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ICG

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 MARCH 2007

Intermediate Capital Group PLC ("ICG"), a leading independent fund manager and specialist provider of mezzanine finance in Europe and Asia, announces its preliminary results for the year ended 31 March 2007.

Financial highlights:

	12 months to 31 March 2007	**14 months to 31 March 2006 annualised**	**14 months to 31 March 2006**	**Annualised % increase**
Pre-tax profits	£224m	£163m	£190m	37%
Core income*	£112m	£91m	£106	23%
Gains on investments	£197m	£124m	£145m	59%
Basic earnings per share	205p	154p	179p	33%
Total dividend for the year	58p	48p	56p	21%
Investment portfolio	£1.7bn	£1.5bn	£1.5bn	17%
Funds under management	£5.8bn**	£3.0bn	£3.0bn	93%

* The composition of core income can be found as part of the analysis of profit before tax.
** 69% of these funds were invested at the year end.

The prior period results were for a fourteen month period. In commenting on trends in performance throughout this announcement we have annualised, by taking twelve-fourteenths of the previous period's results, to obtain percentage increases to make the comparisons more meaningful.

Operational highlights

- Record pre-tax profits of £224m
- Core income increased by 23% to £112m
- Record £1.2bn of investments arranged or provided in 31 companies
- Funds under management increased by 93% to £5.8bn
- New office openings in Sydney and Tokyo

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

"ICG has had another excellent year. We have continued to meet the challenge of changing market requirements and to expand into new territories. Pre-tax profits have increased by 37%. Fund management fee income has grown strongly in the year to £27m. Gains on investments were an outstanding £197m, while net interest income rose from £107m to £138m.

However, market conditions remain challenging driven by excess liquidity in debt markets and we expect prices and structures to get worse before they get better. We continue to see high levels of repayments and we do not anticipate that this trend will slow down in the short term. Maintaining a strong credit discipline, the quality of our portfolio and our rigorous investment process remain priorities. In these circumstances we are finding ourselves turning down many more transactions because risk is not being recognised or properly priced and there is often little or no margin for error. Therefore it is possible that our balance sheet may fail to grow and even if it does grow, net interest income may fall as spreads tighten. Although we expect a good year next year we do not anticipate another record for pre-tax profits but core income should continue to grow satisfactorily.

Our strategy is to maintain our position as the leading provider of intermediate capital in our chosen markets and the fund manager of choice for our investors. Our corporate objective is to double the size of the business every five years by employing and motivating great people. We believe we can do more in the next year and beyond by continuing to put our partnership approach and strong investment culture at the heart of everything we do. We will continue to seek attractive opportunities to expand both geographically and in our product offering, where they complement and enhance our existing business. Indeed we will shortly be opening an office in New York. We have a strong balance sheet. The permanent capital it provides will give us a considerable advantage over the competition when the market turns. We look forward to the future with confidence."

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Interviews 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 investment activities is attached.

Chairman's Statement

I am pleased to report that the financial year ended March 2007 was another excellent year for the Group delivering record pre-tax profits of £224m. Our growth has resulted from our continued focus on innovation to meet changing market requirements, partnership with our fellow investors, a rigorous credit culture and the high calibre of our employees.

We are particularly pleased with the performance of our global network, which continues to develop and thrive even in competitive market conditions. During the year we opened new offices in Sydney and Tokyo, and are already experiencing increased deal flow from these regions. Indeed our Direct Investment business, where we take investments to our own balance sheet, achieved excellent results across all regions, with Continental Europe flourishing despite the maturity of this market.

During the year we arranged or provided £1.2bn in 31 transactions. Of this £727m was held on our balance sheet and £426m was taken by our funds. After taking into account the high level of repayments our balance sheet portfolio grew by 17% in the year to £1.7bn.

Our Fund Management business goes from strength to strength, with a 93% increase in our funds under management to a total of £5.8bn, of which 69% was invested as at the end of March 2007. In the year we completed fund-raising for our latest mezzanine fund, the €2.25bn European Fund 2006. On the non-mezzanine Fund Management side we closed two new Collateralised Debt Obligations, increased the size of the Eurocredit Opportunities Fund and our Institutional Mandated Funds. The Fund Management business complements our Direct Investment business, ensuring that we have the resources to be selective and proactive in the transactions in which we choose to participate, while the fee income generated provides a stable and growing earnings base.

