

14 June 2016

ICG ENTERPRISE TRUST PLC

INTERIM MANAGEMENT STATEMENT QUARTER ENDED 30 APRIL 2016

ICG Enterprise Trust plc (“ICG Enterprise” or “the Company”) presents its Interim Management Statement for the quarter ended 30 April 2016.

Performance overview¹

In the three months to 30 April, the net asset value per share increased by 1.9% to 745.2p. In the same period the share price fell 0.6% against a 3.9% increase in the FTSE All-Share Index.

In the last twelve months the net asset value per share increased by 9.9%, while the share price fell 3.0% against a 5.7% fall in the FTSE All-Share Index.

In the three months to 30 April, the value of the portfolio in local currencies increased by 1.8%. The impact of currency movements on non-sterling investments and cash balances increased the net asset value by a net 0.6%, with expenses and other items reducing it by 0.5%. Overall, the net asset value increased by 1.9%.

The long term performance of the Company remains strong, with both the net asset value and the share price comfortably outperforming the Index over one, three, five and ten years.

Performance to 30 April 2016	1	3	5	10*
Net asset value per share	9.9%	24.3%	43.7%	101.9%
Share price	-3.0%	18.0%	59.8%	70.3%
FTSE All-Share Index	-5.7%	12.0%	29.4%	60.1%

* As the Company changed its year end in 2010, the ten year figures are for the 121 month period to 30 April 2016.

Further details about performance and activity in the quarter are presented below.

Performance and activity in the quarter

Valuation of the portfolio

Approximately two-thirds of the 1.8% increase in the local currency valuation of the portfolio was driven by full exits or refinancings.

Proceeds

The portfolio generated £29.3 million of proceeds in the three months to 30 April.

Ten full realisations were completed, accounting for £18.3 million of the proceeds received for an average return of 1.6 times cost. Eight post-crisis investments generated an average uplift on realisation of 21% for a return of 2.7 times cost. Two pre-crisis investments dragged the average return down to 1.6 times cost.

The remaining £11.0 million of total proceeds was generated by a combination of refinancings, sell-downs of listed holdings by third party managers and other partial realisations.

Additions and new commitments

New investment activity in the quarter totalled £17.1 million, with fund drawdowns of £8.3 million and secondary purchases and co-investments of £8.8 million.

New commitment activity was led by a commitment of \$15 million to the ICG Strategic Secondary Fund II and a \$15 million co-investment in a new secondary transaction alongside that fund. This investment increases the exposure of the Company to private equity investments in the US and should be a good source of future co-investment opportunities.

We also committed €20 million to the Sixth Cinven Fund and €15 million to Advent GPE Fund VIII. Both are existing manager relationships for ICG Enterprise.

Cash and liquid assets²

The portfolio generated a net £10.0 million of cash in the three months to 30 April. Expenses and positive currency movements reduced cash by a net £0.1 million. Overall, cash and liquid assets increased by £9.9 million to £113.7 million.

Movement in liquid assets £m	3 months to 30 April 2016
Opening cash and liquid assets	103.8
Additions	(17.0)
Cash proceeds generated by the portfolio*	27.0
Net cash generated by the investment portfolio	10.0
Non-investment cash flows	(0.6)
Effect of changes in foreign exchange rates	0.5
Net cash movement	9.9
Closing cash and liquid assets	113.7

*Including income

Balance sheet² and commitments

The summary balance sheet and commitment position at 30 April 2016 is set out below. The Company was 79% invested at that date.

	30 April 2016 £m	% of total assets	31 January 2016 £m	% of total assets
Total portfolio	428.6	78.7%	428.2	80.3%
Cash and liquid assets	113.7	20.9%	103.8	19.5%
Other net current assets	2.2	0.4%	1.3	0.2%
Total assets	544.5	100.0%	533.3	100.0%
Equity shareholders' funds	531.5		521.3	
Undrawn bank facility *	98.4		97.1	
Total liquidity **	212.0		200.9	
Outstanding commitments	294.7		253.8	
Overcommitment ***	82.6		52.9	
Overcommitment as % of shareholders' funds	15.6%		10.1%	

* £50.0 million and €61.7 million translated into sterling at period end

** Cash and liquid assets plus undrawn borrowing facilities

*** Outstanding commitments less total liquidity

Outstanding commitments increased by a net £40.9 million to £294.7 million in the quarter, primarily due to new primary commitments of £37.8 million. The overcommitment at the quarter end represented 15.6% of the net assets of the Company.

Events since the quarter end

Other than as discussed above, the Directors are not aware of any events or transactions which have taken place between 30 April 2016 and the date of publication of this statement which have had a material effect on the financial position of the company.

