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INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

Intermediate Capital Group PLC ("ICG"), the leading independent specialist European provider of mezzanine finance, announces its results for the six months ended 30 September 2006.

Financial highlights:

	6 months to 30 Sept 06	6 months to 31 July 2005[1]	% Increase
Core Income*	**£52.5m**	**£45.8m**	**15%**
Gains on investments	**£93.3m**	**£64.6m**	**44%**
Pre-tax profits	**£106.9m**	**£78.5m**	**36%**
Earnings per share	**99.5p**	**71.5p**	**39%**
Interim dividend proposed for period	**16.5p**	**14.0p**	**18%**
Loan book	**£1.6bn**	**£1.3bn**	**26%**

* The composition of core income can be found as part of the analysis of profit before taxation

Operational highlights

- A record level of financings of £736 million was arranged or provided during the six months in 19 companies; and
- Funds under management rise to €4.7 billion.

Commenting on the results, John Manser, Chairman of ICG said:

"I am pleased to report another strong performance by ICG in the six months to 30 September 2006.

Core Income was £52.5 million, an increase of 15% over last year. This growth resulted from good loan book growth of 26% since July 2005 to £1.6 billion, and a strong performance in our fund management business: fees were 45% up at £16.5 million compared to the first half of last year. Gains on investments were £93.3 million, substantially ahead of what we thought was an exceptional first half last year.

[1] During 2005 ICG PLC changed its year end from 31 January to 31 March. Accordingly, comparatives are for the six month period to 31 July 2005, in accordance with the Listing Rules of the Financial Services Authority.

In the second half core income is expected to post another good increase, reflecting the increase in our loan book and funds under management and we are optimistic that capital gains will be ahead of our earlier expectations."

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An interview with Tom Attwood, Managing Director, and Philip Keller, Finance Director, Intermediate Capital Group PLC, in video, audio and text format is available at www.icgplc.com and www.cantos.com

Note to the Editors

A brief explanation of Intermediate Capital Group PLC's lending activities is attached.

Chairman's statement

I am pleased to report another strong performance by ICG in the 6 months to 30 September 2006. Pre-tax profits at £106.9 million were 36% ahead of the 6 months ended 31 July 2005 as a result of healthy growth in both core income and net capital gains.

Core income was £52.5 million, an increase of 15% over last year. This growth resulted from good loan book growth up 9% in the last 6 months at £1.6 billion and a strong performance from our fund management business: Fees were 45% up at £16.5 million for the half year. Core income would have been £4 million higher but for a foreign exchange loss. This one off cost occurred due to the changing nature of returns on mezzanine and the resulting IFRS accounting impact, in particular the significant increase in rolled up interest, which we are now hedging. Gains on investments were £93.3 million, substantially ahead of what we thought was an exceptional first half last year.

The growth in the loan book has been very encouraging throughout Europe. We have once more been selective in a heated debt market but have benefited from a record level of activity in the mezzanine market. Repayments have remained high.

Momentum going into the second half has been maintained. Core income is expected to advance further, as a result of loan book growth in the last 6 months, while the fund management business continues to make good progress in attracting new clients. Gains on investments over the next 6 months are also expected to be strong.

Dividend

The board has declared a dividend of 16.5p, an increase of 18% over the interim last year. This increase reflects our underlying core income growth in the last six months and good prospects for the second half. The interim dividend will be paid on 29 December 2006 to shareholders on the register at 8 December 2006.

Loan Portfolio

Confronted with higher levels of gearing and so risk, we were still pleased to find, in an increasingly active and growing market, a reasonable number of opportunities which offer a satisfactory balance of risk and reward. The record level of deal flow has allowed us to be selective and at the same time achieve a good level of new lending. In the 6 month period we arranged or provided £736 million in 19 transactions, £62 million of which took the form of equity. We retained £429 million on our own balance sheet and placed £265 million in our mezzanine funds with the balance being syndicated to third parties. France was once again our busiest market with 7 transactions successfully completed. In addition we completed 3 deals in the UK, 2 each in Germany and Spain and 4 elsewhere in Europe. We are also pleased to have made our first loan in New Zealand.

