROFITABILITY

- FMC operating margin
- Manage risk across all portfolios

CAPITAL ALLOCATION

- Return on equity above 13%
- Gearing 0.8-1.2x

BUSINESS GROWTH

- Reinvest to drive return on equity
- Optimise co-investment ratio for each strategy

SHAREHOLDERS RETURNS

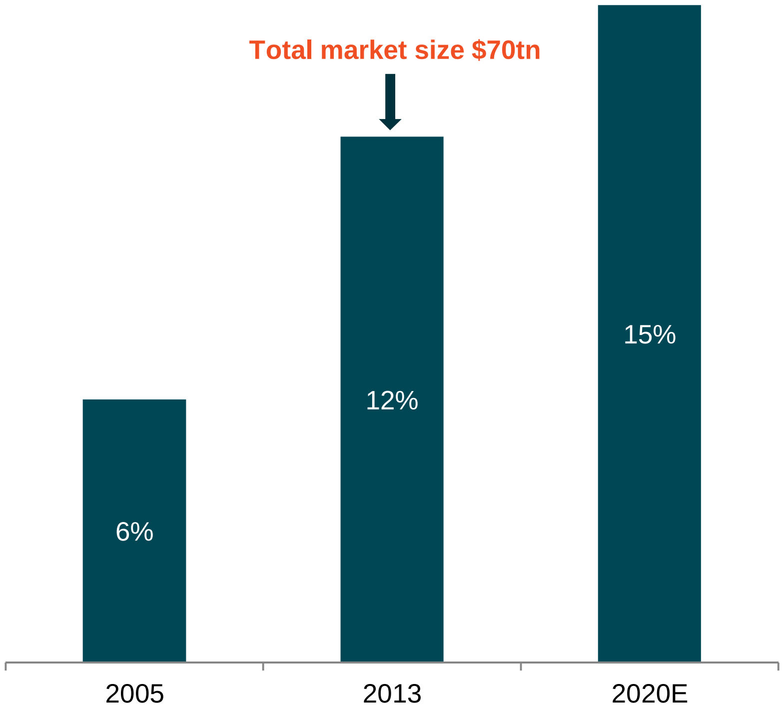
- Dividend
- Return surplus cash

Investment in new funds

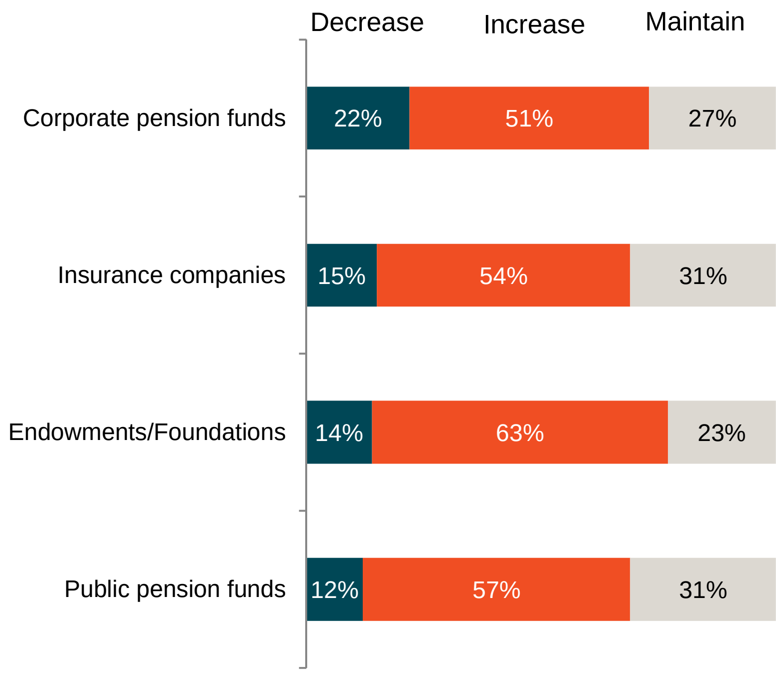