Not audited or reviewed

This information has not been audited or reviewed by the Company's auditors.

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1. All performance figures are on a total return basis, including the effect of re-invested dividends.
2. All balance sheet data is presented on a look-through basis to the investment portfolio held by the Company, which is consistent with the commentary in previous annual and interim reports.

SUPPLEMENTARY INFORMATION

THE 30 LARGEST UNDERLYING INVESTMENTS

The table below presents the 30 companies in which ICG Enterprise had the largest investments by value at 30 April 2016. These investments may be held directly or through funds, or in some cases in both ways. The valuations are gross and are shown as a percentage of the total investment portfolio.

	Company	Manager	Year of investment	Country	Value as a % of investment portfolio
1	Micheldever ⁺ Distributor and retailer of tyres	Graphite Capital	2006	UK	5.4%
2	City & County Healthcare Group Provider of home care services	Graphite Capital	2013	UK	3.2%
3	Education Personnel ⁺ Provider of temporary staff for the education sector	ICG	2014	UK	2.9%
4	nGAGE Provider of recruitment services	Graphite Capital	2014	UK	2.9%
5	Skillsoft ⁺ Provider of off-the-shelf e-learning content	Charterhouse	2014	USA	2.1%
6	Standard Brands ⁺ Manufacturer of fire lighting products	Graphite Capital	2001	UK	2.0%
7	R&R Ice Cream ⁺ Manufacturer and distributor of ice cream products	PAI Partners	2013	UK	2.0%
8	David Lloyd Leisure ⁺ Operator of premium health and fitness clubs	TDR Capital	2013	UK	1.8%
9	TMF Provider of management and accounting outsourcing services	Doughty Hanson	2008	Netherlands	1.7%
10	U-POL Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	1.5%
11	PetSmart ⁺ Retailer of pet products and services	BC Partners	2015	USA	1.5%
12	Parques Reunidos Operator of attraction parks	Arle Capital	2007	Spain	1.5%

13	The Laine Pub Company ⁺	Operator of pubs and bars	Graphite Capital	2014	UK	1.5%
14	ICR Group	Provider of repair and maintenance services to the energy industry	Graphite Capital	2014	UK	1.5%
15	Frontier Medical ⁺	Manufacturer of medical devices	Kester Capital	2013	UK	1.5%
16	Algeco Scotsman	Supplier and operator of modular buildings	TDR Capital	2007	USA	1.5%
17	CPA Global ⁺	Provider of patent and legal services	Cinven	2012	UK	1.4%
18	Co-investment ⁺ / *	Provider of business services	Large buy-out manager	2014	Europe	1.3%
19	TMP	Provider of recruitment services	Graphite Capital	2006	UK	1.1%
20	Cognito ⁺	Supplier of communications equipment, software and services	Graphite Capital	2002	UK	1.1%
21	Formel D	Provider of quality control for automotive services	Deutsche Beteiligungs	2013	Germany	1.0%
22	Swiss Education ⁺	Provider of hospitality training	Invision Capital	2015	Europe	0.9%
23	Ceridian ⁺	Provider of payment processing services	Thomas H. Lee Partners	2007	USA	0.9%
24	Odgers ⁺	Provider of recruitment services	Graphite Capital	2009	UK	0.8%
25	Gerflor	Manufacturer of vinyl flooring	ICG	2011	France	0.8%
26	Technogym	Manufacturer of premium fitness equipment and wellness products	Arle Capital	2006	Italy	0.8%
27	InVentiv Health	Provider of healthcare and pharmaceutical consulting	Thomas H. Lee Partners	2010	USA	0.8%

28	Aero Technics				
	Provider of civil aircraft maintenance	Graphite Capital	2015	UK	0.8%
29	Quironsalud				
	Provider of private healthcare services	CVC Capital	2011	Spain	0.7%
30	The Groucho Club				
	Operator of members' club	Alcuin Capital	2015	UK	0.7%
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Total of the 30 largest underlying investments					47.6%

* All or part of this investment is held directly as a co-investment or other direct investment.

* We are not permitted to disclose the details of this co-investment under the terms of a confidentiality agreement.