During the 6 months ended 30 September 2006 we had another period with high levels of repayments which amounted to £242 million. Included in the repayments were 2 companies in our portfolio who used the buoyant debt markets to refinance their balance sheets. In aggregate £51 million of loans was refinanced.

In the first half we have taken net provisions of £17.7 million on 3 assets, one of which was already partially provided. We also made a small write back. However, we continue to be pleased with the quality of our loan book which, for the most part, is trading well.

The European Mezzanine Market

The European buyout market continues to be very active. In the first half of the calendar year LBO's valued at €60 billion were successfully completed, an increase of 62% over a year ago, which was itself a record. This level of activity is fuelled by record fund raisings for the private equity community in Europe: in 2005 circa €70 billion of new money was committed to the private equity funds and in the first half of 2006 another €40 billion has been raised. In aggregate €58 billion more has now been raised in the last 18 months than has been invested. This cash overhang will stimulate further activity in the buyout market and will prompt increases in prices being paid for businesses.

This high level of buyout activity has led to increased demand for debt and for mezzanine in particular. In the first 9 calendar months of this year over €10 billion of mezzanine was arranged or provided compared to €8.9 billion in the whole of last year. Given the unprecedented level of demand for mezzanine, there continue to be more people chasing mezzanine investments than ever before, particularly in the larger transactions. Banks, hedge funds, CDOs and other structured debt funds are all targeting mezzanine and other high yielding assets. In the larger commodity end of the market this considerable increase in institutional interest in sub investment grade debt has resulted in further intense competition for mezzanine loans.

The mezzanine market has, however, polarised between the larger, mostly London based, LBO financings, the locally arranged middle market transactions and sponsorless or growth capital opportunities. It is the local mid-market where ICG has built its strongest position, based on its network of regional offices throughout Europe, the result of many years of investment in our regional infrastructure. This strategy continues to generate excellent deal flow.

Asia Pacific

We remain confident that the Asia Pacific LBO market will continue to grow and that this in turn will lead to increased opportunities for mezzanine investors. The influx of both European and North American investment houses into the Asia Pacific region will further stimulate the growth of the market. This year we have completed our first transaction in New Zealand and have experienced strong new deal flow across the region.

Fund Management

Our mezzanine funds continue to perform well. Total mezzanine funds under management now stand at €1,293 million. Our latest fund, ICG Mezzanine Fund 2003 is now fully invested.

In our specialist sub investment grade fund management business we have had a very good performance in the year to date. In the first half, funds under management rose from €2.5 billion to €3.4 billion and we are confident that this momentum will continue into the second half. We have been successful in raising a further €200 million in new CDOs while a further €425 million of new funds has come from new discretionary clients such as insurance companies and pension funds. In this context we are very pleased to report that our Eurocredit Opportunities Fund, the first of its kind launched in Europe, is performing particularly well and we were able to enlarge it from €400 million to €675 million in May 2006 with a further increase to €1.1 billion achieved in November 2006.

We continue to believe that the prospects for growth in the fund management area are most encouraging.

Investment Strategy

In an increasingly competitive and overheated debt market we are constantly examining our investment strategy in the knowledge that a number of buyout transactions are being completed at levels of leverage and with growth assumptions that leave little or no margin for error.

We seek to invest in businesses where there is evidence of long term and relatively predictable cash flows, well managed and with high barriers to entry. We have been cautious about manufacturing and cyclical businesses with high levels of gearing and we do not take big positions in any one investment, valuing as we do, the benefits of diversity by geography, sector and size.

We are increasingly concerned about some of the large commodity debt transactions where we perceive there to be an imbalance of risk and reward for lenders. In many transactions there is now a multitude of investors at every level of the capital structure. We believe that, in the event of impairment, management of these syndicates will be extremely difficult and, consequently, recovery rates will be poor and much worse than people expect or have experienced historically.

We believe you can only succeed with a pan-European and international investment strategy if you maintain local people on the ground who understand the culture, language, law and markets which they serve. Only in this way is the quality and integrity of the investment process, and particularly, the recovery process in the event of impairment, maintained.

Ours is a long term approach. Once we have identified a company with a secure economic model and with a strong and honest team we will support that business with further investment even if the sponsoring equity investor changes on either repayment or exit.