Fundraising

Fundraising market
Environment highly supportive of higher yielding strategies

Global asset managers' allocation to alternatives

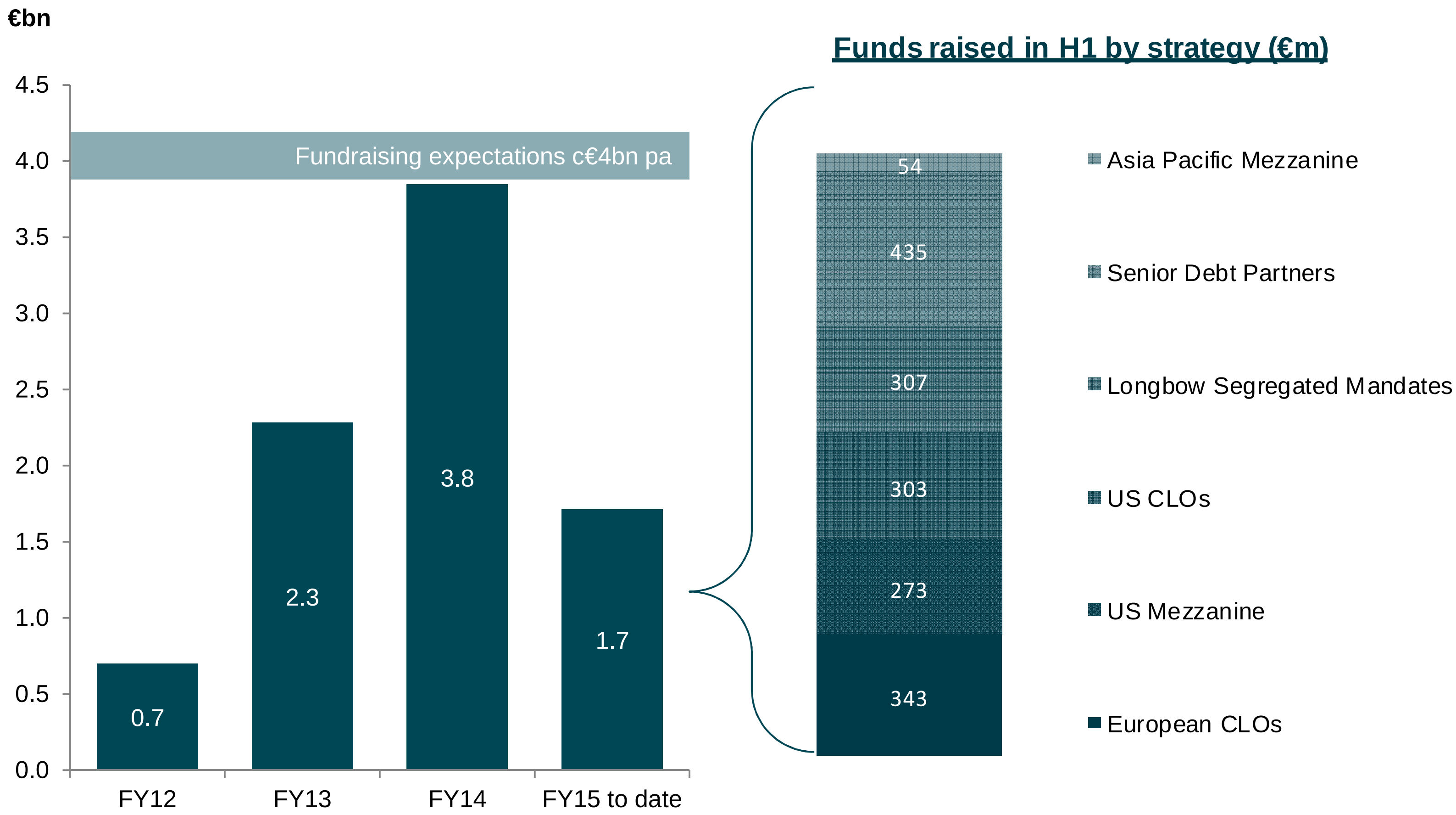


Alternatives allocation over next 3 years



Source: McKinsey Global Asset Management Growth Cube, 2014

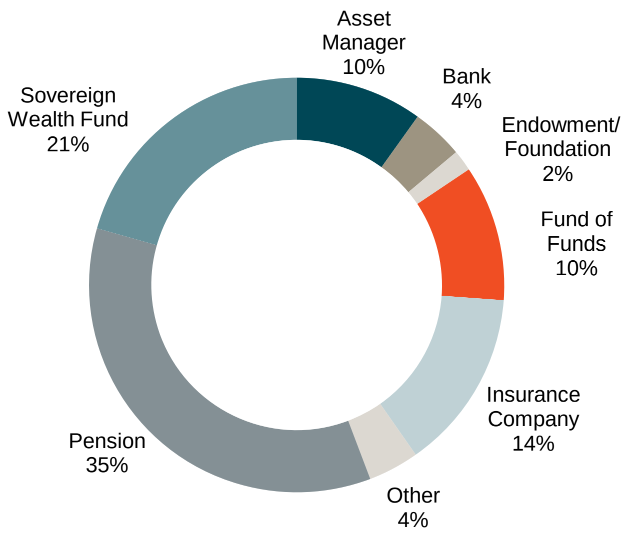
Fundraising momentum
Excellent fundraising dynamics for ICG



