First Half Results

For the six months ended 30 September 2016

Embargoed until 7:00am on 15 November 2016

Fundraising and capital deployment on track

Intermediate Capital Group plc (ICG) announces its first half results for the six months ended 30 September 2016.

Operational highlights

- Total AUM up 2% to €22.0bn, with €1.4bn of new money raised; third party fee earning AUM up 5% to €16.5bn
- Fundraising performance in line with expectations, driven by our real estate fund, ICG Longbow Fund IV, reaching its maximum £1bn size and strong momentum for our Strategic Secondaries fund
- Strong pipeline of opportunities to continue the growth of our fund management franchise
- Capital deployment on track in a competitive investment market
- Investment Company portfolio performance robust, net impairments at £23.8m (H1 2016: £18.1m), and unrealised capital gains remaining strong

Financial highlights

- Group profit before tax of £126.2m (H1 2016: £93.9m), driven by a strong period of capital gains.
- Adjusted Group profit before tax[1] was £133.0m (H1 2016: £88.1m)
- Fund Management Company profits up 17% to £34.0m (H1 2016: £29.0m), with third party fee income up 26%
- Investment Company profit is higher at £92.2m (H1 2016: £64.9m)
- Interim ordinary dividend up 4.2% to 7.5 pence per share in addition to the £200m special dividend paid in August 2016

Commenting on the results, Christophe Evain, CEO, said:

‘We have delivered a strong set of results for the first half of FY17. AUM is now at a record €22.0bn and both fundraising and capital deployment are on track. There has been strong investment performance across our strategies and we are delighted that our newer, smaller strategies are showing steady momentum.

‘ICG now has a more diversified business than at any point in our history. This is built on our expertise in understanding and valuing risks. We are highly experienced in both investing and managing investments in more volatile market conditions and we are well positioned to benefit from opportunities that arise. Current market conditions, not limited to the UK’s decision to leave the EU, are creating a positive trend favouring alternative asset classes, and sustained low interest rates are creating greater demand from investors for our funds’.

Commenting on the results, Kevin Parry, Chairman, said:

‘Following the series of special dividends and the re-gearing of the balance sheet, we are now delivering good returns for our shareholders. The Board has commenced a review to determine a progressive dividend policy that will better link our ordinary dividends to our robust business model.’

Financials

	Unaudited 6 months to 30 September 2016	Unaudited 6 months to 30 September 2015	Audited 12 months to 31 March 2016
Fund Management Company profit before tax	**£34.0m**	£29.0m	£61.2m
Investment Company profit before tax	**£92.2m**	£64.9m	£97.6m
Adjusted Investment Company profit before tax[1]	**£99.0m**	£59.1m	£114.4m
Adjusted Group profit before tax[1]	**£133.0m**	£88.1m	£175.6m
Group profit before tax	**£126.2m**	£93.9m	£158.8m
Adjusted earnings per share[1]	**39.8p**	22.2p	48.1p
Earnings per share	**37.4p**	24.2p	41.9p
Dividend per share	**7.5p**	7.2p	23.0p
Gearing	**1.01x**	0.80x	0.70x
Net debt	**£965.0m**	£803.7m	£753.7m
Net asset value per share[2]	**£3.81**	£3.71	£3.94

[1]As internally reported and excluding the impact of fair value movements on derivatives (H1 2017: £7.6m; FY16: £17.3m; H1 2016: £3.5m). Internally reported numbers exclude the impact of the consolidation of eleven credit funds following the adoption of IFRS 10.

[2]Net asset value per share has reduced as a result of the £200m (63.4 pence per share) special dividend paid in August 2016.

Assets under management

Third party assets under management	**€19,848m**	€17,822m	€19,312m
Investment portfolio	**€2,163m**	€2,362m	€2,270m
Total assets under management	**€22,011m**	€20,184m	€21,582m
Third party fee earning assets under management	**€16,537m**	€14,426m	€15,757m

The following foreign exchange rates have been used.

	30 September 2016 Average	30 September 2015 Average	31 March 2016 Average	**30 September 2016 Period end**	30 September 2015 Period end	31 March 2016 Period end
GBP:EUR	**1.2154**	1.3854	1.3624	**1.1549**	1.3544	1.2624
GBP:USD	**1.3608**	1.5412	1.5016	**1.2972**	1.5129	1.4374

Enquiries

A presentation for investors and analysts will be held at 09:30 GMT today at ICG's offices, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU. The presentation will also be streamed live at 09:30 GMT and be available on demand from 14:00 GMT at http://www.icgam.com/shareholders/Pages/shareholders.aspx.

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This Half Year Results statement may contain forward looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report and should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward looking information.

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This Half Year Results 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 €22.0bn of assets under management globally (as at 30 September, 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.

Business review

This has been another period of delivery against our strategic objectives as we continue to grow our specialist asset manager franchise. The highlights of the first half of the financial year have included:

- Fundraising (inflows) in line with expectations including momentum developed for newer strategies
- Weighted average fee rate unchanged
- Capital deployment on track in a competitive investment market
- Investment Company portfolio performing robustly. Currently little impact from wider macroeconomic uncertainty, with a healthy level of realisations and strong capital gains
- Interim dividend increased to 7.5 pence per share and ongoing capital management sees gearing within target range following £200m capital return to shareholders

Alternative asset market growing strongly

Alternative asset classes are attractive to institutional investors for their enhanced returns and diversification opportunities. The characteristics that have driven the growth in alternative asset classes in recent years remain unchanged in the first half of the financial year. The increasing wealth of developing nations, combined with ageing populations supports the trend of increasing the absolute size of institutional assets under management. At the same time, bond yields remain low thereby impacting the returns of traditional asset classes. Arguably, the current macroeconomic uncertainty, including but not limited to the UK's decision to leave the European Union in June (Brexit), may prolong and enhance the positive trend in favour of alternative asset classes.

The current fundraising environment is inevitably attracting new entrants into the alternative asset market. With increased competition, our established approach of focussing on capital preservation and yield across mid-market transactions in four strategic asset classes and identifying market opportunities to develop differentiated strategies is a competitive advantage. Furthermore, unlike new market entrants, we are increasingly of a size and scale that enables resource constrained investors to access our range of strategies through multi strategy mandates tailored to their individual requirements.

Fundraising momentum for newer strategies

At €1.4bn the pace of fundraising in the first half of the financial year was, as expected and previously indicated, lower than in prior periods. The pace of fundraising for our closed end funds, which represent 97% of our assets under management, is dependent on when our larger funds come to market. We are currently fundraising for our smaller and newer strategies whereas in the prior year fundraising was driven by our larger European funds. The period saw the successful closing of our real estate fund, ICG Longbow Fund IV, at its maximum size of £1.0bn, of which £146m was raised following the UK's EU referendum. This makes it 33% larger than its predecessor fund and of a similar size to the combined total previously raised for this strategy. The strategy continues to appeal to investors because of its focus on selectively investing into mid market assets across the UK, avoiding City of London office assets and those with cyclical cash flows.

Elsewhere, we have made good progress in raising our first Strategic Secondaries fund which is dedicated to the highly complex and structured part of the secondaries market. To date we have raised $347m, of which $180m was raised in the first half of the financial year. As one of our newer strategies, the success of this fund, with fees charged on committed capital, is contributing to our growing fund management profits. We have also seen increased interest in our liquid strategies following the arrival of Zak Summerscale to lead this business in June 2016. We are cautiously optimistic that we will be able to convert investor interest into investor commitments over the coming months, thereby increasing the profitability of this scalable strategy.

Capital deployment on track in a competitive investment market

Our increasing number of strategies means that we operate in a diversified investment market. However, across all of our strategies we have seen the investment market remain competitive as institutions seek to deploy the increasing amounts of capital raised, combined with the attractiveness of the returns offered by private capital.

In this environment, the competitive advantage gained from our local teams, sector specialisms and ability to deploy capital flexibly comes to the fore and has helped us to source attractive deals whilst maintaining our investment discipline. In Asia, the slowdown in China has made us particularly cautious when selecting deals resulting in a slower than planned investment pace. Elsewhere, we are pleased to have maintained the pace of investment across our direct investment funds in the first half of the financial year and have a strong pipeline of investment opportunities for the second half. As a result we are confident that each of our funds will deploy their available capital during their investment period.

Investment Company portfolio performing robustly

Liquidity in the market has also contributed to a period of healthy realisations from the Investment Company's mezzanine portfolio. Furthermore, as previously indicated, the period saw strong capital gains, in part from the disposal of the Group's remaining investment in AAS Link, and in part due to healthy unrealised gains arising from the period end mark to market review. Whilst we expect the current pace of realisations to continue into the second half of the financial year, the overall level of capital gains recognised in the income statement is likely to be lower.

It remains too early to determine the impact, if any, of Brexit on our portfolio. At present the performance of the Investment Company's mezzanine portfolio remains robust, with only a small number of assets underperforming. By number, 75% of our portfolio companies (80% on a weighted average value basis) are recording EBITDA above or at the same level as the previous year, a post 2009 record. Net impairments of £23.8m in the first half of the financial year are marginally higher than the comparative period, but remain in line with the long term average of 2.5% of the opening Investment Company portfolio.

Interim dividend increased and ongoing capital management

The Board recommends an interim dividend of 7.5p, an increase of 4.2% on the prior year interim dividend. The dividend will be paid on 9 January 2017 to shareholders on the register on 2 December 2016. Following approval at the AGM, a special dividend of £200m, with an associated share consolidation, was paid in August 2016 resulting in the Board meeting the gearing and return on equity targets set out in May 2014.

We continue to actively manage our sources of balance sheet financing to ensure we have access to sufficient cash and debt facilities. During the first half of the financial year, $292m and €74m of US private placements were raised with five, eight and 10 year maturities. Following this debt raising, the weighted average life of drawn debt at 30 September was 3.6 years with a weighted average cost of 3.7%.

Outlook

There remains significant potential to expand our portfolio of strategies and thereby further grow our fund management franchise. Our balance sheet is a facilitator of this organic growth as we use our capital to demonstrate proof of concept and seed new funds. At present we see plenty of opportunities to expand existing strategies into new geographies and add complementary strategies to the portfolio. We will further update the market on these initiatives at the appropriate time.

The current pace of fundraising is expected to continue for the remainder of the financial year as we continue raising money for our newer strategies. Our continued ability to access attractive investment opportunities means that some of our more established strategies are investing well and could be back fundraising during the next financial year.

ICG now has a more diversified business than at any point in our history. As such, we are well placed to manage, and indeed take advantage of opportunities arising from the attractiveness of the alternative asset market, as well as the uncertainties arising from the UK's vote to leave the European Union. We have a long established, substantial presence in Europe operating through existing subsidiaries and will maintain multiple options for new fund licences to ensure access to EU and non EU clients. However, we do not anticipate the need for any significant organisational change and have no intention of moving our UK operations.

Overall, we remain committed to generating strong returns for our shareholders by continuing to focus on return on equity through growth whilst maintaining gearing within our target range of 0.8-1.2x. In light of the ongoing progress to grow and diversify the business, the Board has begun a review of the dividend policy and will provide a further update with the full year results.

Finance and operating review

The financial statements include the impact of those credit funds and CLOs required to be consolidated under IFRS 10. Internally reported information excludes these items.

A reconciliation between the internally reported management information and the financial statements is shown below with more detail in note 3 on page 37.

	30 September 2016 Internally reported £m	**30 September 2016 Consolidate structured entities and joint venture £m**	**30 September 2016 Financial statements £m**	30 September 2015 Internally reported £m	30 September 2015 Consolidate structured entities and joint venture £m	30 September 2015 Restated Financial statements £m
Income Statement						
Revenue	**264.6**	**34.3**	**298.9**	203.2	25.5	228.7
Profit before tax	**125.4**	**0.8**	**126.2**	84.6	9.3	93.9
Statement of financial position						
Total assets	**2,547.7**	**3,002.5**	**5,550.2**	2,269.4	1,699.8	3,969.2
Total equity and liabilities	**2,547.7**	**3,002.5**	**5,550.2**	2,269.4	1,699.8	3,969.2

The information in this review is presented on an internally reported basis and excludes the impact of these adjustments.

Overview

The Group's profit before tax for the period was up 48% at £125.4m (H1 2016: £84.6m), with FMC profit of £34.0m and IC profit of £91.4m. We continue to make operational progress in developing our fund management franchise, with new strategies contributing to the growth in FMC profit. IC profits are up compared to the first half of the prior year due to a strong period of capital gains.