Business Development

Our investment strategy continually has allowed us to win good investment mandates particularly in the mid-market and has also helped us to build our portfolio of growth capital and sponsorless investments.

Our expanding list of growth capital investments, along with our strategy of taking small equity investments alongside our mezzanine loans, has resulted in an increase in our equity portfolio of 21% to £219 million.

During the next six months we will be opening an office in Sydney in support of our Asia Pacific business. The buyout market of Australia is, along with Japan, the busiest in the region.

People

I am delighted to be able to report that we have been successful in attracting a number of new senior members to our investment team. We have added to our teams in France, Central Europe, Hong Kong, Australia and in the fund management area. In addition we have extensively strengthened our finance and operations staff. ICG is of course a people business and in order to secure our future growth we are constantly seeking to attract the best talent.

Prospects

We continue to believe that the buyout market will remain active and provide an increasing stream of mezzanine opportunities for ICG. The record level of fund raising in the private equity community will, in our view, support further growth in the buyout market for a number of years.

The level of activity in the European mezzanine market continues to be very strong as we enter the second half. Notwithstanding the competitive environment for mezzanine assets and our view that a number of mezzanine opportunities, particularly in the larger end of the market, fail to offer an attractive balance of risk and return, we are confident that our unique network of local teams will generate enough interesting opportunities to grow our book of loans and investments.

In the second half net interest income is expected to be strong as a result of loan book growth. Fee income from fund management should also show further progress and so, in aggregate, core income is expected to show another good increase.

Given the satisfactory performance of our portfolio and good prospects for further realisations and capital gains in the second half we are optimistic that the full year pre-tax profits will be ahead of our earlier expectations.

INTERMEDIATE CAPITAL GROUP PLC

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September 2006

	Six months ended 30 September 2006 (unaudited) £m	*Six months ended 31 July 2005 (unaudited) £m*	*Fourteen month period ended 31 March 2006 (audited) £m*
Interest and dividend income	**86.9**	67.9	170.7
Gains on investments	**93.3**	64.6	144.9
Fee and other operating income	**16.5**	11.4	27.8
	196.7	143.9	343.4
Interest payable and other related financing costs	**(32.5)**	(18.3)	(52.7)
Provisions for impairment of assets	**(17.7)**	(17.5)	(27.3)
Administrative expenses	**(39.6)**	(29.6)	(73.3)
Profit before tax	**106.9**	78.5	190.1
Tax expense	**(37.3)**	(28.7)	(65.0)
Profit for the period attributable to equity shareholders	**69.6**	49.8	125.1
Earnings per share	**99.5p**	71.5p	179.3p

INTERMEDIATE CAPITAL GROUP PLC

ANALYSIS OF PROFIT BEFORE TAX

for the six months ended 30 September 2006

	Six months ended 30 September 2006 (unaudited) £m	*Six months ended 31 July 2005 (unaudited) £m*	*Fourteen month period ended 31 March 2006 (audited) £m*
Income			
Interest and dividend income	**86.9**	67.9	170.7
Fee and other operating income	**16.5**	11.4	27.8
	103.4	79.3	198.5
Less: related expenses			
Interest payable and other related financing costs	**(32.5)**	(18.3)	(52.7)
Add back: net losses on derivatives held for hedging purposes*	**3.0**	1.8	6.5
Administrative expenses – salaries and benefits	**(9.6)**	(7.8)	(19.8)
Operating expenses	**(6.0)**	(4.4)	(13.0)
Medium term incentive scheme	**(5.8)**	(4.8)	(13.2)
Core Income†	**52.5**	45.8	106.3
Gains on investments	**93.3**	64.6	144.9
Medium term incentive scheme	**(18.2)**	(12.6)	(27.3)
Net gains on investments	**75.1**	52.0	117.6
Provisions against loans and investments	**(17.7)**	(17.5)	(27.3)
Net losses on derivatives held for hedging purposes*	**(3.0)**	(1.8)	(6.5)
Profit on ordinary activities before taxation	**106.9**	78.5	190.1

The costs of the Medium Term Incentive Scheme included under core income relate to rolled-up interest.

* Net losses relating to movements in the fair value of derivatives used to hedge certain liabilities of the group excluding any interest accruals and spot F/X-translation movements on these derivatives, are not considered part of core income.