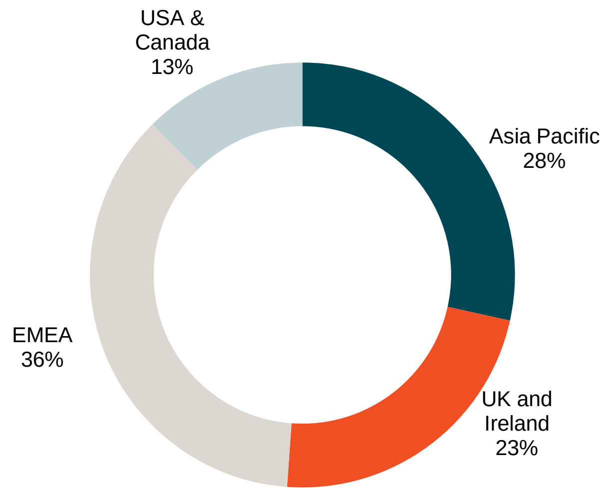
Fundraising – investor diversity

Reputation and strength of team helping to win new clients

Investor diversity



Geographical diversity

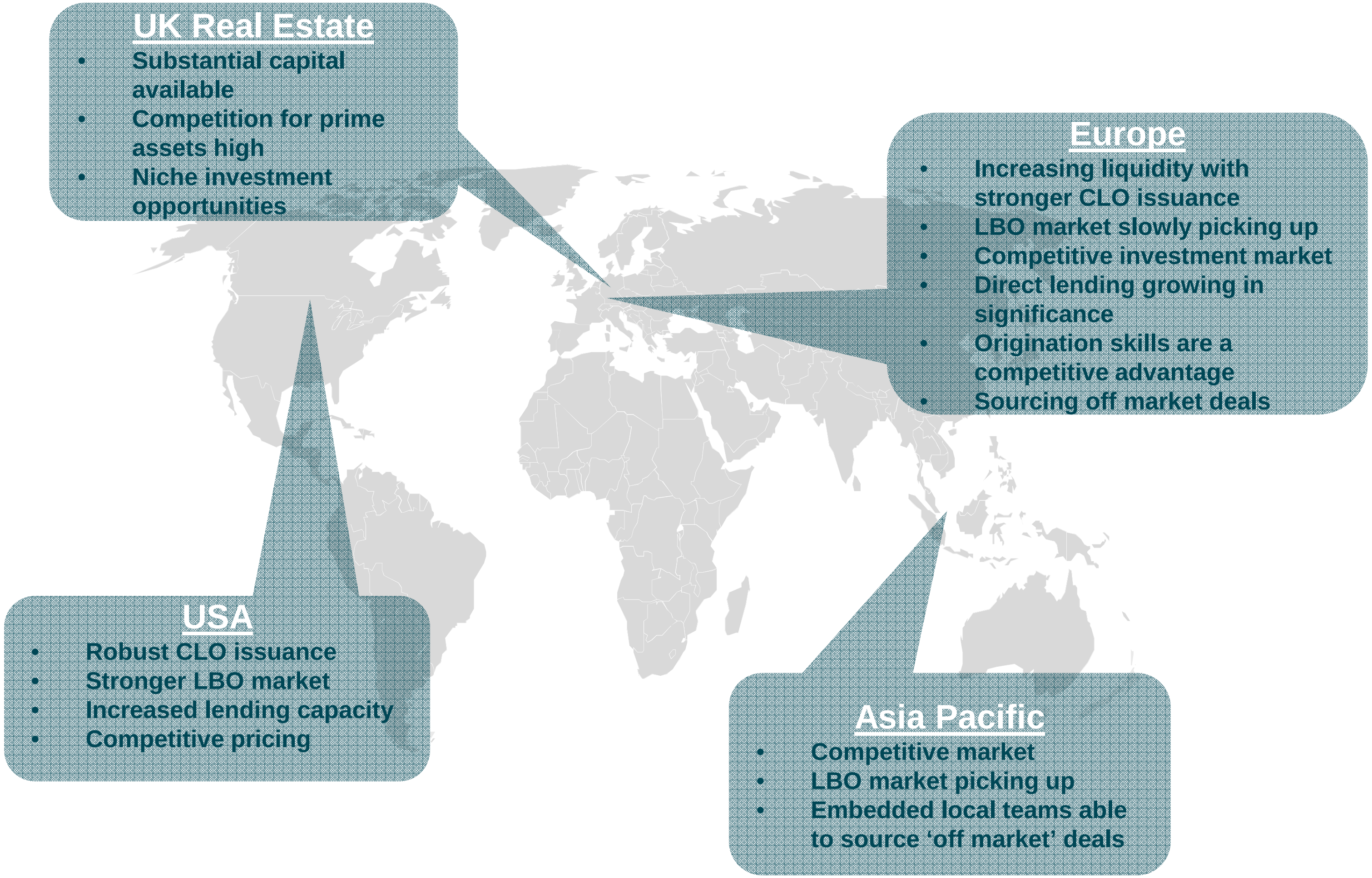


Note: Information presented for all ICG funds

Investing

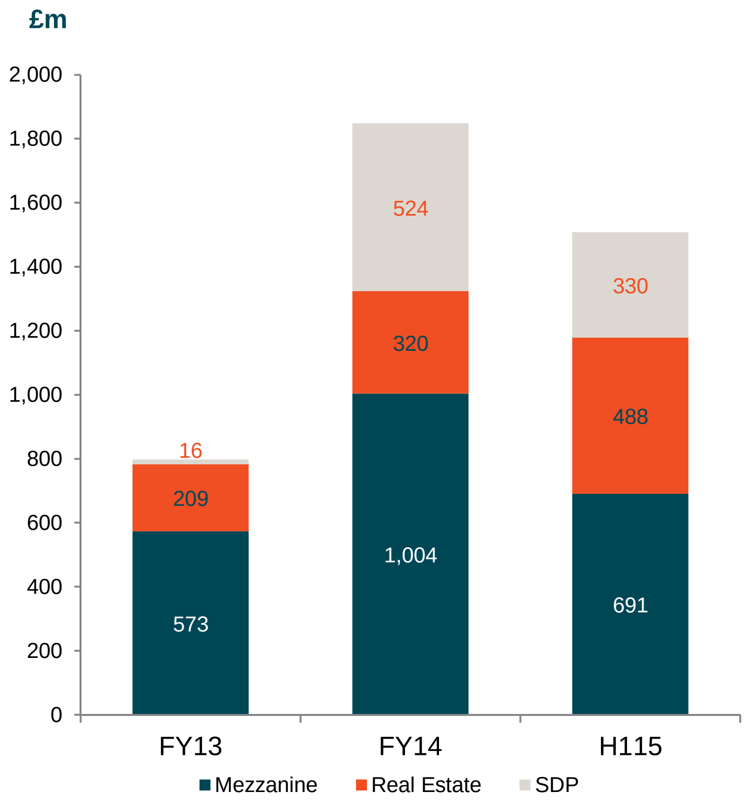
Investing market

Liquidity driving need for differentiation



Investing our direct investment funds
Strong team generating opportunities