	6 months to 30 September 2016			6 months to 30 September 2015		
Income Statement	**Internally reported unadjusted £m**	**Fair value charge on derivatives £m**	**Internally reported adjusted £m**	Internally reported unadjusted £m	Fair value charge on derivatives £m	Internally reported adjusted £m
Fund Management Company	**34.0**	**-**	**34.0**	29.0	-	29.0
Investment Company	**91.4**	**7.6**	**99.0**	55.6	3.5	59.1
Profit before tax	**125.4**	**7.6**	**133.0**	84.6	3.5	88.1
Tax	**(16.6)**	**-**	**(16.6)**	(11.1)	-	(11.1)
Profit after tax	**108.8**	**7.6**	**116.4**	73.5	3.5	77.0

The adjusted profit of the IC and Group in the above table excludes the impact of the fair value charge on hedging derivatives of £7.6m (H1 2016: £3.5m). Throughout this review all numbers are presented excluding this adjusting item, unless otherwise stated. The effective tax rate for the period is 12% (H1 2016: 13%). The tax rate is lower than the standard corporation tax rate of 20%. This is principally due to the impact of differences in overseas tax rates where we invest directly into funds which are based offshore.

Based on the adjusted profit above, the Group generated an ROE of 20.8% (H1 2016: 12.1%), an increase on prior period reflecting lower shareholder funds following the £200m special dividend paid in August and strong capital gains. As expected, capital gains have benefitted from the one off recycling of £48.4m of realised gains from reserves, primarily on the disposal of the remainder of AAS Link, and a healthy level of unrealised capital gains arising from the period end mark to market review. The recycling of realised gains from reserves is an accounting treatment for unrealised gains on pre 2011 equity assets recognised in prior years through reserves. As such the ROE for the first half of the financial year should not be seen as indicative of the full year performance and longer term trend. Adjusted earnings per share for the period were 39.8p (H1 2016: 22.2p).

Net current assets of £403.4m are up from £229.8m at 31 March 2016 due to a higher cash balance. In early October, £206m of cash was used to settle non current debt liabilities reducing net current assets to 31 March 2016 levels.

Fund Management Company

In this review we have, for the first time, aligned the presentation of financial information with the four strategic asset classes in which we operate - corporate investments, capital markets, real assets and secondaries – to simplify and enhance the understanding of our financial performance. The principal difference between this classification and that previously adopted is that the Senior Debt Partners strategy falls within the corporate investment asset class whereas all other funds previously reported as credit funds fall within the capital markets asset class. A reconciliation between the two presentations can be found on page 49 of this statement.

Assets under management

A key measure of the success of our strategy to generate value from our fund management business is our ability to grow assets under management. New AUM (inflows) is our best lead indicator to sustainable future fee streams and therefore increasing sustainable profits.

After two years that have benefitted from fundraising our larger European funds, the pace of fundraising has been, as expected and previously indicated, slower with new AUM of €1,405m raised in the first half of the financial year. This is due to the funds currently in fundraising being smaller and strategies newer than those of the last two years.

In the six month period to 30 September 2016, the net impact of fundraising and realisations saw third party AUM increased 3% to €19.8bn. AUM by strategic asset class is detailed below, where all figures are quoted in €m.

Third party AUM by strategic asset class	Corporate Investments €m	Capital Markets €m	Real Assets €m	Secondaries €m	Total Third Party AUM €m
At 1 April 2016	10,431	4,637	3,305	939	19,312
Additions	137	761	345	162	1,405
Realisations	(442)	(81)	(10)	-	(533)
FX and other	(13)	-	(300)	(23)	(336)
At 30 September 2016	**10,113**	**5,317**	**3,340**	**1,078**	**19,848**
Change %	(3%)	15%	1%	15%	3%

Corporate Investments

Corporate Investments third party funds under management have decreased 3% to €10.1bn in the period as new AUM of €137m was outstripped by the run off of our older funds. As previously noted, fundraising for our third Asia Pacific fund has been slower than anticipated as alternative asset allocations to the Asian market remain small and the slowdown in growth in China has had a real impact on the region. Since 30 September we have closed the fund below its target size, at €615m ($691m), including a $200m commitment from the balance sheet and €12m ($13m) of third party money raised during the first half of the financial year. Elsewhere, we raised €125m from segregated mandates into our Senior Debt Partners strategy.

Capital Markets

Capital Markets third party funds under management have increased 15% to €5.3bn, with new third party AUM of €761m raised in the period, primarily from our CLO programme. During the first half of the financial year we closed two CLOs, one in Europe and one in the US, raising a total €772m, including €42m committed from the balance sheet. We expect to price further CLOs, market conditions permitting, during the current financial year thereby further increasing the operating leverage of this strategy.

Real Assets

Real Assets third party funds under management have increased 1% to €3.3bn, with new AUM of €345m (£275m) raised in the period for our UK real estate fund, ICG Longbow Fund IV. The additional money raised in the current year has contributed to the fund reaching its maximum size of £1.0bn, including a £50m commitment from the balance sheet, making it the second successive UK real estate fund to reach that milestone.

Secondaries

Secondaries third party funds under management have increased 15% to €1.1bn, with new AUM of €162m ($183m) raised in the period for our Strategic Secondaries strategy. A further close is expected shortly and there is a good pipeline of investors which would take the Fund to its target size of $1bn, including a $200m commitment from the balance sheet.

Fee earning AUM

The investment rate for our Senior Debt Partners strategy, our Real Estate funds and our North American Private Debt Fund has a direct impact on FMC income as fees are charged on an invested capital basis. The total amount of third party capital deployed on behalf of the direct investment funds was £1.3bn in the period compared to £1.4bn in the first half of the last financial year. In addition, our Investment Company invested a total of £178m in the period, compared to £154m in the comparative period. The direct investment funds are investing as follows:

Strategic asset class	Fund	% invested at 30 September 2016	% invested at 31 March 2016	Assets in fund at 30 September 2016	Deals completed in period
Corporate Investments	ICG Europe Fund VI	29%	10%	7	4
Corporate Investments	North American Private Debt Fund	53%	46%	10	3
Corporate Investments	Senior Debt Partners II	45%	31%	18	4
Corporate Investments	Asia Pacific Fund III	29%	27%	3	0
Real Assets	ICG Longbow Real Estate Fund IV	59%	42%	20	3
Secondaries	Strategic Secondaries	51%	20%	3	1

% invested is based on third party funds raised at 30 September 2016.

The investment pace of our direct investment funds has resulted in fee earning AUM increasing 5% to €16.5bn since 1 April 2016 as detailed below.

Third party fee earning AUM bridge	Corporate Investments €m	Capital Markets €m	Real Assets €m	Secondaries €m	Total Third Party AUM €m
At 1 April 2016	7,891	4,637	2,521	708	15,757
Additions	745	761	275	162	1,943
Realisations	(843)	(81)	(11)	-	(935)
FX and other	(13)	(1)	(228)	14	(228)
At 30 September 2016	**7,780**	**5,316**	**2,557**	**884**	**16,537**

Fee income

Third party fee income of £62.9m was 26% higher than the prior year driven by the investment of those funds that charge fees on invested capital, fees from our recently established secondaries business and the CLO issuance programme. Details of movements are shown below:

Fee income	**6 months to 30 September 2016 £m**	6 months to 30 September 2015 £m	Change %
Corporate Investments	**36.0**	33.1	9%
Capital Markets	**11.3**	8.4	35%
Real Assets	**10.5**	7.9	33%
Secondaries	**5.1**	0.5	n/a
Total third party funds	**62.9**	49.9	26%
IC management fee	**9.2**	9.1	1%
Total	**72.1**	59.0	22%

Corporate investments third party fees include £4.1m of performance fees (H1 2016: £6.4m) as the realisation of assets from older vintages helped trigger the performance hurdles. Performance fees are an integral recurring part of the fee income profile and profitability stream of the Group.

Third party fees are 73% denominated in Euros or US Dollars. However, the impact of the devaluation of Sterling in recent months will only be fully felt in the next financial year when the current hedges roll off. The Group's policy is to hedge non Sterling fee income, to the extent that it is not matched by costs and is predictable. Total fee income included a £2.5m FX benefit in the period.

The weighted average fee rate, excluding performance fees, across our fee earning AUM at 0.88% is the same as the prior year.

Dividend income

Dividend income of £11.6m (H1 2016: £9.3m) reflects the increased number and improved performance of our US CLOs.

Operating expenses

Operating expenses of the FMC were £49.5m (H1 2016: £39.1m), including salaries and incentive scheme costs. The devaluation of Sterling has had a more immediate impact on the cost base where 12% of costs are Euro denominated and 16% US dollar denominated. Costs are £1.3m higher in the period due to FX.

Salaries were £19.1m (H1 2016: £14.2m) as average headcount increased 15% from 205 to 236. This increase is directly related to investing in our capital markets strategy, the ICG Enterprise Trust team and our operations infrastructure. Other administrative costs have increased to £15.9m (H1 2016: £13.1m) as a result of increased occupancy and IT costs in the current year and a one off reduction in placement fees recognised in the prior period.

The FMC operating margin was 40.7% down from 41.9% in the prior year, reflecting the increased operating costs detailed above.

Investment Company

Balance sheet investments

The balance sheet investment portfolio increased 4% in the period to £1,873m at 30 September 2016, as illustrated in the investment portfolio bridge below:

Balance Sheet Portfolio Bridge	£m
At 1 April 2016	1,798
New and follow on investments	178
Accrued interest income	40
Realisations	(335)
Impairments	(24)
Fair value gains	75
FX and other	141
At 30 September 2016	**1,873**

Realisations comprise the return of £169.2m of principal, the crystallisation of £4.5m of rolled up interest and £161.5m of realised capital gains.

In the period £125.8m was invested alongside our corporate investment strategies for new and follow on investments. Of the remaining £52.4m, £31.4m was invested in CLOs in accordance with regulatory requirements and £20.1m in our new strategic secondaries strategy.

The Sterling value of the portfolio increased by £141.9m due to foreign exchange movements. The portfolio is 48% Euro denominated and 28% US dollar denominated. Sterling denominated assets account only for 14% of the portfolio. The Group minimises foreign exchange impact of non sterling assets through non sterling liabilities and derivative transactions. An analysis of the portfolio by instrument is outlined below:

Balance Sheet Portfolio	As at 30 September 2016 £m	% of total	As at 31 March 2016 £m	% of total
Senior mezzanine and senior debt	**416**	**22%**	386	21%
Junior mezzanine	**201**	**11%**	182	10%
Interest bearing equity	**119**	**6%**	115	6%
Non interest bearing equity	**427**	**23%**	531	30%
Co-investment portfolio	**1,163**	**62%**	1,214	67%
Investment in equity funds	**143**	**8%**	104	6%
Investment in credit funds	**264**	**14%**	225	13%
Investment in CLOs	**177**	**9%**	131	7%
Investment in real estate funds	**126**	**7%**	124	7%
Total balance sheet portfolio	**1,873**	**100%**	1,798	100%

Current assets held on the balance sheet at 30 September 2016 will be transferred to third party funds once their fundraising is complete. The use of the balance sheet in this way enables our investment teams to continue to source attractive deals whilst a fund is being raised, and in turn facilitates the fundraising as potential investors can see the types of assets they will be investing in. At 30 September 2016, 48% of these assets were held for syndication into our Asia Pacific Fund once fundraising is completed.

Investment income

Investment income of £190.1m represents the total income earned from the balance sheet portfolio in the period, analysed as follows:

Investment income	6 months to 30 September 2016 £m	6 months to 30 September 2015 £m	Change %
Interest income	**60.0**	71.1	(16%)
Dividend and other income	**4.6**	10.4	(56%)
Capital gains	**125.5**	62.5	101%
	190.1	144.0	32%

Interest income was below the prior period due to a 6% reduction in the average interest bearing loan book and a £5.5m reduction in interest from current assets. Cash interest income has increased to 35% (H1 2016: 32%) of the total as the growing US mezzanine portfolio is weighted towards cash pay interest.

Dividend income is received from our real estate and senior debt funds. The prior year included a dividend from our secondaries investment in Diamond Castle.

Capital gains were, as expected, strong in the first half of the financial year as the income statement benefited from the recycling of £48.4m of capital gains from reserves on realisation of the underlying assets. Of this, £26.4m related to the sale of the remaining holding in AAS Link following its IPO in 2015. In addition, the valuation of the portfolio as at 30 September 2016 benefitted from the strength in global stock markets and the improved performance across a large number of portfolio assets over the last six months.