† Core income for the six months to 31 July 2005 has been restated to exclude £1.8 m of net losses relating to the fair value movement on derivatives held for hedging, which are not considered part of core income.

INTERMEDIATE CAPITAL GROUP PLC

CONSOLIDATED BALANCE SHEET

30 September 2006

	30 September 2006 (unaudited) £m	*31 July 2005 (unaudited) £m*	*31 March 2006 (audited) £m*
Non current assets			
Property, plant and equipment	**1.4**	1.3	1.1
Financial assets: loans and investments	**1,631.5**	1,294.2	1,493.9
other derivatives	**18.4**	17.0	20.8
	1,651.3	1,312.5	1,515.8
Current assets			
Trade and other receivables	**17.6**	5.8	10.9
Financial assets: loans and investments	**81.9**	156.5	70.6
Cash and cash equivalents	**44.6**	83.7	52.4
	144.1	246.0	133.9
Total assets	**1,795.4**	1,558.5	1,649.7
Equity and reserves			
Called up share capital	**14.0**	13.9	14.0
Share premium account	**175.2**	174.0	174.5
Capital redemption reserve	**1.4**	1.4	1.4
Other reserves	**7.8**	13.4	6.4
Retained earnings	**337.2**	231.2	297.0
Equity shareholders' funds	**535.6**	433.9	493.3
Non current liabilities			
Financial liabilities	**826.7**	955.1	719.0
Deferred tax liabilities	**12.2**	11.7	16.8
	838.9	966.8	735.8
Current liabilities			
Trade and other payable	**61.8**	52.4	69.4
Financial liabilities	**320.3**	73.0	331.6
Liabilities for current tax	**38.8**	32.4	19.6
	420.9	157.8	420.6
Total liabilities	**1,259.8**	1,124.6	1,156.4
Total equity and liabilities	**1,795.4**	1,558.5	1,649.7

INTERMEDIATE CAPITAL GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 September 2006

	Six months ended 30 September 2006 (unaudited) £m	*Six months ended 31 July 2005 (unaudited) £m*	*Fourteen month period ended 31 March 2006 (audited) £m*
Net cash from operating activities			
Interest and fee receipts	**82.2**	60.1	158.0
Dividends received	**2.5**	3.1	7.1
Gain on disposals	**97.3**	56.4	138.1
Interest payments	**(22.2)**	(17.0)	(40.6)
Cash payments to suppliers and employees	**(44.6)**	(30.6)	(48.8)
Purchase of current financial assets	**(13.9)**	(110.5)	(29.2)
Purchase of loans and investments	**(428.6)**	(213.4)	(657.3)
Proceeds from sale of loans and investments	**241.8**	160.8	407.9
Cash used in operations	**(85.5)**	(91.1)	(64.8)
Taxes paid	**(22.4)**	(19.8)	(60.2)
Net cash used in operating activities	**(107.9)**	(110.9)	(125.0)
Investing activities			
Purchase of property, plant and equipment	**(0.3)**	(0.1)	(0.6)
Net cash used in investing activities	**(0.3)**	(0.1)	(0.6)
Financing activities			
Dividends paid	**(29.4)**	(19.6)	(29.4)
Increase in long-term borrowings	**137.2**	163.3	147.2
(Decrease)/increase in other borrowings	**(8.1)**	(6.1)	2.5
Proceeds on issue of shares	**0.7**	1.5	2.1
Net cash from financing activities	**100.4**	139.1	122.4
Net (decrease)/increase in cash	**(7.8)**	28.1	(3.2)
Cash and cash equivalents at beginning of period	**52.4**	55.6	55.6
Cash and cash equivalents at end of period	**44.6**	83.7	52.4

INTERMEDIATE CAPITAL GROUP PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME & EXPENSE

for the six months ended 30 September 2006

	Six months ended 30 September 2006 (unaudited) £m	*Six months ended 31 July 2005 (unaudited) £m*	*Fourteen month period ended 31 March 2006 (audited) £m*
Available for sale investments:			
Net valuation gains/(losses) taken to equity	**16.9**	11.6	23.5
Transferred to profit or loss for the period	**(16.5)**	(9.0)	(31.3)
Tax on items taken directly to or transferred from equity	**-**	(0.8)	2.2
Net income recognised directly in equity	**0.4**	1.8	(5.6)
Profit for the period	**69.6**	49.8	125.1
Total recognised income and expense for the period attributable to shareholders	**70.0**	51.6	119.5

NOTES TO THE EDITORS

In the 6 months ended 30 September 2006 ICG and its mezzanine funds invested in the following companies:

Ist Credit is an existing UK borrower providing debt purchase and debt collection services. ICG arranged a further facility of £10 million to assist in additional acquisitions.

