



Quarterly Update

For the quarter to 30 April 2017

Highlights

- Share price Total Return¹ of 5.7% for the quarter and 39.9% for the 12 months to 30 April 2017
- Net asset value per share Total Return¹ of 0.6% for the quarter and 19.9% for the 12 months
- The Portfolio¹ is valued at £541.1m at 30 April 2017 with underlying growth for the quarter of 2.3%
- Strong realisations of £76.1m outstripped £17.6m of new investments in the quarter. In the last 12 months realisations and new investments are broadly in balance at £132.3m and £128.5m respectively
- The Company continued to deliver on a key strategic objective to broaden its geographic diversification: UK exposure at 37.6% is down from 45.1% in the 15 months since the change of manager and US exposure of 24.0% is up from 14.1% over the same period.
- The performance² of the Company remains strong over the short, medium and long term, with the share price outperforming the FTSE All-Share Index over one, three, five and ten years
- As previously announced, and in line with ongoing succession plans being implemented by the Board, Jeremy Tighe will take over as Chairman

Performance to 30 April 2017	1 year	3 year	5 year	10* year
Net asset value per share	19.9%	36.7%	63.6%	112.4%
Share price	39.9%	40.6%	102.3%	112.0%
FTSE All-Share Index	20.1%	21.8%	58.6%	73.0%

* As the Company changed its year end in 2010, the ten year figures are for the 121 month period to 30 April 2017.

Footnote

1. Included in this Quarterly Update are Alternative Performance Measures ("APMs"). APMs have been used if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company, and for comparing the performance of the Company to its peers and its previously reported results. The Glossary includes further details of APMs and reconciliations to IFRS measures, where appropriate. The rationale for the APMs was discussed in detail in the Manager's Review of the 31 January 2017 Annual Report and Accounts. The Glossary includes a reconciliation of the Portfolio to the most relevant IFRS measure.
2. All performance figures are on a total return basis, including the effect of re-invested dividends.

Performance overview

In the quarter to 30 April 2017 the share price increased by 5.7% to 738.0p and the net asset value increased by 0.6% to 876.0p. The FTSE All-Share Index was up 4.0% in the same period.

In the last twelve months the Net asset value per share Total Return is 19.9% and Share price Total Return is 39.9% compared with a 20.1% return from the FTSE All-Share Index.

The 30 April 2017 share price implies a discount to the net asset value per share of 15.7%, down from 19.8% at 31 January 2017.

The Portfolio¹ is valued at £541.1m at 30 April 2017 with underlying growth for the quarter of 2.3% partially offset by adverse currency movements of 1.4%.

Activity in the quarter to 30 April 2017

Investment activity

Realisations

The Portfolio generated £76.1m of proceeds in the three months to 30 April.

18 full realisations were completed during the quarter at an average total return of 2.8 times cost and an average uplift of 38% to the prior carrying value.

The largest realisation during the quarter was the completion of the previously announced disposal by Graphite Capital of Micheldever, a distributor and retailer of tyres. This was the largest underlying investment in the Portfolio as at 31 January 2017 and the realisation generated proceeds of £35.9m representing a 3.7 times cost.

New Investments

New investment activity in the quarter totalled £17.6m, comprising fund drawdowns of £9.3m and secondary purchases of £8.3m.

During the quarter to 30 April 2017 two new commitments were made to third party funds, Oak Hill IV (\$15.0m) and Hg Capital 8 (£5.5m). An additional primary commitment was also made to an in-house fund, ICG Strategic Secondaries Fund II, with the \$10.0m increase in the quarter bringing the total commitment to this fund to \$35.0m.

Three secondary purchases were made during the quarter: Oak Hill III (£4.8m), Oak Hill II (£0.6m) and ICG Recovery 2008B (£1.2m drawn out of a total commitment of £10.4m)

The Oak Hill primary and secondary transactions, as well as the ICG Strategic Secondaries fund continue to increase the Company's exposure to private equity investments in the US. This is in line with the Company's objective of increasing US exposure to 30-40%.

Cash and liquid assets¹

Cash and liquid assets increased by £50.3m to £88.9m mainly as a result of the high level of realisations of the Portfolio in the three months to 30 April 2017. Non-investment cash flows and currency movements decreased cash by £3.0m. The Company also bought back 740,000 shares for £5.2m.

Movement in liquid assets

£m	3 months to 30 April 2017
Additions	(17.6)
Cash proceeds generated by the portfolio (including income)	76.1
Net cash generated by the investment portfolio	58.5
Non-investment cash flows	(2.7)
Effect of changes in foreign exchange rates	(0.3)
Cash inflow before shareholder distributions	55.5

Share buy-backs settled in the period	(5.2)
Net cash movement	50.3
Opening cash and liquid assets	38.6
Closing cash and liquid assets	88.9

Footnote

1. 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.