Net realised capital gains in the period were £161.2m (H1 2016: £21.5m), of which £106.5m (H1 2016: £11.7m) had previously been recognised as unrealised gains in the P&L with the remaining £54.7m (H1 2016: £9.8m) recognised in the current period. Fair valuing the equity and warrants gave rise to a further £65.5m (H1 2016: £60.4m) of unrealised gains in the current period. Of this, £70.8m (H1 2016: £52.7m) is recognised in the income statement and a £5.3m unrealised loss in reserves (H1 2016: £7.7m unrealised gain).

Interest expense

Interest expense of £24.4m was £1.7m higher than the prior period (H1 2016: £22.7m), principally due to the FX impact of interest paid on non Sterling borrowings.

Operating expenses
Operating expenses of the IC amounted to £33.7m (H1 2016: £28.0m), of which incentive scheme costs of £22.9m (H1 2016: £19.1m) were the largest component. The £3.8m increase is due to the cost of balance sheet carry increasing following the healthy level of realisations in the period. Other staff and administrative costs were £10.8m compared to £8.9m in the first half of last year, a £1.9m increase. This increase is due to an increase in business development costs, of which the largest component is the amortisation on the ICG Enterprise Trust management contract.

Impairments
During the period we took asset specific impairments against our weaker assets of £23.8m compared to £18.1m in the first half of the last financial year, with no write backs in either period. Subject to the impact of macroeconomic uncertainty on the portfolio, current performance would indicate that net impairments for the full year will be broadly in line with our long term average of 2.5% of the opening Investment Company portfolio.

Group cash flow, debt and capital position

The Group has continued to actively manage its sources of financing, extending debt facilities and lowering pricing where possible. During the first half of the financial year, $292m and €74m of US private placements were raised with five, eight and 10 year maturities. Following this debt raising, the weighted average life of total debt at 30 September was 3.6 years with a weighted average cost of 3.7%, in line with 31 March 2016.

The balance sheet remains strong, with £802.1m of available cash and debt facilities at 30 September 2016. The movement in the Group's unutilised cash and debt facilities during the period is detailed as follows:

Headroom bridge	£m
At 1 April 2016	781.3
New bank facilities available	100.0
Bank facilities matured	(150.0)
New Private Placement notes issued	225.1
Movement in cash	6.4
Movement in drawn debt	(217.7)
FX and other	57.0
At 30 September 2016	**802.1**

Total drawn debt at 30 September 2016 was £1,290m compared to £866m at 31 March 2016, with unencumbered cash of £325m compared to £112m at 31 March 2016. The Group's gearing calculation excludes £206m of drawn credit facilities which were repaid in early October, but were in the process of being settled on 30 September 2016.

Cashflow
Operating cash inflow for the period of £272.7m (H1 2016: £21.1m outflow) was higher than the prior period due to a strong period of realisations, including the Group's largest asset Parkeon.

Operating cash flow statement	6 months to 30 September 2016 £m	6 months to 30 September 2015 £m
Cash in from realisations	302.9	166.4
Cash in from dividends	39.2	24.4
Cash in from fees	70.1	34.0
Cash in from cash interest	25.7	47.2
Total cash inflow	437.9	272.0
Cash interest paid	(20.8)	(24.5)
Cash paid to purchase loans and investments	(178.2)	(153.9)
Cash movement in assets held for syndication	99.6	(37.0)
Operating expenses paid	(65.8)	(77.7)
Total cash outflow	(165.2)	(293.1)
Net cash generated from / (used in) operating activities, before taxes	272.7	(21.1)

Capital position

Shareholders' funds decreased by £172.7m to £1,068.5m (31 March 2016: £1,241.2m) in the period as £200m was returned to shareholders by means of a special dividend, in addition to the final ordinary dividend of £50m. Total debt to shareholders' funds (gearing) as at 30 September 2016 increased to 1.01x from 0.70x at 31 March 2016.

Responsibility Statement

We confirm to the best of our knowledge:

- The condensed set of financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting';

- The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

- The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

This responsibility statement was approved by the Board of Directors on 14 November 2016 and is signed on its behalf by:

Christophe Evain	Philip Keller
CEO	CFO

Consolidated Income Statement

For the six months ended 30 September 2016

	Six months ended 30 September 2016 (Unaudited) £m	Six months ended 30 September 2015 (Unaudited) £m	Year ended 31 March 2016 (Audited) £m
Finance and dividend income	**125.4**	89.6	207.3
Gains on investments	**113.9**	91.0	137.7
Fee and other operating income	**59.6**	48.1	104.3
Total revenue	**298.9**	228.7	449.3
Finance costs	**(69.1)**	(49.9)	(121.9)
Impairments	**(13.3)**	(9.8)	(8.9)
Administrative expenses	**(90.4)**	(67.9)	(141.9)
Share of results of joint ventures accounted for using equity method	**0.1**	(0.2)	-
Change in deferred consideration estimate	**-**	(7.0)	(17.8)
Profit before tax	**126.2**	93.9	158.8
Tax charge	**(16.6)**	(11.1)	(20.2)
Profit for the period	**109.6**	82.8	138.6
Attributable to:			
Equity holders of the parent	**109.3**	83.9	138.6
Non controlling interests	**0.3**	(1.1)	-
	109.6	82.8	138.6
Earnings per share	**37.4p**	24.2p	41.9p
Diluted earnings per share	**37.4p**	24.2p	41.9p

All activities represent continuing operations.

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2016

	Six months ended 30 September 2016 (Unaudited) £m	Six months ended 30 September 2015 (Unaudited) £m	Year ended 31 March 2016 (Audited) £m
Profit for the period	**109.6**	82.8	138.6
Available for sale assets that will not be reclassified subsequently to profit or loss			
Reclassification of gains recycled to profit	**(45.5)**	(5.0)	(18.0)
Items that may be reclassified subsequently to profit or loss			
(Loss)/gain arising in the period on available for sale assets	**(2.9)**	7.3	42.6
Exchange differences on translation of foreign operations	**18.2**	(0.8)	9.5
	(30.2)	1.5	34.1
Tax on items taken directly to or transferred from equity	**8.9**	(1.0)	(2.4)
Other comprehensive (expense)/income for the period	**(21.3)**	0.5	31.7
Total comprehensive income for the period	**88.3**	83.3	170.3

Consolidated Statement of Financial Position

As at 30 September 2016	**30 September 2016 (Unaudited) £m**	30 September 2015 (Unaudited) £m	31 March 2016 (Audited) £m
Non current assets			
Intangible assets	**22.1**	6.1	23.6
Property, plant and equipment	**8.1**	7.4	8.1
Financial assets: loans, investments and warrants	**4,552.1**	3,341.9	3,715.9
Deferred tax asset	**0.3**	0.4	0.4
Derivative financial assets	**6.4**	13.1	3.3
	4,589.0	3,368.9	3,751.3
Current assets			
Trade and other receivables	**158.8**	100.2	216.4
Financial assets: loans and investments	**150.3**	273.6	182.6
Derivative financial assets	**48.9**	7.2	28.3
Current tax debtor	**6.9**	1.2	15.1
Cash and cash equivalents	**596.3**	218.1	182.5
	961.2	600.3	624.9
Total assets	**5,550.2**	3,969.2	4,376.2
Equity and reserves			
Called up share capital	**77.0**	77.0	77.0
Share premium account	**178.2**	677.2	177.6
Capital redemption reserve	**5.0**	5.0	5.0
Own shares reserve	**(82.1)**	(77.0)	(77.0)
Other reserves	**55.7**	65.9	95.5
Retained earnings	**834.7**	419.6	963.1
Equity attributable to owners of the Company	**1,068.5**	1,167.7	1,241.2
Non controlling interest	**0.8**	1.0	0.9
Total equity	**1,069.3**	1,168.7	1,242.1
Non current liabilities			
Provisions	**1.6**	2.3	2.0
Financial liabilities	**3,997.1**	2,502.8	2,674.2
Derivative financial liabilities	**48.2**	13.2	31.6
Deferred tax liabilities	**40.7**	41.5	51.0
	4,087.6	2,559.8	2,758.8
Current liabilities			
Provisions	**0.7**	0.7	0.7
Trade and other payables	**263.8**	189.3	233.4
Financial liabilities	**88.3**	38.2	106.6
Current tax creditor	**9.3**	2.1	5.1
Derivative financial liabilities	**31.2**	10.4	29.5
	393.3	240.7	375.3
Total liabilities	**4,480.9**	2,800.5	3,134.1
Total equity and liabilities	**5,550.2**	3,969.2	4,376.2

Consolidated Statement of Cash Flows

For the six months ended 30 September 2016	**Six months ended 30 September 2016 (Unaudited) £m**	Six months ended 30 September 2015 (Unaudited) £m	Year ended 31 March 2016 (Audited) £m
Operating activities			
Interest received	**82.5**	83.1	206.3
Fees received	**68.4**	31.6	77.9
Dividends received	**32.5**	16.5	28.4
Interest paid	**(60.2)**	(48.1)	(95.3)
Payments to suppliers and employees	**(78.9)**	(78.0)	(141.2)
Net proceeds/(purchase) from sale of current financial assets	**99.6**	(37.0)	(35.8)
Purchase of loans and investments	**(1,128.5)**	(686.0)	(1,378.3)
Recoveries on previously impaired assets	**-**	-	1.7
Proceeds from sale of loans and investments – principal	**666.9**	536.6	1,034.1
Proceeds from sale of loans and investments – gains on investments	**161.5**	12.2	66.6
Cash used in operations	**(156.2)**	(169.1)	(235.6)
Taxes (paid)/received	**(4.9)**	8.6	(3.9)
Net cash used in operating activities	**(161.1)**	(160.5)	(239.5)
Investing activities			
Purchase of property, plant and equipment	**(1.4)**	(2.1)	(4.2)
Purchase of intangible asset	**-**	-	(18.3)
Purchase of remaining 49% of Longbow Real Estate Capital LLP	**(41.7)**	-	-
Loss of control of subsidiary	**-**	(9.2)	(9.1)
Net cash used in investing activities	**(43.1)**	(11.3)	(31.6)
Financing activities			
Dividends paid	**(249.9)**	(355.5)	(378.2)
Increase in long term borrowings	**1,032.9**	415.4	679.1
Repayment of long term borrowings	**(48.3)**	(59.8)	(183.1)
Net cash (outflow)/inflow from derivative contracts	**(114.8)**	25.5	(40.5)
Net purchase of own shares	**(23.6)**	(27.5)	(27.4)
Proceeds on issue of shares	**0.6**	2.9	3.4
Net cash generated from financing activities	**596.9**	1.0	53.3
Net increase/(decrease) in cash	**392.7**	(170.8)	(217.8)
Cash and cash equivalents at beginning of period	**182.5**	391.9	391.9
Effect of foreign exchange rate changes	**21.1**	(3.0)	8.4
Net cash and cash equivalents at end of period	**596.3**	218.1	182.5
Presented on the statement of financial position as:			
Cash and cash equivalents	**596.3**	218.1	182.5

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2016

(Unaudited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share based payments reserve £m	Available for sale reserve £m	Own shares £m	Retained earnings £m	Total £m	Non controlling interest £m	Total equity £m
Balance at 1 April 2016	77.0	177.6	5.0	43.6	51.9	(77.0)	963.1	1,241.2	0.9	1,242.1
Profit for the period	-	-	-	-	-	-	109.3	109.3	0.3	109.6
Available for sale financial assets	-	-	-	-	(48.4)	-	-	(48.4)	-	(48.4)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	18.2	18.2	-	18.2
Tax on items taken directly to or transferred from equity	-	-	-	-	8.9	-		8.9	-	8.9
Total comprehensive income for the period	-	-	-	-	(39.5)	-	127.5	88.0	0.3	88.3
Movement in control of subsidiary	-	-	-	-	-	-	0.4	0.4	(0.4)	-
Own shares acquired in the period	-	-	-	-	-	(23.6)	-	(23.6)	-	(23.6)
Options/awards exercised	-	0.6	-	(12.1)	-	18.5	(6.4)	0.6	-	0.6
Credit for equity settled share schemes	-	-	-	11.8	-	-	-	11.8	-	11.8
Dividends paid	-	-	-	-	-	-	(249.9)	(249.9)	-	(249.9)
Balance at 30 September 2016	77.0	178.2	5.0	43.3	12.4	(82.1)	834.7	1,068.5	0.8	1,069.3