BAA is the dominant UK airport operator and the largest international airport operator in the world. In August 2006 ICG took a participation of £35.5 million in the perpetual 'Toggle' facility arranged to assist in financing the acquisition.

Cerba is a French speciality laboratory which performs clinical tests. In July 2006 ICG arranged and provided €30 million of junior and senior mezzanine facilities to assist in the secondary buyout. ICG also invested €9.4 million in the equity.

Care Management Group is a UK operator of care homes for people with physical and learning disabilities. In August 2006 ICG invested £30 million in senior and junior equity to assist in a refinancing.

Elior is the leading contract and concession caterer in France. In August 2006 ICG invested €16 million in the equity required to take the company private, with a commitment to invest in the mezzanine loan.

Euroloc is a Spanish Company which provides equipment and machinery rental. In July 2006 ICG arranged and provided mezzanine finance of €30.5 million to assist in the buyout. ICG also provided €15.3 million of senior debt and invested a further €6 million in the equity.

Iberostar is a Spanish tour operator. In July 2006 ICG arranged and provided mezzanine finance of €100 million to assist in the buyout. ICG also invested €10 million in the equity.

Loyalty Partners, a German company, provides the leading multi-company loyalty card in that country. In April 2006 ICG took a participation of €23 million in the mezzanine facilities arranged to assist the buyout.

Materis is a French group of businesses in aluminates, mortars, paint, refractories and admixtures. In April 2006 ICG co-arranged mezzanine facilities of €85 million to assist in the secondary buyout.

Medica is the third largest provider of nursing homes in France. In August 2006 ICG took a participation of €61.3 million in the mezzanine financing arranged to assist in the secondary buyout. ICG also invested €5 million in the equity.

Mehilainen is a Finnish company which provides private healthcare. In May 2006 ICG arranged and provided a €20 million mezzanine facility to assist in the add-on acquisition to Carema.

Minimax, a German company, is the third largest global supplier of fire protection systems and services. In August 2006 ICG took a participation of €45 million in the mezzanine loan arranged to assist in the tertiary buyout. ICG also invested €10 million in the equity.

Moniteur is a leading French magazine group. In June 2006 ICG arranged a €48 million mezzanine facility provided to support the secondary buyout. ICG also made an equity investment of €10 million.

Motip Dupli, a Netherlands company, is the leading European manufacturer of aerosol paints, touch up pencils and technical aerosols. In April 2006 ICG arranged and provided mezzanine finance of €25 million to assist in the secondary buyout. ICG also invested €12.9 million in the equity.

Sebia is a French manufacturer of medical diagnosis equipment. In September 2006 ICG arranged and provided a mezzanine facility of €60 million to assist in the management buyout. ICG also invested €30 million in the equity.

Select Service Partners, a UK company, is the world-leading travel catering business. In July 2006 ICG took a participation of £40 million in the mezzanine facilities arranged to assist in the buyout. ICG also invested £8 million in the equity.

Tegel is the leading branded poultry producer in New Zealand. In April 2006 ICG arranged and provided subordinated notes and mezzanine preference notes totalling NZ$ 89.5 million to assist in the buyout. ICG also invested NZ$ 5 million in the equity.

Viadom is the leading French company in the home hairdressing market. In June 2006 ICG arranged and provided mezzanine finance of €22 million to assist in the secondary buyout. ICG also invested €3 million in the equity.

Visma, a Norwegian company provides business software and enterprise resource planning services in the Nordic region. In June 2006 ICG arranged and provided a NOK 600 million PIK preference note. ICG also took a participation of NOK 300 million in the senior mezzanine and NOK 225 million in the equity.