Balance sheet

The summary balance sheet and commitment position at 30 April 2017 is set out below.

	30 April 2017 £m	% of net assets	31 January 2017 £m	% of total assets
Total portfolio	541.1	88.7%	594.4	97.0%
Cash and liquid assets	88.9	14.6%	38.6	6.3%
Other net current (liabilities)/assets	(20.3)	(3.3%)	(20.3)	(3.3)%
Net assets	609.7	100.0%	612.7	100.0%

	30 April 2017 £m	31 January 2017 £m
Cash and liquid assets	88.9	38.6
Undrawn bank facility	101.9	103.0
Total liquidity	190.8	141.6
Outstanding commitments	320.6	300.3
Less: Total liquidity	(190.8)	(141.6)
Over-commitment	129.8	158.7
Overcommitment as % of net assets	21.3%	25.9%

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Disclaimer

This Quarterly Update 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.

These written materials are not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption therefrom. The issuer has not and does not intend to register any securities under the US Securities Act of 1933, as amended, and does not intend to offer any securities to the public in the United States. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in these written materials, will not be accepted.

This Quarterly Update contains information which, prior to this announcement was insider information.

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 2017. 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 Portfolio
1	City & County Healthcare Group Provider of home care services	Graphite Capital	2013	UK	3.1%
2	Froneri⁺ Manufacturer and distributor of ice cream products	PAI Partners	2013	UK	2.3%
3	Education Personnel⁺ Provider of temporary staff for the education sector	ICG	2014	UK	2.3%
4	nGAGE Provider of recruitment services	Graphite Capital	2014	UK	2.3%
5	Standard Brands⁺ Manufacturer of fire lighting products	Graphite Capital	2001	UK	2.2%
6	PetSmart⁺ Retailer of pet products and services	BC Partners	2015	USA	2.1%
7	Frontier Medical⁺ Manufacturer of medical devices	Kester Capital	2013	UK	1.9%
8	Gerflor Manufacturer of vinyl flooring	ICG	2011	France	1.8%
9	Skillsoft⁺ Provider of off the shelf e-learning content	Charterhouse	2014	USA	1.8%
10	David Lloyd Leisure⁺ Operator of premium health clubs	TDR Capital	2013	UK	1.8%
11	System One⁺ Provider of specialty workforce solutions	Thomas H Lee Partners	2016	USA	1.6%
12	Visma⁺ Provider of business services	Cinven	2014	Norway	1.5%
13	TMF[^] Provider of management and accounting outsourcing services	Doughty Hanson	2008	Netherlands	1.5%
14	The Laine Pub Company⁺ Operator of pubs and bars	Graphite Capital	2014	UK	1.5%
15	Roompot⁺ Operator and developer of holiday parks	PAI Partners	2016	Netherlands	1.4%

	Company	Manager	Year of investment	Country	Value as a % of Portfolio
16	Beck & Pollitzer Provider of industrial machinery installation and relocation	Graphite Capital	2016	UK	1.4%
17	CPA Global* Provider of patent and legal services	Cinven	2012	UK	1.3%
18	Algeco Scotsman Supplier and operator of modular buildings	TDR Capital	2007	USA	1.3%
19	Cambium Provider of educational solutions and services	ICG	2016	USA	1.3%
20	New World Trading Company Operator of distinctive pub restaurants	Graphite Capital	2016	UK	1.2%
21	Formel D Provider of out-sourced services to the automotive industry	Deutsche Beteiligungs	2013	Germany	1.2%
22	U-POL^ Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	1.1%
23	Swiss Education* Provider of hospitality training	Invision Capital	2015	Switzerland	1.0%
24	ProXES Manufacturer of food processing machinery	Deutsche Beteiligungs	2013	Germany	1.0%
25	Ceridian* Provider of payment processing services	Thomas H Lee Partners	2007	USA	1.0%
26	Cognito* Supplier of communications equipment, software & services	Graphite Capital	2002	UK	1.0%
27	Aero Technics Group Provider of civil aircraft maintenance	Graphite Capital	2015	UK	0.7%
28	Parques Reunidos Operator of attraction parks	Arle Capital	2007	Spain	0.7%
29	ICR Group^ Provider of repair and maintenance services to the energy industry	Graphite Capital	2014	UK	0.7%
30	Infobase Publishing Provider of educational solutions	ICG	2016	USA	0.7%
Total of the 30 largest underlying investments					44.7%

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

^ All or part of this investment was acquired as part of a secondary purchase.