Excellent Results

Core income grew by £21m to £112m, an increase of 23%* driven by net interest income and a 40% growth in fee income. We achieved another record gain on investments, up 59% from last year at £197m. This was due to the high number of realisations of warrants and equity investments, as private equity sponsors took advantage of continued buoyancy in the market to realise profits by way of exits. After impairments, the Medium Term Incentive Scheme, and other expenses, pre-tax profits increased by 37% to £224m.

Increase in Dividends

Our objective remains to provide double-digit percentage increases in our dividend broadly in line with growth in core income. The Board is recommending a final dividend of 41.5p net per share to be paid on 27 July 2007 which, with the interim dividend of 16.5p net per share, brings the total for the year to 58.0p per share. This is an increase of 21% over the previous period calculated on an annualised basis, reflecting the percentage increase in core income.

The dividend will be paid to shareholders on the register on 6 July 2007.

Enhanced Capital Position

The Group continues to be well placed financially with a strong balance sheet. During the year the Group undertook a thorough review of its balance sheet in the light of favourable conditions in the credit market. As well as reducing the costs of our debt we wanted to ensure that our borrowing facilities are aligned with our strategy of geographic expansion and investing in a variety of subordinated investments. Furthermore we wanted sufficient flexibility to make opportunistic investments through a turn in the credit cycle. Our debt capacity has increased from £1.5bn to £2.0bn of which £1.2bn was drawn at year-end.

With gearing at 192% and, having amended the terms of our facilities, we believe we are very well placed to take advantage of adverse conditions in the debt market.

Board and Governance

In September 2006 Philip Keller was appointed to the Board as Finance Director. Prior to joining ICG Philip was Finance Director at ERM Holdings Ltd, one of the world's largest environmental consultancies during a period when it undertook two leveraged buyouts. This wealth of financial, business management and strategic planning experience has already made him a strong addition to our senior executive team.

In March 2007 we were pleased to announce the appointment of Jean-Daniel Camus as Non-Executive Director of the company. Jean-Daniel has more than 20 years experience in private equity. He was a founding partner of Orium, a proprietary investment firm, which he joined from LBO France, a pioneer of leveraged buyout investments. The Board believes that Jean-Daniel's extensive private equity experience will enable him to make an extremely valuable contribution to the work of the Board.

Eric Licoys and Peter Stone will retire at the AGM. I would like to thank them for their considerable and helpful contribution as Non-Executive Directors over the last nine years, a period of sustained growth.

The Board remains committed to maintaining the highest levels of governance and compliance. We are keenly aware of the need to ensure that our business is responsive to the needs of clients, investors, staff and the wider community.

This year's AGM will be held on 18 July 2007 at our offices at 20 Old Broad Street in London and I hope to have the opportunity to meet you there. If you miss it, we will be recording interviews for our website www.icgplc.com.

Motivated Employees

I would like to thank our employees for their hard work and commitment in helping to deliver another excellent set of results. In recognising the importance of the team we are constantly working hard to attract the highest quality people while maintaining an attractive working environment for the existing staff.

Outlook

I am very pleased to report that we have started the new financial year well. We have a strong and diversified portfolio of investments, selected to be robust in more difficult market conditions. In spite of this we are expecting prices and structures, driven by excess liquidity in debt markets, to get worse before they get better. We are experiencing higher levels of repayments as companies seek to replace mezzanine with cheaper debt. We do not see this trend reversing or slowing down in the short-term but are determined to maintain our credit discipline. Consequently it is possible that our balance sheet may fail to grow and even if it does grow, net interest income may fall as spreads continue to tighten. Our portfolio and cash reserves anticipate the volatility and opportunity that will result when the market turns. Although the market is increasingly competitive our network is still originating a number of investment opportunities which meet our rigorous credit standards.

We are a leading provider of intermediate capital in our chosen markets, and the fund manager of choice for our investors. We will invest in the necessary people and infrastructure to maximise value to our shareholders, investors and clients. We will continue to be innovative where appropriate, tailoring solutions to meet demand in changing markets. We expect our fund management business to show steady growth in income this year and beyond. We will maintain the efficiency of our balance sheet to give us greater flexibility and capacity whilst ensuring our investment strategy is driven by long-term value creation.