THE 30 LARGEST FUND INVESTMENTS

The 30 largest funds by value at 30 April 2016 are set out below:

	Fund	Outstanding commitment £ million	Year of commitment	Country/ region	Value £ million
1	Graphite Capital Partners VIII * Mid-market buy-outs	56.0	2013	UK	35.8
2	Graphite Capital Partners VI ** Mid-market buy-outs	2.1	2003	UK	23.8
3	CVC European Equity Partners V ** Large buy-outs	1.3	2008	Europe/ USA	16.3
4	BC European Capital IX ** Large buy-outs	4.7	2011	Europe	15.4
5	Thomas H. Lee Parallel Fund VI Large buy-outs	0.9	2007	USA	14.4
6	Graphite Capital Partners VII */** Mid-market buy-outs	7.6	2007	UK	13.3
7	Deutsche Beteiligungs Fund V Mid-market buy-outs	3.4	2006	Germany	11.8
8	Activa Capital Fund II Mid-market buy-outs	0.7	2007	France	11.6
9	TDR Capital II Mid-market and large buy-outs	0.8	2006	Europe	11.5
10	Fifth Cinven Fund Large buy-outs	5.1	2012	Europe	11.2
11	Candover 2005 Fund ** Large buy-outs	0.1	2005	Europe	10.7
12	Bowmark Capital Partners IV Mid-market buy-outs	1.0	2007	UK	10.5
13	Doughty Hanson & Co V ** Mid-market and large buy-outs	6.0	2006	Europe	8.8
14	PAI Europe V ** Mid-market and large buy-outs	1.0	2007	Europe	8.7
15	ICG European Fund 2006 B ** Mezzanine	9.2	2014	Europe	8.3
16	ICG Velocity Partners ** Mid-market buy-outs	2.2	2016	USA	8.1

17	ICG Europe V				
	Mezzanine	0.5	2012	Europe	8.0
18	IK VII				
	Mid-market buy-outs	1.2	2013	Europe	7.2
19	Permira V				
	Large buy-outs	2.6	2013	Europe	5.5
20	CVC Capital Partners VI				
	Large buy-outs	10.0	2013	Global	5.2
21	Deutsche Beteiligungs Fund VI				
	Mid-market buy-outs	2.9	2012	Germany	5.0
22	Piper Private Equity Fund V				
	Small buy-outs	1.3	2010	UK	4.8
23	PAI Europe VI				
	Mid-market and large buy-outs	10.9	2013	Europe	4.5
24	TDR Capital III				
	Mid-market and large buy-outs	4.2	2013	Europe	4.2
25	Hollyport Secondary Opportunities IV				
	Tail-end secondary portfolios	0.8	2013	Global	4.1
26	Nordic Capital Partners VIII				
	Mid-market and large buy-outs	3.8	2013	Nordic	4.1
27	Egeria Private Equity Fund IV				
	Mid-market buy-outs	3.9	2012	Europe	3.5
28	Fourth Cinven Fund **				
	Large buy-outs	2.9	2006	Europe	3.3
29	Advent Global Private Equity VII				
	Large buy-outs	0.8	2012	Europe/ USA	3.3
30	Hollyport Secondary Opportunities V				
	Tail-end secondary portfolios	5.6	2015	Global	3.3
	Total of the largest 30 fund investments	153.5			286.2
	Percentage of total investment portfolio				66.8%

* Includes the associated Top Up funds.

** All or part of interest acquired through a secondary fund purchase.

PORTFOLIO ANALYSIS

The following five tables analyse the companies in which ICG Enterprise had investments at 30 April 2016.

Portfolio - Investment type	% of value of underlying investments
Large buy-outs	46.8%
Mid-market buy-outs	41.0%
Mezzanine	8.5%
Small buy-outs	3.7%
Total	100.0%

Portfolio - Geographic distribution*	% of value of underlying investments
UK	45.8%
North America	15.1%
Germany	10.2%
France	10.2%
Scandinavia	5.5%
Benelux	5.2%
Italy	2.8%
Spain	2.7%
Other Europe	2.2%
Rest of world	0.3%
Total	100.0%

NB: Total Continental Europe 38.8%

* Location of headquarters of underlying companies in the portfolio. Does not necessarily reflect countries to which companies have economic exposure.

Portfolio - Year of investment	Valuation as multiple of cost	% of value of underlying investments
2016	1.0x	2.1%
2015	1.1x	12.0%
2014	1.2x	22.9%
2013	1.6x	18.1%
2012	1.7x	7.9%
2011	1.4x	6.0%
2010	1.6x	6.3%
2009	2.8x	1.7%
2008	1.0x	5.6%
2007	1.7x	6.5%
2006 and before	1.4x	10.9%
Total	1.4x	100.0%

Portfolio - Sector analysis	% of value of underlying investments
Business services	21.9%
Healthcare and education	16.7%
Consumer goods and services	14.9%
Industrials	14.8%
Leisure	10.5%
Automotive supplies	8.2%
Financials	6.0%
Technology and telecommunications	3.5%
Media	2.2%
Chemicals	1.3%
Total	100.0%

Quoted equity holdings at 30 April 2016

All quoted holdings are held indirectly through third party funds and may have restrictions on their sale. The timing of any disposal of these interests is determined by the managers of those funds.