For the six months ended 30 September 2015

(Unaudited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share based payments reserve £m	Available for sale reserve £m	Own shares £m	Retained earnings £m	Total £m	Non controlling interest £m	Total equity £m
Balance at 1 April 2015	80.6	674.3	1.4	45.8	32.5	(162.0)	783.8	1,456.4	2.2	1,458.6
Profit for the period	-	-	-	-	-	-	83.9	83.9	(1.1)	82.8
Available for sale financial assets	-	-	-	-	2.3	-	-	2.3	-	2.3
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(0.7)	(0.7)	(0.1)	(0.8)
Tax on items taken directly to or transferred from equity	-	-	-	-	(1.0)	-	-	(1.0)	-	(1.0)
Total comprehensive income for the period	-	-	-	-	1.3	-	83.2	84.5	(1.2)	83.3
Loss of control of subsidiary	-	-	-	-	-	-	(14.7)	(14.7)	-	(14.7)
Movement in control of subsidiary	-	-	-	-	-	-	10.2	10.2	-	10.2
Own shares acquired in the period	-	-	-	-	-	(24.7)	-	(24.7)	-	(24.7)
Options/awards exercised	-	2.9	-	(22.3)	-	30.4	(8.1)	2.9	-	2.9
Credit for equity settled share schemes	-	-	-	8.6	-	-	-	8.6	-	8.6
Cancellation of shares	(3.6)	-	3.6	-	-	79.3	(79.3)	-	-	-
Dividends paid	-	-	-	-	-	-	(355.5)	(355.5)	-	(355.5)
Balance at 30 September 2015	77.0	677.2	5.0	32.1	33.8	(77.0)	419.6	1,167.7	1.0	1,168.7

Consolidated Statement of Changes in Equity

For the year ended 31 March 2016

(Audited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share based payments reserve £m	Available for sale reserve £m	Own shares £m	Retained earnings £m	Total £m	Non controlling interest £m	Total equity £m
Balance at 1 April 2015	80.6	674.3	1.4	45.8	32.5	(162.0)	783.8	1,456.4	2.2	1,458.6
Profit for the year	-	-	-	-	-	-	138.6	138.6	-	138.6
Available for sale financial assets	-	-	-	-	24.6	-	-	24.6	-	24.6
Exchange differences on translation of foreign operations	-	-	-	-	-	-	9.5	9.5	-	9.5
Tax on items taken directly to or transferred from equity	-	-	-	2.8	(5.2)	-	-	(2.4)	-	(2.4)
Total comprehensive income for the year	-	-	-	2.8	19.4	-	148.1	170.3	-	170.3
Loss of control of subsidiary	-	-	-	-	-	-	(13.4)	(13.4)	(1.3)	(14.7)
Movement in control of subsidiary	-	-	-	-	-	-	10.2	10.2	-	10.2
Own shares acquired in the year	-	-	-	-	-	(24.7)	-	(24.7)	-	(24.7)
Options/awards exercised	-	3.3	-	(22.3)	-	30.4	(8.1)	3.3	-	3.3
Credit for equity settled share schemes	-	-	-	17.3	-	-	-	17.3	-	17.3
Reduction in share premium	-	(500.0)	-	-	-	-	500.0	-	-	-
Cancellation of shares	(3.6)	-	3.6	-	-	79.3	(79.3)	-	-	-
Dividends paid	-	-	-	-	-	-	(378.2)	(378.2)	-	(378.2)
Balance at 31 March 2016	77.0	177.6	5.0	43.6	51.9	(77.0)	963.1	1,241.2	0.9	1,242.1

The adjustment of £13.4m to retained earnings on loss of control of the subsidiary ICG European Loan Fund in the first half of the prior year relates to the reclassification of liabilities of a consolidated structured entity which had been incorrectly recorded in reserves. The correction of this item has no impact on the income statement in the prior year, or the internally reported numbers in that year.

Notes to the Half Year Report

For the six months ended 30 September 2016

1. Basis of preparation

(i) Basis of preparation

The condensed set of financial statements included in this half year financial report have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union, and on the basis of the accounting policies and methods of computation set out in the consolidated financial statements of the Group for the year ended 31 March 2016.

While the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs) as adopted by the European Union, this announcement does not itself contain sufficient information to comply with IFRSs.

The comparative figures for the financial year ended 31 March 2016 are not the Group's statutory accounts for the financial year. As defined in section 434 of the Companies Act 2006 those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group as at and for the year ended 31 March 2016 which were prepared under International Financial Reporting Standards as adopted by the EU are available on the Group's website, www.icgam.com.

ii) Going concern

The Directors have prepared the condensed financial statements on a going concern basis which requires the Directors to have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors made this assessment in light of £802.1m of cash and unutilised debt facilities, no significant bank facilities maturing within the next 18 months, and after reviewing the Group's latest forecasts for a period of 18 months from the period end.

(iii) Related party transactions

There have been no material changes to the nature or size of related party transactions since 31 March 2016.

2. Financial risk management

Financial assets – non current	**Six months ended 30 September 2016 (Unaudited) £m**	Six months ended 30 September 2015 (Unaudited) £m	Year ended 31 March 2016 (Audited) £m
Loans and receivables held at amortised cost	**457.4**	571.8	445.4
AFS financial assets held at fair value	**93.9**	144.0	159.4
Financial assets designated as FVTPL	**3,219.6**	2,026.0	2,457.2
Associates designated as FVTPL	**768.7**	578.1	633.0
Investments in equity accounted joint ventures	**1.2**	0.9	1.1
Derivative financial instruments held at fair value – warrants	**11.3**	21.1	19.8
	4,552.1	3,341.9	3,715.9
Other derivative financial instruments held at fair value	**6.4**	13.1	3.3
	4,558.5	3,355.0	3,719.2

Included within associates designated as FVTPL is £618.5m (30 September 2015: £447.6m / 31 March 2016: £508.3m) relating to the Group's 20% investment in ICG Europe Fund V Limited, ICG North America Private Debt Fund and ICG Asia Pacific Fund III, and 16.67% investment in ICG Europe Fund VI Limited.

Included within financial assets designated as FVTPL is £nil (30 September 2015: £77.9m / 31 March 2016: £94.6m) related to the Group's joint venture investments in Via Location and Parkeon, and £2,906.7m (30 September 2015: £1,753.4m / 31 March 2016: £2,092.7m) relating to the structured entities controlled by the Group.

Fair value measurements recognised in the statement of financial position

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

This is followed by a more detailed analysis of the financial instruments which are based on unobservable inputs (Level 3 assets). The subsequent tables provide reconciliations of movement in their fair value during the period split by asset category and by geography. The Group is required to provide disclosures at a more detailed level than by asset category, segregating each asset category by sector or geography. The Group has chosen to present financial instruments by geography as the diverse nature of the Group's assets makes any disclosure of assets by industry less meaningful to the Group's risk profile than geographical factors.

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

Financial assets / Financial liabilities	Fair value as at 30 September 2016 (Unaudited) £m	Fair value as at 30 September 2015 (Unaudited) £m	Fair value as at 31 March 2016 (Audited) £m	Fair value hierarchy	Valuation techniques and inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Listed portfolio investments	**1.2**	17.8	62.1	1	A small number of assets have been listed on various stock exchanges around the world, providing an external basis for valuing the Group's holdings	n/a	n/a
Listed credit fund investments	**72.6**	59.5	64.2	1	Quoted bid prices in an active market	n/a	n/a
Level 1 assets	**73.8**	77.3	126.3				
Level 2 assets within structured entities controlled by the Group	**2,856.0**	1,704.3	2,048.7	2	The fair value has been determined using independent broker quotes based on observable inputs	n/a	n/a
Listed portfolio investments	**36.7**	-	33.1	2	Internally modelled valuation based on combination of market prices and observable inputs	n/a	n/a
Current and non-current derivative assets	**55.3**	20.3	31.6	2	The Group uses widely recognised valuation models for determining the fair values of over-the-counter interest rate swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The valuations are market observable, internally calculated and verified to externally sourced data and are therefore included within level 2	n/a	n/a
Level 2 assets	**2,948.0**	1,724.6	2,113.4				
Level 3 investments	**220.0**	351.2	308.7	3	Earnings based technique. The earnings multiple is derived from a set of comparable listed companies or relevant market transaction multiples. A premium or discount is applied to the earnings multiple to adjust for points of difference relating to risk and earnings growth prospects between the comparable company set and the private company being valued. Earnings multiples are applied to the maintainable earnings to determine the enterprise value. From this, the value attributable to the Group is calculated based on its holding in the company after making deductions for higher ranking instruments in the capital structure. To determine the value of warrants, the exercise price is deducted from the equity value	The discount applied is generally in a range of 10% - 40% and exceptionally as high as 69%. A premium has been applied to five assets in the range of 1% - 62%. The earnings multiple is generally in the range of 8 - 15 and exceptionally as high as 18 and as low as 4	The higher the adjusted multiple, the higher the valuation

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

Financial assets / Financial liabilities	**Fair value as at 30 September 2016 (Unaudited) £m**	Restated Fair value as at 30 September 2015 (Unaudited) £m	Fair value as at 31 March 2016 (Audited) £m	**Fair value hierarchy**	**Valuation techniques and inputs**	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**
Illiquid debt investments within structured entities controlled by the Group	**49.5**	49.1	40.9	3	Where there are no recent transactions, fair value may be determined from the last market price adjusted for all changes in risks and information since that date. Where a close proxy instrument is quoted in an active market, then fair value is determined by adjusting the proxy value for differences in the risk profile of the instruments	A premium/discount is applied taking into account market comparisons, seniority of debt, credit rating, current debt, interest coupon, maturity of the loan and jurisdiction of the loan	The higher the premium, the higher the valuation. The higher the discount, the lower the valuation
Investments in unlisted CLOs	**37.7**	32.3	33.4	3	Discounted cash flow at a discount rate of 11%. The following assumptions are applied to each investment's cashflows: 2% annual default rate, 20% annual prepayment rate, 70% recovery rate	Discounted cash flows	The higher the cash flows the higher the fair value.
Investments in unlisted funds	**819.8**	555.0	678.3	3	The Net Asset Value (NAV) of the fund is based on the underlying investments which are held either as FVTPL assets or as loans and receivables initially recognised at fair value and subsequently valued at amortised cost. The NAV is received from the funds' administrator or fund manager. We have reviewed the underlying valuation techniques and consider them to be in line with the Group's	The NAV of the underlying fund, typically calculated under IFRS	The higher the NAV, the higher the fair value
Level 3 assets	**1,127.0**	987.6	1,061.3				
Level 2 liabilities within structured entities controlled by the Group	**(2,800.7)**	(1,601.1)	(1,913.0)	2	The fair value of debt securities issued at fair value through profit or loss is dependent upon the fair value of investment securities and derivative financial instruments. Any changes in the valuation have a direct impact on the fair value of debt securities issued	n/a	n/a
Current and non-current derivative liabilities	**(79.4)**	(23.6)	(61.1)	2	The Group uses widely recognised valuation models for determining the fair values of over-the-counter interest rate swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The valuations are market observable, internally calculated and verified to externally sourced data and are therefore included within level 2	n/a	n/a
Level 2 liabilities	**(2,880.1)**	(1,624.7)	(1,974.1)				

Notes to the Half Year Report continued

For the six months ended 30 September 2016

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

As at 30 September 2016

(Unaudited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets held at fair value				
Designated as FVTPL				
- US	-	1,856.3	199.4	2,055.7
- UK	72.8	163.1	701.8	937.7
- France	1.0	228.5	101.0	330.5
- Germany	-	174.3	5.0	179.3
- Netherlands	-	122.1	2.0	124.1
- Other	-	311.7	49.3	361.0
	73.8	2,856.0	1,058.5	3,988.3
Derivative financial instruments – warrants				
- Germany	-	-	6.4	6.4
- France	-	-	4.9	4.9
	-	-	11.3	11.3
AFS financial assets				
- US	-	36.7	1.8	38.5
- France	-	-	32.6	32.6
- UK	-	-	18.0	18.0
- Italy	-	-	2.7	2.7
- Other	-	-	2.1	2.1
	-	36.7	57.2	93.9
Other derivative financial instruments	-	55.3	-	55.3
	73.8	2,948.0	1,127.0	4,148.8
Financial liabilities at FVTPL				
- Structured entities controlled by the Group	-	2,800.7	-	2,800.7
Other derivative financial instruments	-	79.4	-	79.4
	-	2,880.1	-	2,880.1