We believe we can do more in the next year and beyond by continuing to put our partnership approach, credit culture and bespoke tailoring at the heart of everything we do. We will continue to seek attractive opportunities to expand geographically, in our core markets and in our product offering, where they complement and enhance our existing businesses. Indeed we will shortly be opening an office in New York. We have a strong balance sheet. The permanent capital it provides will give us a considerable advantage over the competition when the market turns. We look forward to the future with confidence.

* The previous period's results were presented for a 14 month period. All comparative data is based upon the previous period on an annualised basis.

INTERMEDIATE CAPITAL GROUP PLC
CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2007

	Year ended 31 March 2007	Fourteen months ended 31 March 2006 annualised	Fourteen months ended 31 March 2006
	£m	£m	£m
Interest and dividend income	**196.8**	146.3	170.7
Gains on investments	**197.0**	124.2	144.9
Fee and other operating income	**33.3**	23.8	27.8
	427.1	294.3	343.4
Interest payable and other related financing costs	**(66.6)**	(45.2)	(52.7)
Impairment of assets	**(34.8)**	(23.4)	(27.3)
Administrative expenses	**(101.7)**	(62.8)	(73.3)
Profit before tax	**224.0**	162.9	190.1
Tax expense	**(80.6)**	(55.7)	(65.0)
Profit for the period attributable to the equity shareholders	**143.4**	107.2	125.1
Basic earnings per share	**204.6p**	153.7p	179.3p
Diluted earnings per share	**202.3p**	152.3p	178.3p

INTERMEDIATE CAPITAL GROUP PLC

ANALYSIS OF PROFIT BEFORE TAX
For the year ended 31 March 2007

	Year ended 31 March 2007	Fourteen months ended 31 March 2006 annualised	Fourteen months ended 31 March 2006
	£m	£m	£m
Income			
Interest and dividend income	**196.8**	146.3	170.7
Fee income	**33.3**	23.8	27.8
	230.1	170.1	198.5
Less: related expenses			
Interest payable and other related financing costs	**(66.6)**	(45.2)	(52.7)
Add back: net losses on derivatives held for hedging purposes	**8.2**	5.6	6.5
Administrative expenses – salaries and benefits	**(32.8)**	(17.0)	(19.8)
Operating expenses	**(14.1)**	(11.1)	(13.0)
Medium Term Incentive Scheme	**(12.8)**	(11.3)	(13.2)
Core Income	**112.0**	91.1	106.3
Gains on investments	**197.0**	124.2	144.9
Medium Term Incentive Scheme	**(42.0)**	(23.4)	(27.3)
Net gains on investments	**155.0**	100.8	117.6
Provisions against loans and investments	**(34.8)**	(23.4)	(27.3)
Net losses on derivatives held for hedging purposes *	**(8.2)**	(5.6)	(6.5)
Profit on ordinary activities before taxation	**224.0**	162.9	190.1

*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.

INTERMEDIATE CAPITAL GROUP PLC
CONSOLIDATED BALANCE SHEET
31 March 2007

	As at 31 March 2007 £m	As at 31 March 2006 £m
Non-current assets		
Property, plant and equipment	**2.9**	1.1
Financial assets: loans and investments	**1,749.9**	1,493.9
other derivatives	**15.3**	20.8
	1,768.1	1,515.8
Current assets		
Trade and other receivables	**13.3**	10.9
Financial assets: loans and investments	**14.0**	70.6
Cash and cash equivalents	**172.0**	52.4
	199.3	133.9
Total assets	**1,967.4**	1,649.7
Equity and reserves		
Called up share capital	**14.0**	14.0
Share premium account	**175.7**	174.5
Capital redemption reserve	**1.4**	1.4
Other reserves	**11.0**	6.4
Retained earnings	**399.5**	297.0
Equity shareholders' funds	**601.6**	493.3
Non current liabilities		
Financial liabilities	**1,137.0**	719.0
Deferred tax liabilities	**7.4**	16.8
	1,144.4	735.8
Current liabilities		
Trade and other payables	**112.7**	69.4
Financial liabilities	**73.6**	331.6
Liabilities for current tax	**35.1**	19.6
	221.4	420.6
Total liabilities	**1,365.8**	1,156.4
Total equity and liabilities	**1,967.4**	1,649.7