Underlying investment	Ticker	£ million	% of investment portfolio
VWR International	VWR	2.4	0.6%
JRP	JRP	2.4	0.5%
Party City	PRTY	1.8	0.4%
ComHem	COMH	1.6	0.4%
Saga	SAGA	1.6	0.4%
Black Knight	BKFS	1.6	0.4%
Tumi	TUMI	1.4	0.3%
Fogo de Chao	FOGO	0.9	0.2%
West Corporation	WSTC	0.7	0.2%
Sunrise Communications	SRCG	0.7	0.2%
Univar N.V	UNVR	0.7	0.2%
FleetCor	FLT	0.6	0.1%
Evonik	EVK	0.5	0.1%
Others (less than £0.5 million)		2.4	0.6%
Total		19.3	4.6%

The following table analyses the closing portfolio by value.

Third party, Graphite Capital and ICG investments at 30 April 2016

Portfolio	Third party £ million	Graphite Capital £ million	ICG £ million	Total £ million	% of investment portfolio
Primary investments in funds	190.3	60.6	8.1	259.0	60.4%
Secondary investments in funds	42.3	12.3	16.4	71.0	16.6%
Direct and co-investments	52.7	34.0	11.9	98.6	23.0%
Total portfolio	285.3	106.9	36.4	428.6	100.0%
% of portfolio	66.6%	24.9%	8.5%	100.0%	

INVESTMENT ACTIVITY

Largest new underlying investments

Investment	Description	Manager	Country	Cost £ million
Factory-CRO *	Provider of contract research organisation to medical industry	Kester Capital	Europe/USA	1.0
TEG	Provider of recruitment and payroll services	Egeria	Netherlands	0.7
The Masai Clothing Company	Retailer of female clothing	Silverfleet	Denmark	0.7
Cigierre	Operator of casual diners	BC Partners	Italy	0.5
Coventbridge	Provider of insurance investigative services	Harwood	UK	0.5
Total of 5 largest new underlying investments				3.4

* Completed post period end.

Largest underlying realisations

Investment	Manager	Year of investment	Realisation type	Proceeds £ million
Spheros	Deutsche Beteiligungs	2011	Trade	8.1
David Lloyd Leisure	TDR Capital	2013	Recapitalisation	3.7
Swissport	PAI Partners	2011	Trade	3.4
PetSmart	BC Partners	2015	Recapitalisation	2.0
Frontier Medical	Kester Capital	2013	Recapitalisation	1.9
Total of 5 largest underlying realisations				19.1

COMMITMENTS ANALYSIS

The following three tables analyse ICG Enterprise's commitments at 30 April 2016.

Commitments	Original commitment* £ million	Outstanding commitment £ million	Average drawdown percentage	% of commitments
Investment period not commenced	27.4	27.4	n/a	9.3%
Funds in investment period	352.0	213.2	39.4%	72.4%
Funds post investment period	521.3	54.1	89.6%	18.3%
Total	900.7	294.7	67.3%	100.0%

* Original commitments are translated at 30 April 2016 exchange rates.

Commitments - remaining investment period	% of commitments
Investment period not commenced	9.3%
4-5 years	17.1%
3-4 years	15.9%
2-3 years	32.1%
1-2 years	2.3%
<1 year	5.0%
Investment period complete	18.3%
Total	100.0%

Movement in outstanding commitments in the quarter to 30 April 2016	£ million
Opening	253.8
New primary commitments	37.8
New commitments arising through secondary purchase of fund interests	2.3
Drawdowns	(8.3)
Currency and other movements	9.1
Closing	294.7

CURRENCY EXPOSURE

	30 April 2016 £ million	30 April 2016 %	31 January 2016 £ million	31 January 2016 %
Portfolio*				
- Sterling	213.2	49.7%	209.1	48.8%
- Euro	112.2	26.2%	122.8	28.7%
- US dollar	69.9	16.3%	60.9	14.2%
- Other European	31.3	7.3%	33.5	7.8%
- Other	2.0	0.5%	1.9	0.5%
Total	428.6	100.0%	428.2	100.0%

*Currency exposure is calculated by reference to the location of the underlying portfolio companies' headquarters.

	30 April 2016 £ million	30 April 2016 %	31 January 2016 £ million	31 January 2016 %
Outstanding commitments				
- Sterling	100.9	34.2%	102.3	40.3%
- Euro	162.1	55.0%	131.2	51.7%
- US dollar	29.7	10.1%	18.4	7.2%
- Other European	2.0	0.7%	1.9	0.8%
Total	294.7	100.0%	253.8	100.0%

END