Notes to the Half Year Report continued

For the six months ended 30 September 2016

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

As at 30 September 2015

(Unaudited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets held at fair value				
Designated as FVTPL				
- US	-	1,057.1	57.2	1,114.3
- UK	59.5	113.1	578.7	751.3
- France	-	122.3	141.1	263.4
- Germany	-	110.5	4.1	114.6
- Netherlands	-	102.6	4.0	106.6
- Other	-	198.7	55.2	253.9
	59.5	1,704.3	840.3	2,604.1
Derivative financial instruments – warrants				
- UK	-	-	10.0	10.0
- France	-	-	5.9	5.9
- Germany	-	-	5.2	5.2
	-	-	21.1	21.1
AFS financial assets				
- Australia	-	-	47.3	47.3
- France	-	-	42.2	42.2
- US	11.2	-	13.7	24.9
- UK	-	-	22.5	22.5
- Other	6.6	-	0.5	7.1
	17.8	-	126.2	144.0
Other derivative financial instruments	-	20.3	-	20.3
	77.3	1,724.6	987.6	2,789.5
Financial liabilities at FVTPL				
- Structured entities controlled by the Group	-	1,601.1	-	1,601.1
Other derivative financial instruments	-	23.6	-	23.6
	-	1,624.7	-	1,624.7

For the six months ended 30 September 2016

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

As at 31 March 2016

(Audited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets held at fair value				
Designated as FVTPL				
- US	-	1,368.9	147.7	1,516.6
- UK	67.3	98.2	592.6	758.1
- France	-	137.0	168.3	305.3
- Germany	-	119.2	3.3	122.5
- Netherlands	-	95.3	2.1	97.4
- Other	11.9	230.1	48.3	290.3
	79.2	2,048.7	962.3	3,090.2
Derivative financial instruments - warrants				
- France	-	-	12.3	12.3
- Germany	-	-	7.5	7.5
	-	-	19.8	19.8
AFS financial assets held at fair value				
- Australia	40.7	-	4.5	45.2
- France	-	-	42.3	42.3
- US	-	33.1	14.1	47.2
- UK	-	-	18.1	18.1
- Other	6.4	-	0.2	6.6
	47.1	33.1	79.2	159.4
Other derivative financial instruments	-	31.6	-	31.6
	126.3	2,113.4	1,061.3	3,301.0
Financial liabilities at FVTPL				
- Structured entities controlled by the Group	-	1,913.0	-	1,913.0
Other derivative financial instruments	-	61.1	-	61.1
	-	1,974.1	-	1,974.1

Notes to the Half Year Report continued

For the six months ended 30 September 2016

2. Financial risk management continued

Reconciliation of Level 3 fair value measurements of financial assets

The tables detail the movements in financial assets valued using the Level 3 basis of measurement in aggregate and geographically by asset category.

Within the income statement, realised gains and fair value movements are included within gains on investments and foreign exchange is included within finance costs.

For the six months ended 30 September 2016

(Unaudited)	**Financial assets at FVTPL £m**	**Derivative financial instruments - warrants £m**	**AFS assets £m**	**Total £m**
At 1 April 2016	**962.3**	**19.8**	**79.2**	**1,061.3**
Total gains or losses in the income statement				
- Realised gains	**(5.2)**	**(10.3)**	**(12.4)**	**(27.9)**
- Fair value gains	**72.2**	**0.3**	**-**	**72.5**
- Foreign exchange	**73.8**	**1.5**	**5.7**	**81.0**
Total gains or losses in other comprehensive income				
- Unrealised losses	**-**	**-**	**(0.9)**	**(0.9)**
Purchases	**129.1**	**-**	**0.2**	**129.3**
Realisations	**(173.1)**	**-**	**(14.6)**	**(187.7)**
Transfer between assets	**(0.6)**	**-**	**-**	**(0.6)**
At 30 September 2016	**1,058.5**	**11.3**	**57.2**	**1,127.0**

For the six months ended 30 September 2015

(Unaudited)	Financial assets at FVTPL £m	Derivative financial instruments - warrants £m	AFS assets £m	Total £m
At 1 April 2015	679.8	13.8	117.1	810.7
Total gains or losses in the income statement				
- Realised gains	(1.7)	(0.3)	(2.0)	(4.0)
- Fair value gains	48.0	7.4	-	55.4
- Foreign exchange	10.1	0.2	(2.7)	7.6
Total gains or losses in other comprehensive income				
- Unrealised gains	-	-	20.7	20.7
Purchases	129.9	-	0.1	130.0
Realisations	(31.5)	-	(7.0)	(38.5)
Transfer between assets	2.0	-	-	2.0
Transfers between levels	3.7	-	-	3.7
At 30 September 2015	840.3	21.1	126.2	987.6

For the six months ended 30 September 2016

2. Financial risk management continued

Reconciliation of Level 3 fair value measurements of financial assets continued

For the year ended 31 March 2016

(Audited)	Financial assets at FVTPL £m	Derivative financial instruments - warrants £m	AFS assets £m	Total £m
At 1 April 2015	679.8	13.8	117.1	810.7
Total gains or losses in the income statement				
- Realised gains	(22.4)	(10.0)	(0.9)	(33.3)
- Fair value gains	89.6	15.0	-	104.6
- Foreign exchange	49.2	1.0	1.9	52.1
Total gains or losses in other comprehensive income				
- Unrealised gains	-	-	23.8	23.8
Purchases	192.3	-	0.4	192.7
Realisations	(69.5)	-	(19.3)	(88.8)
Transfer between assets	61.8	-	-	61.8
Transfer between levels	(18.5)	-	(43.8)	(62.3)
At 31 March 2016	962.3	19.8	79.2	1,061.3

2. Financial risk management continued

Reconciliation of Level 3 fair value movements by geography

For the six months ended 30 September 2016

(Unaudited) **Financial assets at FVTPL**	US £m	UK £m	France £m	Singapore £m	Australia £m	Other £m	Total £m
At 1 April 2016	147.7	592.6	168.3	10.5	12.8	30.4	962.3
Total gains or losses in the income statement							
- Realised gains	-	(4.1)	-	-	-	(1.1)	(5.2)
- Fair value gains/(losses)	12.5	39.9	18.8	1.1	1.4	(1.5)	72.2
- Foreign exchange	18.0	43.2	7.0	1.4	1.4	2.8	73.8
Purchases	35.5	87.6	0.2	0.5	-	5.3	129.1
Realisations	(13.7)	(57.4)	(93.3)	(0.2)	-	(8.5)	(173.1)
Transfer between assets	(0.6)	-	-	-	-	-	(0.6)
At 30 September 2016	**199.4**	**701.8**	**101.0**	**13.3**	**15.6**	**27.4**	**1,058.5**

(Unaudited) **Derivative financial instruments – warrants**	France £m	Germany £m	Total £m
At 1 April 2016	12.3	7.5	19.8
Total gains or losses in the income statement			
- Realised gains	(10.3)	-	(10.3)
- Fair value gains	2.1	(1.8)	0.3
- Foreign exchange	0.8	0.7	1.5
At 30 September 2016	**4.9**	**6.4**	**11.3**

(Unaudited) **AFS assets**	France £m	US £m	UK £m	Other £m	Total £m
At 1 April 2016	42.3	14.1	18.1	4.7	79.2
Total gains or losses in the income statement					
- Realised gains	(3.9)	(8.5)	-	-	(12.4)
- Foreign exchange	3.5	0.4	1.3	0.5	5.7
Total gains or losses in other comprehensive income					
- Unrealised gains/(losses)	1.0	(0.7)	(0.8)	(0.4)	(0.9)
Purchases	-	-	0.2	-	0.2
Realisations	(10.3)	(3.5)	(0.8)	-	(14.6)
At 30 September 2016	**32.6**	**1.8**	**18.0**	**4.8**	**57.2**

2. Financial risk management continued

Reconciliation of Level 3 fair value movements by geography continued

For the six months ended 30 September 2015

(Unaudited) **Financial assets at FVTPL**	US £m	UK £m	France £m	Germany £m	Netherlands £m	Other £m	Total £m
At 1 April 2015	37.9	464.3	120.2	6.7	7.4	43.3	679.8
Total gains or losses in the income statement							
- Realised gains	-	(1.3)	-	-	(0.4)	-	(1.7)
- Fair value gains/(losses)	4.0	22.3	20.3	(0.1)	(0.1)	1.6	48.0
- Foreign exchange	(0.6)	11.9	2.2	(0.2)	(0.2)	(3.0)	10.1
Purchases	2.4	113.6	1.4	1.5	0.2	10.8	129.9
Realisations	(2.0)	(20.4)	(2.2)	(3.8)	(2.9)	(0.2)	(31.5)
Transfer between assets	16.6	(14.6)	-	-	-	-	2.0
Transfer between levels	(1.1)	2.9	(0.8)	-	-	2.7	3.7
At 30 September 2015	57.2	578.7	141.1	4.1	4.0	55.2	840.3

(Unaudited) **Derivative financial instruments – warrants**	UK £m	France £m	Germany £m	Total £m
At 1 April 2015	4.8	5.4	3.6	13.8
Total gains or losses in the income statement				
- Realised gains	-	(0.3)	-	(0.3)
- Fair value gains	5.2	0.7	1.5	7.4
- Foreign exchange	-	0.1	0.1	0.2
At 30 September 2015	10.0	5.9	5.2	21.1

(Unaudited) **AFS assets**	Australia £m	France £m	US £m	UK £m	Other £m	Total £m
At 1 April 2015	38.9	37.8	12.5	25.9	2.0	117.1
Total gains or losses in the income statement						
- Realised gains	-	(0.1)	-	(1.9)	-	(2.0)
- Foreign exchange	(3.6)	0.8	(0.2)	0.2	0.1	(2.7)
Total gains or losses in other comprehensive income						
- Unrealised gains/(losses)	12.0	4.6	1.4	4.3	(1.6)	20.7
Purchases	-	-	-	0.1	-	0.1
Realisations	-	(0.9)	-	(6.1)	-	(7.0)
At 30 September 2015	47.3	42.2	13.7	22.5	0.5	126.2

Notes to the Half Year Report continued

For the six months ended 30 September 2016

2. Financial risk management continued

Reconciliation of Level 3 fair value movements by geography continued

For the year ended 31 March 2016

(Audited) **Financial assets at FVTPL**	US £m	UK £m	France £m	Singapore £m	Australia £m	Other £m	Total £m
At 1 April 2015	37.9	464.3	120.2	2.4	24.2	30.8	679.8
Total gains or losses in the income statement							
- Realised gains	-	(15.7)	-	-	-	(6.7)	(22.4)
- Fair value gains	18.5	36.6	29.8	1.6	2.3	0.8	89.6
- Foreign exchange	1.4	34.0	13.6	0.1	(0.7)	0.8	49.2
Purchases	30.6	132.3	11.3	6.4	-	11.7	192.3
Realisations	(9.6)	(44.3)	(2.9)	-	-	(12.7)	(69.5)
Transfer between assets	70.7	(14.6)	-	-	-	5.7	61.8
Transfer between levels	(1.8)	-	(3.7)	-	(13.0)	-	(18.5)
At 31 March 2016	147.7	592.6	168.3	10.5	12.8	30.4	962.3

(Audited) **Derivative financial instruments - warrants**	France £m	UK £m	Germany £m	Total £m
At 1 April 2015	5.4	4.8	3.6	13.8
Total gains or losses in the income statement				
- Realised gains	-	(10.0)	-	(10.0)
- Fair value gains	6.4	5.2	3.4	15.0
- Foreign exchange	0.5	-	0.5	1.0
At 31 March 2016	12.3	-	7.5	19.8

(Audited) **AFS assets**	France £m	Australia £m	US £m	UK £m	Other £m	Total £m
At 1 April 2015	37.8	38.9	12.5	25.9	2.0	117.1
Total gains or losses in the income statement						
- Realised gains	(0.9)	-	-	-	-	(0.9)
- Foreign exchange	3.3	(3.5)	0.5	1.5	0.1	1.9
Total gains or losses in other comprehensive income						
- Unrealised gains/(losses)	10.0	12.9	1.1	1.7	(1.9)	23.8
Purchases	-	-	-	0.4	-	0.4
Realisations	(7.9)	-	-	(11.4)	-	(19.3)
Transfer between levels	-	(43.8)	-	-	-	(43.8)
At 31 March 2016	42.3	4.5	14.1	18.1	0.2	79.2

2. Financial risk management continued

Fair value sensitivity analysis

The following table shows the sensitivity of fair values grouped in Level 3 to adjusted earnings multiples in the valuation models, for a selection of the largest financial assets. It is assumed that the multiple was changed by 10% while all the other variables were held constant.