INTERMEDIATE CAPITAL GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2007

	Year ended 31 March 2007	Fourteen months ended 31 March 2006 annualised	Fourteen months ended 31 March 2006
	£m	£m	£m
Operating activities			
Interest and fee receipts	**180.2**	135.4	158.0
Dividends received	**6.7**	6.1	7.1
Gain on disposals	**206.5**	118.4	138.1
Interest payments	**(48.8)**	(34.8)	(40.6)
Cash payments to suppliers and employees	**(59.9)**	(41.8)	(48.8)
Proceeds from sale/(purchase) of current financial assets	**54.5**	(25.0)	(29.2)
Purchase of loans and investments	**(732.1)**	(563.4)	(657.3)
Proceeds from sale of loans and investments	**435.9**	349.6	407.9
Cash generated by operations	**43.0**	(55.5)	(64.8)
Taxes paid	**(74.0)**	(51.6)	(60.2)
Net cash used in operating activities	**(31.0)**	(107.1)	(125.0)
Investing activities			
Purchase of property, plant and equipment	**(2.2)**	(0.5)	(0.6)
Net cash used in investing activities	**(2.2)**	(0.5)	(0.6)
Financing activities			
Dividends paid	**(40.9)**	(25.2)	(29.4)
Increase in long-term borrowings	**207.2**	126.2	147.2
(Decrease)/increase in bank overdrafts	**(14.7)**	2.1	2.5
Proceeds on issue of shares	**1.2**	1.8	2.1
Net cash from financing activities	**152.8**	104.9	122.4
Net increase/ (decrease) in cash	**119.6**	(2.7)	(3.2)
Cash and cash equivalents at beginning of period	**52.4**	55.6	55.6
Cash and cash equivalents at end of period	**172.0**		52.4

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
For the year ended 31 March 2007

	Year ended 31 March 2007	Fourteen months ended 31 March 2006 annualised	Fourteen months ended 31 March 2006
	£m	£m	£m
Available for sale investments:			
Valuation gains taken to equity	**56.9**	20.1	23.5
Transferred to profit or loss on sale/disposal	**(53.4)**	(26.8)	(31.3)
Tax on items taken directly to or transferred from equity	**(0.4)**	1.9	2.2
Net income recognised directly in equity	**3.1**	(4.8)	(5.6)
Profit for the period	**143.4**	107.2	125.1
Total recognised income and expense for the period attributable to shareholders	**146.5**	102.4	119.5

The financial information set out in the announcement does not constitute the group's statutory accounts for the year ended 31 March 2007 or the period ended 31 March 2006. The financial information for the fourteen months ended 31 March 2006 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s237(2) or (3) Companies Act 1985. The statutory accounts for the year ended 31 March 2007 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies following the company's annual general meeting. The basis of preparation of the preliminary announcement is consistent with the accounting policies used in the Financial Statements in the prior and current year.

Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full Financial Statements that comply with IFRSs on 12 June 2007.

NOTE TO THE EDITORS

ICG's principal business is to arrange and provide mezzanine capital and invest in the equity of companies in Europe and the Asia Pacific Region. ICG has offices in London, Paris, Stockholm, Madrid, Sydney, Tokyo, Hong Kong and a representative office in Frankfurt. ICG also has a specialist fund management business relating to higher yielding European debt.

ICG makes mezzanine loans from both its own resources and from third party funds under its management. Mezzanine finance ranks in terms of risk and reward between bank debt and equity capital. In return for providing finance, ICG seeks a strong cash yield and an additional return related to the success of the investee company. Mezzanine finance has been principally used to finance management buyouts but is also used as acquisition and refinancing capital.

In the year ended 31 March 2007 ICG and funds managed by ICG invested in the following 31 companies:

Link Group are leading specialists in superannuation administration and share registry services in Australia. In January 2007 ICG arranged and provided mezzanine finance of AUD $70m to assist in the acquisition and refinance. ICG also invested AUD $15m in the equity.

Albingia is a specialist French insurance company. In November 2006 ICG invested €20m in the mezzanine finance provided to assist in the buyout. ICG also invested €1m in the equity.