Direct investment funds



Managing Investments

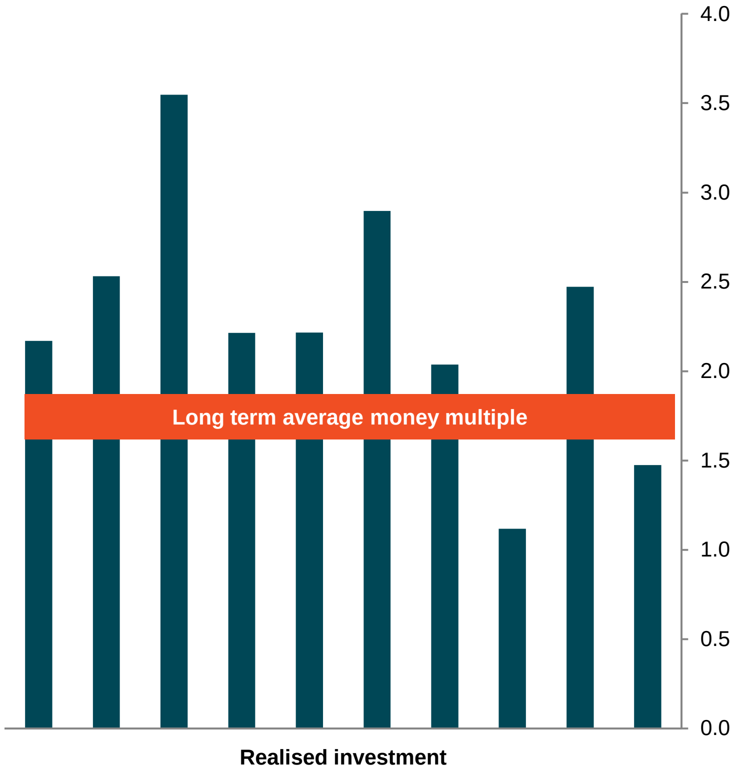
Fund performance

All direct investment funds performing on or ahead of target

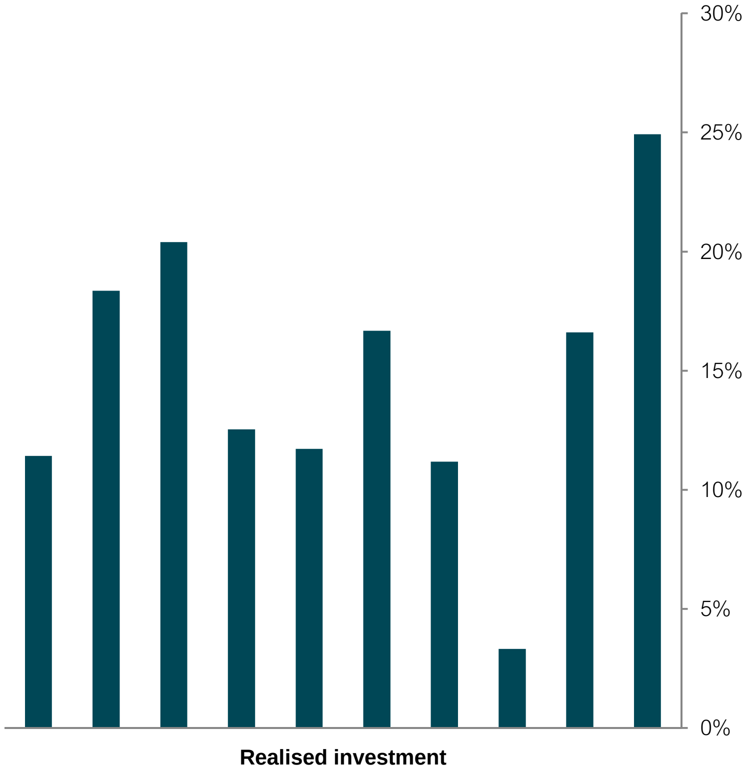
Fund	Target money multiple	Money multiple on realised assets	Target IRR	IRR on realised assets
ICG Mezzanine Fund I 1998	n/a	1.5x	13%+	12%
ICG Mezzanine Fund II 2000	n/a	1.7x	15%+	17%
ICG Mezzanine Fund III 2003	1.6x	1.5x	15%+	15%
ICG Europe Fund IV 2006	1.5x	1.6x	13%	11%
ICG Minority Partners Fund 2008	1.9x	2.2x	Not stated	48%
ICG Recovery Fund 2008	1.5x	1.6x	20%	13%
ICG Europe Fund V	1.6x	1.6x	18%	27%
Intermediate Capital Asia Pacific Mezzanine Fund I 2005	1.6x	1.5x	15%	19%
Intermediate Capital Asia Pacific Fund II 2008	1.6x	2.2x	15%	26%
Senior Debt Partners I	n/a	n/a	9%-10%	13%
Longbow UK Real Estate Debt Investments II	1.4x	1.3x	14%	19%
ICG-Longbow UK Real Estate Debt Investments III	1.6x	n/a	11%	n/a