30 September 2016 (Unaudited)	**Value £m**	**+10% £m**	**-10% £m**
Investments designated as FVTPL	**1,058.5**	**1,162.6**	**910.8**
Derivative financial instruments held at fair value - warrants	**11.3**	**13.0**	**9.6**
AFS financial assets held at fair value	**57.2**	**63.5**	**50.8**
	1,127.0	**1,239.1**	**971.2**

30 September 2015 (Unaudited)	Value £m	+10% £m	-10% £m
Investments designated as FVTPL	840.3	973.4	677.6
Derivative financial instruments held at fair value - warrants	21.1	25.9	16.3
AFS financial assets held at fair value	126.2	150.2	102.2
	987.6	1,149.5	796.1

31 March 2016 (Audited)	Value £m	+10% £m	-10% £m
Investments designated as FVTPL	962.3	1,071.5	820.3
Derivative financial instruments held at fair value - warrants	19.8	25.2	14.3
AFS financial assets held at fair value	79.2	86.3	72.2
	1,061.3	1,183.0	906.8

For the six months ended 30 September 2016

2. Financial risk management continued

Derivatives
The Group utilises the following derivative instruments for economic hedging purposes:

30 September 2016 (Unaudited)			
		Fair values	
Foreign exchange contracts	**Contract of underlying principal amount £m**	**Asset £m**	**Liability £m**
Forward foreign exchange contracts	**1,126.9**	**6.7**	**(22.8)**
Cross currency swaps	**499.0**	**46.7**	**(56.6)**
Interest rate swaps	**20.0**	**1.9**	**-**
Balance at 30 September 2016	**1,645.9**	**55.3**	**(79.4)**

Included in derivative financial instruments is accrued interest on swaps of £2.1m.

30 September 2015 (Unaudited)			
		Fair values	
Foreign exchange contracts	Contract of underlying principal amount £m	Asset £m	Liability £m
Forward foreign exchange contracts	1,066.3	2.8	(13.2)
Cross currency swaps	490.1	15.0	(10.4)
Interest rate swaps	20.0	2.5	-
Balance at 30 September 2015	1,576.4	20.3	(23.6)

Included in derivative financial instruments is accrued interest on swaps of £1.8m.

31 March 2016 (Audited)			
		Fair values	
Foreign exchange contracts	Contract of underlying principal amount £m	Asset £m	Liability £m
Forward foreign exchange contracts	1,172.8	5.6	(24.6)
Cross currency swaps	456.5	23.8	(36.5)
Interest rate swaps	20.0	2.2	-
Balance at 31 March 2016	1,649.3	31.6	(61.1)

Included in derivative financial instruments is accrued interest on swaps of £1.9m.

2. Financial risk management continued

Capital management

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements by the Financial Conduct Authority (FCA) and that the Group maximises the return to Shareholders through the optimisation of the debt and equity balance. The Group's strategy has remained unchanged from the year ended 31 March 2016.

The capital structure comprises debts, which includes borrowings disclosed in note 24 of the audited Group Financial Statements for the year ended 31 March 2016, cash and cash equivalents, and capital and reserves of the Parent Company, comprising called up share capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity.

The Group has complied with the imposed minimum capital throughout the year. The full Pillar 3 disclosures are available on the Company's website www.icgam.com.

Credit Risk – Impairments

	Six months ended 30 September 2016 (Unaudited) £m	Six months ended 30 September 2015 (Unaudited) £m	Year ended 31 March 2016 (Audited) £m
Balance at 1 April	**196.9**	306.0	306.0
Charged to income statement	**13.3**	9.8	12.3
Recovery of previously impaired assets	**-**	-	(3.4)
Assets written off in year	**(83.4)**	(48.9)	(138.8)
Foreign exchange	**18.3**	4.4	20.8
Balance at 30 September / 31 March	**145.1**	271.3	196.9

The carrying amount of financial assets represents the Directors' assessment of the maximum credit risk exposure of the Group at the balance sheet date. Impairment losses taken during the period reflect the decline in recoverability on individual assets, either as a result of company specific or of general macroeconomic conditions.

The Directors believe that credit risk as a result of the concentration of significant counterparties is low as there is no individual counterparty comprising more than 10% of the Group's total exposure. The Group's largest individual exposure as at 30 September 2016 was £95.3m to Gerflor (30 September 2015: £91.3m to Parkeon / 31 March 2016: £110.1m to Parkeon).

3. Business segments

For management purposes, the Group is currently organised into the Fund Management Company (FMC) and the Investment Company (IC). Segment information about these businesses is presented below as reviewed by the Executive Committee.

The Group reports the profit of the FMC separately from the profits generated by the IC. The FMC is defined as the operating unit and as such incurs the majority of the Group's costs, including the cost of the investment network, i.e. the Investment Executives and the local offices, as well as the cost of most support functions, primarily information technology, human resources and marketing. In the current period external fee income has been shown by strategic asset class and interest income and interest expense have been shown separately whereas previously these were disclosed as net interest income. The prior periods have been restated to reflect these changes.

The IC is charged a management fee of 1% of the carrying value of the average investment portfolio by the FMC and this is shown below as fee income. The costs of finance, treasury, and portfolio administration teams and the costs related to being a listed entity are allocated to the IC. The remuneration of the Managing Directors is allocated equally to the FMC and the IC.

Six months ended 30 September 2016 (Unaudited)	Corporate Investments £m	Capital Markets £m	Real Assets £m	Secondaries £m	Total FMC £m	IC £m	Total £m
External fee income	36.0	11.3	10.5	5.1	62.9	-	62.9
Inter-segmental fee	6.4	1.1	0.9	0.8	9.2	(9.2)	-
Fund management fee income	42.4	12.4	11.4	5.9	72.1	(9.2)	62.9
Other operating income					-	2.3	2.3
Gains on investments					-	125.5	125.5
Interest income					-	60.0	60.0
Dividend income					11.6	2.3	13.9
Total revenue					83.7	180.9	264.6
Interest expense					(0.2)	(24.4)	(24.6)
Net fair value loss on derivatives					-	(7.6)	(7.6)
Impairment					-	(23.8)	(23.8)
Staff costs					(19.1)	(5.6)	(24.7)
Incentive scheme costs					(14.5)	(22.9)	(37.4)
Other administrative expenses					(15.9)	(5.2)	(21.1)
Profit before tax					34.0	91.4	125.4

Notes to the Half Year Report continued

For the six months ended 30 September 2016

3. Business segments continued

Six months ended 30 September 2015 (Unaudited)	Corporate Investments £m	Capital Markets £m	Real Assets £m	Secondaries £m	Total FMC £m	IC £m	Total £m
External fee income	33.1	8.4	7.9	0.5	49.9	-	49.9
Inter-segmental fee	6.9	1.0	0.7	0.5	9.1	(9.1)	-
Fund management fee income	40.0	9.4	8.6	1.0	59.0	(9.1)	49.9
Other operating income					-	2.3	2.3
Gains on investments					-	62.5	62.5
Interest income					-	71.1	71.1
Dividend income					9.3	8.1	17.4
Total revenue					68.3	134.9	203.2
Interest expense					(0.2)	(22.7)	(22.9)
Net fair value loss on derivatives					-	(3.5)	(3.5)
Impairment					-	(18.1)	(18.1)
Staff costs					(14.2)	(4.0)	(18.2)
Incentive scheme costs					(11.8)	(19.1)	(30.9)
Other administrative expenses					(13.1)	(4.9)	(18.0)
Change in deferred consideration					-	(7.0)	(7.0)
Profit before tax					29.0	55.6	84.6

Year ended 31 March 2016 (Audited)	Corporate Investments £m	Capital Markets £m	Real Assets £m	Secondaries £m	Total FMC £m	IC £m	Total £m
External fee income	70.0	17.7	19.1	2.1	108.9	-	108.9
Inter-segmental fee	13.5	2.0	1.7	1.2	18.4	(18.4)	-
Fund management fee income	83.5	19.7	20.8	3.3	127.3	(18.4)	108.9
Other operating income					-	5.0	5.0
Gains on investments					-	128.6	128.6
Interest income					-	126.0	126.0
Dividend income					19.3	16.4	35.7
Total revenue					146.6	257.6	404.2
Interest expense					(0.4)	(45.9)	(46.3)
Net fair value loss on derivatives					-	(17.3)	(17.3)
Impairment					-	(39.4)	(39.4)
Staff costs					(30.4)	(8.8)	(39.2)
Incentive scheme costs					(24.5)	(39.7)	(64.2)
Other administrative expenses					(30.1)	(9.4)	(39.5)
Profit before tax					61.2	97.1	158.3

For the six months ended 30 September 2016

3. Business segments continued

Reconciliation of financial statements reported to the executive committee to the IFRS financial statements

Included in the table below are statutory adjustments made to the Investment Company for the following:

- For internal reporting purposes the interest earned and impairments charged on assets where we co-invest in funds (ICG Europe Fund V, ICG Europe Fund VI, ICG North America Private Debt Fund, ICG Asia Pacific Fund III) is presented within interest income/impairments whereas under IFRS it is included within the value of the investment

- The structured entities controlled by the Group are presented as fair value investments for internal reporting purposes, whereas the statutory financial statements present these entities on a fully consolidated basis

- Other adjustments principally relate to the joint venture investment in Nomura ICG KK which is presented internally on a proportional consolidation basis, whereas it is equity accounted under IFRS

Consolidated Income Statement

Six months ended 30 September 2016 (Unaudited)	Internally reported £m	Reclass of interest and impairments to gains £m	Consolidated structured entities £m	Other adjustments £m	Total adjustments £m	Financial Statements £m
Fund management fee income	62.9	-	(6.9)	(0.4)	(7.3)	55.6
Other operating income	2.3	-	1.7	-	1.7	4.0
Gains on investments	125.5	(13.0)	1.7	(0.3)	(11.6)	113.9
Interest income	60.0	2.5	59.9	-	62.4	122.4
Dividend income	13.9	-	(10.9)	-	(10.9)	3.0
Total revenue	264.6	(10.5)	45.5	(0.7)	34.3	298.9
Share of results of joint ventures accounted for using equity method	-	-	-	0.1	0.1	0.1
Interest expense	(24.6)	-	(40.0)	-	(40.0)	(64.6)
Net fair value loss on derivatives	(7.6)	-	3.1	-	3.1	(4.5)
Impairment	(23.8)	10.5	-	-	10.5	(13.3)
Staff costs	(24.7)	-	-	1.0	1.0	(23.7)
Incentive scheme costs	(37.4)	-	-	-	-	(37.4)
Other administrative expenses	(21.1)	-	(7.5)	(0.7)	(8.2)	(29.3)
Profit before tax	**125.4**	**-**	**1.1**	**(0.3)**	**0.8**	**126.2**

Notes to the Half Year Report continued

For the six months ended 30 September 2016

3. Business segments continued

Consolidated Income Statement continued

Six months ended 30 September 2015 (Unaudited)	Internally reported £m	Reclass of interest to gains £m	Consolidated structured entities £m	Deferred dividend income £m	Other adjustments £m	Total adjustments £m	Financial Statements £m
Fund management fee income	49.9	-	(4.3)	-	(0.3)	(4.6)	45.3
Other operating income	2.3	-	0.5	-	-	0.5	2.8
Gains on investments	62.5	3.1	25.6	-	(0.2)	28.5	91.0
Interest income	71.1	(11.4)	16.4	(4.4)	-	0.6	71.7
Dividend income	17.4	-	(8.0)	8.5	-	0.5	17.9
Total revenue	203.2	(8.3)	30.2	4.1	(0.5)	25.5	228.7
Share of results of joint ventures accounted for using equity method	-	-	-	-	(0.2)	(0.2)	(0.2)
Interest expense	(22.9)		(18.0)	-	-	(18.0)	(40.9)
Net fair value loss on derivatives	(3.5)	-	(5.5)	-	-	(5.5)	(9.0)
Impairment	(18.1)	8.3	-	-	-	8.3	(9.8)
Staff costs	(18.2)	-	-	-	0.2	0.2	(18.0)
Incentive scheme costs	(30.9)	-	-	-	-	-	(30.9)
Other administrative expenses	(18.0)	-	(1.2)	-	0.2	(1.0)	(19.0)
Change in deferred consideration	(7.0)	-	-	-	-	-	(7.0)
Profit before tax	84.6	-	5.5	4.1	(0.3)	9.3	93.9