Apem is a French company and is one of the world's largest manufacturers of professional switches and keyboards. In December 2006 ICG invested €9.5m in the mezzanine finance provided to assist in the buyout. ICG also invested €1.5m in the equity.

Attendo, a Swedish company, is a leading provider of elderly and disabled care services. In January 2007 ICG co-arranged a SEK 460m mezzanine facility to assist in the secondary buyout. ICG also invested SEK 90m in the equity.

BAA is the leading U.K. airport operator and the largest international airport operator in the world. In August 2006 ICG took a participation of £35.5m in the perpetual 'Toggle' facility arranged to assist in financing the acquisition. ICG invested a further amount of £22.2m in October 2006.

Bodybell is a Spanish retailer of cosmetics and perfumes. In December 2006 ICG arranged and provided mezzanine finance of €20m to assist in the recapitalisation. ICG also arranged the second lien facility.

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

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

Easycash is Germany's largest card payment network service provider. In November 2006 ICG arranged and provided mezzanine finance of €25m to assist in the buyout.

Elior, a French company, is a leading contract and concession caterer in Europe. In August 2006 ICG invested €16m in the equity required to take the company private. In October 2006 ICG also took a participation of €142m in the mezzanine finance.

Euroloc is a Spanish company that provides equipment and machinery for hire. In July 2006 ICG arranged and provided mezzanine finance of €30.5m to assist in a buyout. ICG also underwrote the senior debt and invested €6m in the equity.

Fraikin is France's largest independent truck rental company. In February 2007 ICG invested €66.4m in the mezzanine finance provided to assist the buyout. ICG also invested €9.7m in the equity.

Gerflor is a French company that holds the position as Europe’s No.2 PVC flooring manufacturer. In November 2006 ICG invested €30m in the mezzanine finance provided to assist in the tertiary buyout. ICG also invested €5m in the equity.

Groupe Moniteur is a leading French magazine group. In June 2006 ICG invested €48m in the mezzanine finance provided to support the secondary buyout. ICG also made an equity investment of €10m.

Loewenplay is the second largest gaming arcade operator in Germany. In January 2007 ICG took a participation of €15m to assist in the secondary buyout.

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

Materis is a French group of businesses in aluminates, mortars, paints, refractories and admixtures. In April 2006 ICG invested €85m in the mezzanine finance provided to assist in the secondary buyout.

Mayborn is a UK company that manufactures baby and household products. In October 2006 ICG took a participation of £12m in the mezzanine facility arranged to assist in the public to private acquisition.

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

Medi-Partenaires is a leading player in the French acute care private hospital sector. In March 2007 ICG invested €140m in the senior and junior mezzanine finance provided in support of the secondary buyout.

Mehilainen is a Finnish company providing private healthcare. In May 2006 ICG arranged and provided a €20m 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 €45m in the mezzanine loan arranged to assist in the tertiary buyout. ICG also invested €10m in the equity.

Motip Dupli, a Dutch 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 €25m to assist in the secondary buyout. ICG also invested €13m in the equity.

Orizonia is the leading vertically integrated tour operator in Spain. In July 2006 ICG provided mezzanine finance of €100m to assist in the buyout. ICG also invested €10m in the equity.

Sebia is a French manufacturer of medical diagnosis equipment. In September 2006 ICG invested €60m in the mezzanine finance provided to assist in the secondary buyout. ICG also invested €30m in the equity.

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

TDF is the leading broadcasting operator in France. In January 2007 ICG invested €10m in the equity provided for the secondary buyout.

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

Viadom is the leading French company in the home hairdressing market. In June 2006 ICG invested €22m in the mezzanine finance provided to assist in the secondary buyout. ICG also invested €3m 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 600m PIK preference note. ICG also took a participation of NOK 300m in the senior mezzanine and NOK 225m in the equity.

Vivarte is a leading French apparel and footwear retail specialist. In March 2007 ICG invested €10m in the equity provided for the secondary buyout.

In the same period ICG and funds managed by ICG arranged/participated in refinancings for the following 4 companies:

Duni refinanced in March 2007. ICG reduced its exposure by €11.4m.

Marken refinanced in March 2007. ICG increased its exposure by £7.5m.

Raet refinanced in January 2007. ICG rolled over its exposure.

Target refinanced in September. ICG increased its exposure by £7.5m.