

Trading Statement

For the period to 25 January 2016

Embargoed until 7:00am on 26 January 2016



Highlights

- Strong fundraising inflows with €4.7bn of new third party money raised in the nine months to 31 December 2015, although the pace of fundraising is likely to slow as we focus on our new strategies
- New third party money raised in the quarter to 31 December 2015 totalled €1.4bn, resulting in AUM increasing by 5% to €21.2bn in the quarter to 31 December 2015; third party fee earning AUM increased 6% to €15.4bn
- ICG North America Private Debt Fund and Senior Debt Partners II strategy closed above target. Our domestic Japanese Mezzanine Fund had a final close in line with expectations
- Resilient investment portfolio and a stable loan book, in line with expectations

Commenting, Christophe Evain, CEO, said:

“ICG’s strong momentum has continued. Third party assets under management grew further in the third quarter, with €1.4bn raised. We had final closes on our North America Private Debt Fund and our Senior Debt Partners II strategy, both above their target sizes, and our domestic Japanese Mezzanine Fund, demonstrating the success of our organic product expansion. This has been supplemented further by the recent acquisition of the Graphite Enterprise Trust* management contract, adding a private equity funds investment business to our portfolio.

“Despite the prevailing heightened market volatility, the long term market conditions remain favourable for alternative investments and we remain well positioned to deliver our strategic objectives and generate improving returns for our shareholders.”

*Subject to completion

Grow assets under management

Our fundraising momentum has continued in the quarter to 31 December 2015, and with the pace of realisations remaining broadly in line with the first half of the financial year, total assets under management have increased 5% over the three months to 31 December 2015 to €21.2bn. The third party AUM bridge is as follows:

	Mezzanine and equity Funds €m	Real estate Funds €m	Credit Funds €m	Total Third Party AUM €m
At 30 September 2015	6,338	2,825	8,659	17,822
Additions	147	371	919	1,437
Realisations	(126)	(1)	(254)	(381)
FX and other	57	10	(4)	63
At 31 December 2015	6,416	3,205	9,320	18,941
Fee earning AUM - at 31 December 2015	5,957	2,521	6,882	15,360

During the quarter we completed the fundraising for our Senior Debt Partners II strategy, raising a further €491m to close at its maximum size of €3.0bn. We have also made excellent progress in fundraising for ICG Longbow Real Estate Fund IV, closing a further £266m, bringing the total amount raised to date to £680m, including £50m from the Investment Company. Our US credit business closed their fifth CLO (Collateralised Loan Obligation) of

\$411m, including a \$23m investment from ICG. Elsewhere, we raised a further €216m of third party money during the period spread across a range of strategies.

Invest selectively

The ongoing availability of liquidity has resulted in competitive investment markets during the quarter. The total amount of capital deployed on behalf of our direct investment funds was £456m in the quarter and £1,898m in the year to date (nine months to 31 December 2014: £2,104m). In addition, our Investment Company invested a total of £33.4m in the quarter and £187.3m in the year to date (nine months to 31 December 2014: £387.5m).

During the quarter we completed a number of investments for our Senior Debt Partners II strategy, which has deployed 30% of its capital, and our ICG Longbow Real Estate Fund IV which is 52% deployed based on its current fund size. As both charge fees on invested capital this is contributing to the increase in our fee earning AUM.

Elsewhere, we made one investment in the US and signed one investment in Europe, which completed in January.

Manage portfolios to maximise value

The performance of our mezzanine portfolio, including the weaker companies, remains resilient and our credit funds continue to perform in line with our expectations. However, market volatility, should it continue, clearly may impact the short term valuation of our equity portfolios which are marked to market.

Whilst the pace of realisations has remained broadly in line with the first half of the financial year, this may increase in the next six months as a number of balance sheet assets are subject to exit plans. In the quarter to 31 December 2015 our Investment Company received £65.6m of principal repayments, crystallised £11.7m of rolled up interest and realised £47.8m of cash capital gains.

Balance Sheet

The balance sheet is well funded with available cash and unutilised bank lines of £705m at 31 December 2015. The headroom has reduced from £820m at 30 September 2015 with £83m of private placements repaid during the quarter.

We continue to target an increase in our return on equity to over 13% by further growth in the profitability of the business and re-gearing the balance sheet to between 0.8x and 1.2x.

Capital Markets Seminar

We will be holding a Capital Markets Seminar on 3 February from 12:30. The Seminar will be an opportunity for us to share our business strategy in more detail and provide a deeper insight into our asset management platform and product offering. No update on trading and no new material information will be provided during the event.

To register please email ICGEvents@icgam.com. The Seminar will be recorded and available on our website for those unable to attend in person.

Enquiries

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About ICG

ICG is a specialist asset manager with over 26 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 €21.2bn of assets under management globally (as at 31 December, 2015), 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.