Notes to the Half Year Report continued

For the six months ended 30 September 2016

3. Business segments continued

Consolidated Income Statement continued

Year ended 31 March 2016 (Audited)	Internally reported £m	Reclass of interest to gains £m	Consolidated structured entities £m	Longbow deferred consideration £m	EBT settlement £m	Other adjustments £m	Total adjustments £m	Financial statements £m
Fund management fee income	108.9	-	(9.9)	-	-	(0.7)	(10.6)	98.3
Other operating income	5.0	-	1.0	-	-	-	1.0	6.0
Gains on investments	128.6	(6.0)	15.5	-	-	(0.4)	9.1	137.7
Interest income	126.0	(24.5)	87.4	-	-	-	62.9	188.9
Dividend income	35.7	-	(17.3)	-	-	-	(17.3)	18.4
Total revenue	404.2	(30.5)	76.7	-	-	(1.1)	45.1	449.3
Interest expense	(46.3)	-	(57.3)	-	-	-	(57.3)	(103.6)
Net fair value (loss)/gain on derivatives	(17.3)	-	(1.0)	-	-	-	(1.0)	(18.3)
Impairment	(39.4)	30.5	-	-	-	-	30.5	(8.9)
Staff costs	(39.2)	-	-	-	-	0.4	0.4	(38.8)
Incentive scheme costs	(64.2)	-	-	-	-	-	-	(64.2)
Other administrative expenses	(39.5)	-	(2.2)	-	2.3	0.5	0.6	(38.9)
Change in deferred consideration estimate	-	-	-	(17.8)	-	-	(17.8)	(17.8)
Profit before tax	158.3	-	16.2	(17.8)	2.3	(0.2)	0.5	158.8

On 1 October 2014, the Group acquired the remaining 49% of Longbow Real Estate Capital LLP, giving it 100% of the equity of the UK real estate debt specialist. The final deferred consideration amount was calculated at 31 March 2016 as £41.7m following the outstanding success of this business, resulting in a £17.8m increase to the original estimate. This was recognised through the income statement.

For the six months ended 30 September 2016

3. Business segments continued

Consolidated Statement of Financial Position

30 September 2016 (Unaudited)	Internally reported £m	Reclass of interest to gains £m	Consolidated structured entities £m	Other adjustments £m	Total adjustments £m	Financial Statements £m
Non current financial assets	**1,873.0**	**(0.4)**	**2,678.3**	**1.2**	**2,679.1**	**4,552.1**
Other non current assets	**32.2**	**-**	**4.7**	**-**	**4.7**	**36.9**
Cash	**325.7**	**-**	**272.5**	**(1.9)**	**270.6**	**596.3**
Current financial assets	**150.3**	**-**	**-**	**-**	**-**	**150.3**
Other current assets	**166.5**	**0.4**	**48.8**	**(1.1)**	**48.1**	**214.6**
Total assets	**2,547.7**	**-**	**3,004.3**	**(1.8)**	**3,002.5**	**5,550.2**
Non current financial liabilities	**1,196.5**	**-**	**2,800.6**	**-**	**2,800.6**	**3,997.1**
Other non current liabilities	**90.5**	**-**	**-**	**-**	**-**	**90.5**
Current financial liabilities	**88.3**	**-**	**-**	**-**	**-**	**88.3**
Other current liabilities	**150.8**	**-**	**155.7**	**(1.5)**	**154.2**	**305.0**
Total liabilities	**1,526.1**	**-**	**2,956.3**	**(1.5)**	**2,954.8**	**4,480.9**
Equity	**1,021.6**	**-**	**48.0**	**(0.3)**	**47.7**	**1,069.3**
Total equity and liabilities	**2,547.7**	**-**	**3,004.3**	**(1.8)**	**3,002.5**	**5,550.2**

30 September 2015 (Unaudited)	Internally reported £m	Reclass of interest to gains £m	Consolidated structured entities £m	Deferred dividend income £m	Other adjustments £m	Total adjustments £m	Financial Statements £m
Non current financial assets	1,744.1	0.6	1,596.4	-	0.8	1,597.8	3,341.9
Other non current assets	26.1	-	0.9	-	-	0.9	27.0
Cash	135.3	-	83.9	-	(1.1)	82.8	218.1
Current financial assets	273.6	-	-	-	-	-	273.6
Other current assets	90.3	(0.6)	20.2	-	(1.3)	18.3	108.6
Total assets	2,269.4	-	1,701.4	-	(1.6)	1,699.8	3,969.2
Non current financial liabilities	901.7	-	1,601.1	-	-	1,601.1	2,502.8
Other non current liabilities	57.7	-	(0.7)	-	-	(0.7)	57.0
Current financial liabilities	38.2	-	-	-	-	-	38.2
Other current liabilities	135.5	-	72.8	(4.1)	(1.7)	67.0	202.5
Total liabilities	1,133.1	-	1,673.2	(4.1)	(1.7)	1,667.4	2,800.5
Equity	1,136.3	-	28.2	4.1	0.1	32.4	1,168.7
Total equity and liabilities	2,269.4	-	1,701.4	-	(1.6)	1,699.8	3,969.2

Notes to the Half Year Report continued

For the six months ended 30 September 2016

3. Business segments continued

Consolidated Statement of Financial Position continued

31 March 2016 (Audited)	Internally reported £m	Reclass of interest to gains £m	Consolidated structured entities £m	Longbow deferred consideration £m	EBT Settlement £m	Other adjustments £m	Total adjustments £m	Financial Statements £m
Non current financial assets	1,798.0	(2.9)	1,919.7	-	-	1.1	1,917.9	3,715.9
Other non current assets	34.1	-	1.3	-	-	-	1.3	35.4
Cash	112.7	-	72.2	-	-	(2.4)	69.8	182.5
Current financial assets	182.6	-	-	-	-	-	-	182.6
Other current assets	202.8	2.9	55.1	-	-	(1.0)	57.0	259.8
Total assets	2,330.2	-	2,048.3	-	-	(2.3)	2,046.0	4,376.2
Non current financial liabilities	761.2	-	1,913.0	-	-	-	1,913.0	2,674.2
Other non current liabilities	84.6	-	-	-	-	-	-	84.6
Current financial liabilities	106.6	-	-	-	-	-	-	106.6
Other current liabilities	161.7	-	93.8	17.8	(2.3)	(2.3)	107.0	268.7
Total liabilities	1,114.1	-	2,006.8	17.8	(2.3)	(2.3)	2,020.0	3,134.1
Equity	1,216.1	-	41.5	(17.8)	2.3	-	26.0	1,242.1
Total equity and liabilities	2,330.2	-	2,048.3	-	-	(2.3)	2,046.0	4,376.2

Notes to the Half Year Report continued

For the six months ended 30 September 2016

3. Business segments continued

Consolidated Statement of Cash flows

30 September 2016 (Unaudited)	Internally reported £m	Consolidated structured entities £m	Other adjustments £m	Financial Statements £m
Interest, fees and dividends received	135.0	48.4	-	183.4
Interest paid	(20.8)	(39.4)	-	(60.2)
Net purchase of current financial assets	99.6	-	-	99.6
Purchase of loans and investments	(178.2)	(950.3)	-	(1,128.5)
Cash in from realisations	302.9	525.5	-	828.4
Other operating expenses	(70.7)	(14.0)	0.9	(83.8)
Net cash generated from/(used in) operating activities	267.8	(429.8)	0.9	(161.1)
Net cash used in investing activities	(43.1)	-	-	(43.1)
Dividends paid	(249.9)	-	-	(249.9)
Increase in long-term borrowings	363.6	621.0	-	984.6
Net cash flow from derivatives	(113.6)	(1.2)	-	(114.8)
Purchase of own shares	(23.6)	-	-	(23.6)
Proceeds on issue of shares	0.6	-	-	0.6
Net cash (used in)/ from financing activities	(22.9)	619.8	-	596.9
Net increase in cash	201.8	190.0	0.9	392.7
Cash and cash equivalent at beginning of period	112.7	72.2	(2.4)	182.5
FX impact on cash	11.2	10.3	(0.4)	21.1
Cash and cash equivalent at end of period	325.7	272.5	(1.9)	596.3

For the six months ended 30 September 2016

3. Business segments continued

Consolidated Statement of Cash flows continued

30 September 2015 (Unaudited)	Internally reported £m	Consolidated structured entities £m	Other adjustments £m	Financial Statements £m
Interest, fees and dividends received	105.6	25.7	(0.1)	131.2
Interest paid	(24.5)	(23.6)	-	(48.1)
Net purchase of current financial assets	(37.0)	-	-	(37.0)
Purchase of loans and investments	(153.9)	(532.1)	-	(686.0)
Cash in from realisations	166.4	382.4	-	548.8
Other operating expenses	(69.1)	(1.0)	0.7	(69.4)
Net cash (used in)/generated from operating activities	(12.5)	(148.6)	0.6	(160.5)
Net cash used in investing activities	(2.1)	(9.2)	-	(11.3)
Dividends paid	(355.5)	-	-	(355.5)
Increase in long-term borrowings	230.4	125.2	-	355.6
Net cash flow from derivatives	23.8	1.7	-	25.5
Purchase of own shares	(27.5)	-	-	(27.5)
Proceeds on issue of shares	2.9	-	-	2.9
Net cash (used in)/ from financing activities	(125.9)	126.9	-	1.0
Net (decrease)/ increase in cash	(140.5)	(30.9)	0.6	(170.8)
Cash and cash equivalent at beginning of period	278.5	115.3	(1.9)	391.9
FX impact on cash	(2.7)	(0.5)	0.2	(3.0)
Cash and cash equivalent at end of period	135.3	83.9	(1.1)	218.1

Notes to the Half Year Report continued

For the six months ended 30 September 2016

3. Business segments continued

Consolidated Statement of Cash flows continued

31 March 2016 (Audited)	Internally reported £m	Consolidated structured entities £m	Other adjustments £m	Financial Statements £m
Interest, fees and dividends received	256.3	58.8	(2.5)	312.6
Interest paid	(47.0)	(48.3)	-	(95.3)
Net purchase of current financial assets	(35.8)	-	-	(35.8)
Purchase of loans and investments	(247.1)	(1,131.2)	-	(1,378.3)
Cash in from realisations	394.3	708.1	-	1,102.4
Other operating expenses	(144.2)	(2.3)	1.4	(145.1)
Net cash generated from/(used in) operating activities	176.5	(414.9)	(1.1)	(239.5)
Net cash used in investing activities	(22.5)	(9.1)	-	(31.6)
Dividends paid	(378.2)	-	-	(378.2)
Increase in long-term borrowings	131.1	364.9	-	496.0
Net cash flow from derivatives	(52.5)	12.0	-	(40.5)
Purchase of own shares	(27.4)	-	-	(27.4)
Proceeds on issue of shares	3.4	-	-	3.4
Net cash (used in)/from financing activities	(323.6)	376.9	-	53.3
Net decrease in cash	(169.6)	(47.1)	(1.1)	(217.8)
Cash and cash equivalent at beginning of period	278.5	115.3	(1.9)	391.9
FX impact on cash	3.8	4.0	0.6	8.4
Cash and cash equivalent at end of period	112.7	72.2	(2.4)	182.5

4. Earnings per share

	Six months ended 30 September 2016 (Unaudited) £m	Six months ended 30 September 2015 (Unaudited) £m	Year ended 31 March 2016 (Audited) £m
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to the equity holders of the parent	**109.3**	83.9	138.6
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	**292,200,567**	346,159,885	330,685,568
Effect of dilutive potential ordinary share options	**22,510**	50,356	42,077
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**292,223,077**	346,210,241	330,727,645
Earnings per share	**37.4p**	24.2p	41.9p
Diluted earnings per share	**37.4p**	24.2p	41.9p

For the six months ended 30 September 2016

4. Earnings per share continued

Reconciliation of total number of shares allotted, called up and in issue

	Total number of shares allotted, called up and in issue	Number of shares in own share reserve
As at 1 April 2016	330,310,239	15,010,728
Purchased	-	3,611,309
Options/awards exercised	120,681	(3,587,843)
	330,430,920	15,034,194
Share consolidation	(36,714,547)	(1,670,466)
	293,716,373	13,363,728
Purchased	4,000	-
As at 30 September 2016	**293,720,373**	**13,363,728**

On 1 August 2016, the Company undertook a share consolidation issuing eight new ordinary shares at 26¼ pence each for each holding of nine existing ordinary shares of 23⅓ pence each, reducing shares in issue to 293,716,373.

