



Q3 Trading Statement

For the period to 31 December 2016

Embargoed until 7:00am on 31 January 2017

Highlights

- Total AUM up 3% to €22.6bn in the quarter, with €0.6bn of new third party money raised in the three months to 31 December 2016; third party fee earning AUM up 5% to €17.3bn
- Fundraising performance in line with expectations, driven by a final close on our Asia Pacific Fund III and a further close on our Strategic Secondaries Fund
- Investment portfolio reduced 4% in the quarter as the pace of realisations outstripped new investments made
- Investment portfolio performance remains robust and funds performing in line with expectations

Commenting, Christophe Evain, CEO, said:

"I am pleased to report ICG's third quarter trading is in line with expectations. Third party assets under management grew further in the third quarter, with €0.6bn raised, resulting in total AUM increasing to €22.6bn. Both fundraising and capital deployment remain on track and we have visibility of good fundraising momentum through the next 12 months. Current market conditions are sustaining a positive trend favouring alternative asset classes which we are well positioned to capitalise on."

Grow assets under management

Total assets under management have increased 3% over the three months to 31 December 2016 to €22.6bn with the level of fundraising consistent with that of the first half of the financial year but with a higher pace of realisations. The third party AUM by strategic asset class is as follows:

	Corporate Investments €m	Capital Markets €m	Real Assets €m	Secondaries €m	Total Third Party AUM €m
At 30 September 2016	10,113	5,317	3,340	1,078	19,848
Additions	403	50	-	147	600
Realisations	(316)	(36)	(109)	-	(461)
FX and other	263	157	70	43	533
At 31 December 2016	10,463	5,488	3,301	1,268	20,520
Fee earning AUM - at 31 December 2016	8,079	5,488	2,648	1,123	17,338

During the quarter we closed our third Asia Pacific fund at €615m (\$691m), including a \$200m commitment from the balance sheet, with €177m (\$194m) of third party money raised during the quarter. We continue to make good progress in fundraising for our Strategic Secondaries strategy with a further €147m (\$155m) raised since September, taking the total raised to €666m (\$702m), including a \$200m commitment from the balance sheet. Elsewhere, we raised €226m from segregated mandates into our Senior Debt Partners strategy and a further €50m of third party money spread across a range of strategies.

Invest selectively

Capital deployment in the quarter has remained on track in a competitive investment market.

The total amount of capital deployed on behalf of our direct investment funds was £730m in the quarter and £2,045m in the year to date (nine months to 31 December 2015: £1,898m). In addition, our Investment Company invested a total of £66.5m in the quarter and £244.7m in the year to date (nine months to 31 December 2015: £187.3m).

During the quarter we completed a number of investments for our Senior Debt Partners II strategy, which has deployed 52% of its capital, and our ICG Longbow Real Estate Fund IV which is 67% deployed. As both charge fees on invested capital this is contributing to the increase in our fee earning AUM. In addition, we also signed, subject to completion, one deal for ICG Europe Fund VI and one deal for ICG Asia Pacific Fund III, maintaining the investment pace of those funds.

Manage portfolios to maximise value

The performance of our Investment Company portfolio remains robust and our funds continue to perform in line with our expectations.

The current pace of realisations is in line with the first half of the financial year. In the quarter to 31 December 2016 our Investment Company received £128.3m of principal repayments, crystallised £38.2m of rolled up interest and realised £27.6m of cash capital gains. However, realisations are likely to increase for the remainder of the financial year as a number of our balance sheet assets, including some of the larger assets, are subject to exit plans.

The Investment Company portfolio is now more diversified than at any point in our history as we invest our capital across more strategies thereby reducing our exposure to individual assets. As a result the investment into, or realisation of, individual assets is less significant to our overall portfolio. We therefore no longer intend to make announcements relating to the investment or realisation of individual assets made in the ordinary course of business.

Balance Sheet

The balance sheet remains well funded with available cash and unutilised bank lines of £899.8m at 31 December 2016 (30 September 2016: £802.1m) and no material refinancing requirements in the next 12 months.

We continue to target a return on equity of over 13% by further growth in the profitability of the business and maintaining an efficient balance sheet with gearing between 0.8x and 1.2x.

Enquiries

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This Trading Statement contains information which, prior to this announcement was insider information.

About ICG

ICG is a specialist asset manager with over 27 years' history in private debt, credit and equity. Our objective is to generate income and consistently high returns whilst protecting against investment downside. We seek to achieve this through our expertise in investing across the capital structure. We combine flexible capital solutions, local access and insight with an entrepreneurial approach to give us a competitive edge in our markets. We are committed to innovation and pioneering new strategies where we can deliver value to our investors. ICG has €22.6bn of assets under management globally (as at 31 December 2016); we are listed on the London Stock Exchange (ticker symbol: ICP), and regulated in the UK by the Financial Conduct Authority (FCA). Intermediate Capital Group, Inc. is a wholly-owned subsidiary of ICG and is registered as an investment adviser under the U.S. Investment Advisers Act of 1940. Further information is available at: www.icgam.com.