Realisation of mezzanine funds
Long term average IRR of 18.2%

Money multiple of current year realisations



IRR of current year realisations



Capital Allocation

Capital allocation

Investing for capital appreciation and investment income

Why we invest our capital

- Investment returns contributing to return on equity
- Alignment of interests with long term, fixed fee streams
- Regulatory requirements

How we optimise our capital investment

- In higher return funds, we are typically the largest single investor with 15-25% of the fund
- In funds with target returns below 10%, we typically invest 2.5-7.5% of the fund
- Regulatory requirements, principally European CLOs, invest 5% which can be leveraged

Capital allocation
Using our capital to grow our business

Fund ranked by expected return	Ccy	ICG capital commitment (%)	ICG capital commitment (m)
ICG Europe Fund V	EUR	**20%**	500
ICG Europe Fund VI	EUR	**20%**	500
ICG North American Private Debt Fund	USD	**27%**	200
Intermediate Capital Asia Pacific III	USD	**20%**	200
ICG Longbow IV	GBP	**7%**	50
Alternative Credit I	EUR	**OE**[1]	50
ICG US CLO 2014- I	USD	**11%**	41
ICG US CLO 2014- II	USD	**5%**	21
European CLO - St Pauls IV	EUR	**5%**	22
European CLO - St Pauls V	EUR	**5%**	18
ICG-Longbow UK Real Estate Debt Investments III	GBP	**7%**	50
Senior Debt Partners I	EUR	**3%**	50
Total Credit	EUR	**OE**[1]	64
Global Total Credit	USD	**OE**[1]	100
Senior Debt Partners II	EUR	**2%**	50
ICG Australia Senior Loans Fund	AUD	**5%**	50
ICG Longbow Senior Secured UK Property Debt	GBP	**9%**	10
ICG Longbow Development Fund	GBP	**5%**	50

[1]Open ended funds

Wrap Up

ICG

Business outlook

FY10 - FY14 Building the platform	Priorities for the next 12 months	FY16 - FY18 Achieving scale

FY10 - FY14 — Building the platform

- Manage pre global financial crisis portfolio
- Develop a scalable infrastructure platform
- Establish an in-house distribution capability
- Develop new products
- Build a global franchise

Priorities for the next 12 months

- **Consolidate and broaden existing strategies**
- **Maximising profitability on our strategies**
- **Improve capital efficiency**

FY16 - FY18 — Achieving scale

- Deliver gross fundraising target
- Enhance brand and client base
- Selective acquisitions and team hires to expand product range
- FMC operating margin to increase
- Optimise co-investment ratio
- Greater capital efficiency

Q&A

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