As at 30 September 2015 the total number of shares allotted, called up and in issue was 330,211,149, of which 15,010,728 were held in the own shares reserve.

5. Dividends

The Board has approved an interim dividend of 7.5p per share (H1 2016: 7.2p).

6. Gains and losses arising on investments

(a) Gains and losses arising on AFS financial assets recognised in other comprehensive income

	Six months ended 30 September 2016 (Unaudited) £m	Six months ended 30 September 2015 (Unaudited) £m	Year ended 31 March 2016 (Audited) £m
Realised gains on ordinary shares recycled to profit	(48.4)	(5.0)	(19.8)
Impairments of AFS financial assets recycled to profit	2.9	-	1.8
Net gains recycled to profit	(45.5)	(5.0)	(18.0)
Gains and losses arising on AFS financial assets			
- Fair value movement on equity instruments	(4.5)	8.5	38.4
- Fair value movement on other assets	(0.8)	(0.8)	1.4
Foreign exchange	2.4	(0.4)	2.8
(Losses)/gains arising in the AFS reserve in the period	(2.9)	7.3	42.6
Net movement in the AFS reserve in the period	(48.4)	2.3	24.6

For the six months ended 30 September 2016

6. Gains and losses arising on investments continued

(b) Gains and losses on investments recognised in the income statement

	Six months ended 30 September 2016 (Unaudited) £m	Six months ended 30 September 2015 (Unaudited) £m	Year ended 31 March 2016 (Audited) £m
Realised gains on warrants	-	0.3	0.3
Realised gains/(losses) on assets designated as FVTPL	**6.7**	0.2	(1.0)
Realised gains in structured entities controlled by the Group	**0.8**	20.7	5.7
Realised gains on AFS financial assets recycled from AFS reserves	**48.4**	5.0	19.8
Realised (losses)/gains on other assets	**(0.4)**	0.7	2.1
	55.5	26.9	26.9
Unrealised gains and losses on assets designated as FVTPL:			
- On equity instruments excluding those held within structured entities controlled by the Group	**52.8**	43.4	95.9
- On warrants	**1.1**	8.5	17.1
- In structured entities controlled by the Group	**66.9**	(15.7)	(81.8)
	120.8	36.2	31.2
Unrealised gains and losses on liabilities designated as FVTPL:			
- In structured entities controlled by the Group	**(65.4)**	23.6	70.9
Realised gains and losses on liabilities designated as FVTPL:			
- In structured entities controlled by the Group	**3.0**	4.3	8.8
Fair value movements on FVTPL financial assets	**113.9**	91.0	137.8
Realised losses on amortised cost assets	-	-	(0.1)
Gains on investments	**113.9**	91.0	137.7

For the six months ended 30 September 2016

7. Tax expense

Analysis of tax on ordinary activities	**Six months ended 30 September 2016 (Unaudited) £m**	Six months ended 30 September 2015 (Unaudited) £m	Year ended 31 March 2016 (Audited) £m
Current tax:			
Corporate tax	**18.1**	4.6	3.1
Prior year adjustment – other	**-**	(0.5)	2.8
	18.1	4.1	5.9
Deferred tax:			
Current period	**(1.5)**	8.2	16.4
Prior year adjustment	**-**	(1.2)	(2.1)
	(1.5)	7.0	14.3
Tax charge on profit on ordinary activities	**16.6**	11.1	20.2

The Group's effective tax rate is lower than the standard rate of UK corporation tax of 20%. This reflects the mix of the Group's balance sheet investment returns in the year being weighted towards non UK sourced dividend income and capital gains rather than interest income. As dividend income is exempt from UK corporation tax it has the impact of reducing the Group's effective tax rate.

8. Financial liabilities

Financial liabilities have increased by £1,304.6m in the period since 31 March 2016 of which £887.6m relates to structured entities controlled by the Group. Of the remaining £417.0m, £216.5m is the result of the Group establishing new private placements with maturities of between five and ten years, with the balance principally due to the impact of FX on foreign currency denominated financial liabilities.

The fair value of financial liabilities is £4,085.4m (30 September 2015: £2,541.0m / 31 March 2016: £2,780.8m), determined where applicable with reference to their published market price.

9. Subsidiaries, associates and joint ventures

The following changes are of note to the Group's subsidiaries during the period:

a. The Group holds 55.6% of the equity in US CLO 2016-1, a structured entity which was raised in the period and consolidated from September 2016
b. The Group holds 53.2% of the equity in St Paul's CLO VI, a structured entity which was raised in the period and consolidated from June 2016
c. The Group retains control of ICG High Yield Bond Fund although it has increased its ownership interest to 96.2%

The following changes are of note to the Group's associates during the period:

a. The Group retains significant interest of ICG Total Credit Fund although it has reduced its ownership interest to 36.3%

There were no other changes in the Group's ownership interests in associates.

Independent Review Report to Intermediate Capital Group plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes 1 to 9. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
15 November 2016

Reporting by strategic asset class

External fee income and AUM are presented by strategic asset class. This differs from the previous presentation principally in the treatment of the Senior Debt Partners strategy which falls within the corporate investments asset class but along with the capital markets funds were previously reported within credit funds.

(Unaudited)	**Six months ended 30 September 2016**		Six months ended 31 March 2016		Six months ended 30 September 2015	
	AUM (€m)	**Fees (£m)**	AUM (€m)	Fees (£m)	AUM (€m)	Fees (£m)
Corporate Investments						
Management Fee Income - Mezzanine	**5,738**	**26.1**	6,008	25.4	6,205	22.7
Performance Fee Income - Mezzanine	**-**	**3.6**	-	3.3	-	6.4
Management Fee Income - Senior Debt Partners	**4,375**	**5.8**	4,423	5.6	4,253	4.0
Performance Fee Income - Senior Debt Partners	**-**	**0.5**	-	2.6	-	-
	10,113	**36.0**	10,431	36.9	10,458	33.1
IC co-investment - Mezzanine	**1,342**	**5.9**	1,611	6.2	1,777	6.5
IC co-investment - Senior Debt Partners	**37**	**0.2**	41	0.2	45	0.1
IC co-investment - Australian Senior Loans	**81**	**0.3**	81	0.2	78	0.3
Total	**11,573**	**42.4**	12,164	43.5	12,358	40.0
Capital Markets						
CLOs	**4,681**	**9.7**	4,015	8.3	3,860	7.1
Managed Accounts and Pooled Funds	**636**	**1.5**	622	1.0	546	1.2
Performance Fee Income	**-**	**0.1**	-	-	-	0.1
	5,317	**11.3**	4,637	9.3	4,406	8.4
IC co-investment	**391**	**1.1**	249	1.0	269	1.0
Total	**5,708**	**12.4**	4,886	10.3	4,675	9.4
Real Assets						
Management Fee Income	**3,340**	**10.5**	3,305	9.5	2,825	7.9
Performance Fee Income	**-**	**-**	-	1.7	-	-
	3,340	**10.5**	3,305	11.2	2,825	7.9
IC co-investment	**146**	**0.9**	157	1.0	147	0.7
Total	**3,486**	**11.4**	3,462	12.2	2,972	8.6
Secondaries						
Management Fee Income	**1,078**	**4.8**	939	1.6	133	0.5
Performance Fee Income	**-**	**0.3**	-	-	-	-
	1,078	**5.1**	939	1.6	133	0.5
IC co-investment	**166**	**0.8**	131	0.7	46	0.5
Total	**1,244**	**5.9**	1,070	2.3	179	1.0
Total External	**19,848**	**62.9**	19,312	59.0	17,822	49.9
Total IC co-investment	**2,163**	**9.2**	2,270	9.3	2,362	9.1
Total	**22,011**	**72.1**	21,582	68.3	20,184	59.0

Glossary

Term	Short form	Definition
Adjusted earnings per share	Adjusted EPS	Adjusted profit after tax divided by the weighted average number of ordinary shares.
Adjusted profit after tax		Profit after tax (annualised when reporting a six month period's results), adjusted for fair value movements on derivatives, changes to the estimate of Longbow deferred consideration and the impact of the settlement of the employee benefit trust.
Adjusted return on equity	Adjusted ROE	Adjusted profit after tax divided by average shareholders' funds for the period.
AIFMD		The EU Alternative Investment Fund Managers Directive.
Assets under management	AUM	Value of all funds and assets managed by the FMC. During the investment period third party (external) AUM is measured on the basis of committed capital. Once outside the investment period third party AUM is measured on the basis of cost of investment. AUM is presented in Euros, with non Euro denominated at the period end closing rate.
Cash core income	CCI	Profit before tax excluding fair value movement on derivatives, capital gains, impairments and unrealised rolled up interest.
Catch up fees		Fees not previously recognised as either the fund commitment had not been contractually agreed or the income was otherwise uncertain.
Closed end fund		A fund where the amount of investable capital is fixed.
Co-investment	Co-invest	A direct investment made alongside or in a fund taking a pro-rata share of all instruments.
Collateralised Debt Obligation	CDO	Investment grade security backed by a pool of non mortgage based bonds, loans and other assets.
Collateralised Loan Obligation	CLO	CLO is a type of CDO, which is backed by a portfolio of loans.
Close		A stage in fundraising whereby a fund is able to release or draw down the capital contractually committed at that date.
Direct investment funds		Funds which invest in self-originated transactions for which there is a low volume, inactive secondary market.
EBITDA		Earnings before interest, tax, depreciation and amortisation.
Employee Benefit Trust	EBT	Special purpose vehicle used to purchase ICG plc shares which are used to satisfy share options and awards granted under the Group's employee share schemes.
Financial Conduct Authority	FCA	Regulates conduct by both retail and wholesale financial service firms in provision of services to consumers.
Financial Reporting Council	FRC	UK's independent regulator responsible for promoting high quality corporate governance and reporting.
Fund Management Company	FMC	The Group's fund management business, which sources and manages investments on behalf of the IC and third party funds.
Gearing		Gross borrowings divided by shareholders' funds.
HMRC		HM Revenue & Customs, the UK tax authority.
IAS		International Accounting Standards.

IFRS		International Financial Reporting Standards as adopted by the European Union.
Illiquid assets		Asset classes which are not actively traded.
Internal Capital Adequacy Assessment Process	ICAAP	The ICAAP allows companies to assess the level of capital that adequately supports all relevant current and future risks in their business.
Investment Company	IC	The investment business of ICG plc. It co-invests alongside third party funds.
Internal Rate of Return	IRR	The annualised return received by an investor in a fund. It is calculated from cash drawn from and returned to the investor together with the residual value of the asset.
Key Man		Certain funds have designated Key Men. The departure of a Key Man without adequate replacement triggers a contractual right for investors to cancel their commitments.
Key performance indicator	KPI	A business metric used to evaluate factors that are crucial to the success of an organisation.
Key risk indicator	KRI	A measure used to indicate how risky an activity is. It is an indicator of the possibility of future adverse impact.
Liquid assets		Asset classes with an active, established market in which assets may be readily bought and sold.
Open ended fund		A fund which remains open to new commitments and where an investor's commitment may be redeemed with appropriate notice.
Operating margin		Total fee income less operating expenses divided by total fee income.
Payment in kind	PIK	Also known as rolled up interest. PIK is the interest accruing on a loan until maturity or refinancing, without any cash flows until that time.
Performance fees		Share of profits that the fund manager is due once it has returned the cost of investment and agreed preferred return to investors.
Realisation		The return of invested capital in the form of principal, rolled up interest and/or capital gain.
Profit margin		Profit divided by total income.
Proforma return on equity		Adjusted profit after tax divided by average shareholders' funds for the period, assuming any special dividends were paid at the beginning of the reporting period.
Return on assets	ROA	Returns divided by the average IC investment portfolio. Returns comprise interest and dividend income, plus net gains on investments, less impairments.
Return on equity	ROE	Profit after tax (annualised when reporting a six month period's results) divided by average shareholders' funds for the period.
Securitisation		A form of financial structuring whereby a pool of assets is used as security (collateral) for the issue of new financial instruments.
Senior debt		Senior debt ranks above mezzanine and equity.
Total AUM		The aggregate of the third party external AUM and the Investment Company's balance sheet.
UK Corporate Governance Code	The Code	Sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.
UNPRI		UN Principles for Responsible Investing.
Weighted average		An average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average.

Company Information

Timetable

Ex-dividend date	1 December 2016
Record date for interim dividend	2 December 2016
Last date for dividend reinvestment election	14 December 2016
Payment of interim dividend	9 January 2017
Trading update	31 January 2017
Full year results announcement	25 May 2017

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