The 30 largest fund investments

The 30 largest funds by value at 30 April 2017 are:

Fund	Year of commitment	Country/region	Value £m	Outstanding commitment £m
1 Graphite Capital Partners VIII * Mid-market buy-outs	2013	UK	51.2	39.8
2 BC European Capital IX ** Large buy-outs	2011	Europe	21.7	1.9
3 CVC European Equity Partners V ** Large buy-outs	2008	Europe/USA	16.1	1.2
4 Deutsche Beteiligungs Fund V Mid-market buy-outs	2006	Germany	14.6	0.2
5 Fifth Cinven Fund Large buy-outs	2012	Europe	14.6	1.2
6 Thomas H Lee Parallel Fund VI Large buy-outs	2007	USA	14.5	1.1
7 Graphite Capital Partners VII * / ** Mid-market buy-outs	2007	UK	13.6	4.7
8 ICG Velocity Partners Co-Investor ** Mid-market buyouts	2016	USA	10.7	2.2
9 CVC European Equity Partners VI Large buy-outs	2013	Global	10.3	7.5
10 TDR Capital II Mid-market and large buy-outs	2006	Europe	10.0	0.8
11 Doughty Hanson & Co V ** Mid-market and large buy-outs	2006	Europe	10.0	6.4
12 Graphite Capital Partners VI ** Mid-market buy-outs	2003	UK	10.0	2.1
13 ICG Europe VI ** Mezzanine and equity in mid-market buyouts	2015	Europe	9.8	11.5
14 Bowmark Capital Partners IV Mid-market buy-outs	2007	UK	9.3	-
15 TDR Capital III Mid-market and large buy-outs	2013	Europe	9.3	2.9
16 Permira V Large buy-outs	2013	Europe	8.9	1.1
17 IK VII Mid-market buy-outs	2013	Europe	8.7	0.5
18 Deutsche Beteiligungs Fund VI Mid-market buy-outs	2012	Germany	8.6	1.0
19 ICG Europe V ** Mezzanine and equity in mid-market buyouts	2012	Europe	8.5	1.2

Fund	Year of commitment	Country/region	Value £m	Outstanding commitment £m
20 Hollyport Secondary Opportunities V				
Tail-end secondary portfolios	2015	Global	8.3	2.3
21 Thomas H Lee Equity Fund VII				
Large buy-outs	2015	USA	8.1	9.5
22 ICG European Fund 2006 B				
Mezzanine	2014	Europe	6.9	2.0
23 Activa Capital Fund II				
Mid-market buy-outs	2007	France	6.8	1.5
24 PAI Europe VI				
Mid-market and large buy-outs	2013	Europe	6.8	10.2
25 Nordic Capital Partners VIII				
Mid-market and large buy-outs	2013	Nordic	6.7	3.0
26 ICG Strategic Secondaries Fund II				
Secondary fund restructurings	2016	North America	6.7	21.3
27 Egeria Private Equity Fund IV				
Mid-market buy-outs	2012	Europe	5.8	3.1
28 PAI Europe V **				
Mid-market and large buy-outs	2007	Europe	5.5	1.0
29 One Equity Partners VI				
Mid-market buy-outs	2016	USA/Western Europe	5.3	6.8
30 Activa Capital Fund III				
Mid-market buy-outs	2013	France	5.2	6.8
Total of the largest 30 fund investments			332.5	154.8
Percentage of total investment Portfolio			61.4%	

* Includes the associated Top Up funds.

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

Portfolio analysis

Closing Portfolio by value at 30 April 2017

	Third party £m	Graphite Capital £m	ICG £m	Total £m	% of investment Portfolio
Primary investments in funds	250.4	69.1	22.3	341.8	63.2%
Secondary investments in funds	42.1	5.6	24.4	72.1	13.3%
Direct and co-investments	85.2	30.4	11.6	127.2	23.5%
Total Portfolio	377.7	105.1	58.3	541.1	100.0%
% of Portfolio	69.8%	19.4%	10.8%	100.0%	
Undrawn commitments	217.6	46.7	56.3	320.6	
Total exposure	595.3	151.8	114.6	861.7	
% exposure	69.1%	17.6%	13.3%	100.0%	

Portfolio by investment type	% of value of underlying investments
Large buyouts	36.6%
Mid-market buyouts	54.0%
Small buyouts	9.4%
Total	100.0%

Portfolio by geographic distribution based on location of company headquarters	% of value of underlying investments
UK	37.6%
North America	24.0%
Germany	11.1%
France	7.8%
Benelux	6.3%
Scandinavia	5.9%
Spain	1.8%
Italy	1.7%
Other Europe	2.4%
Rest of world	1.4%
Total	100.0%
<i>Total Continental Europe</i>	<i>37.0%</i>

**% of value of
underlying
investments**

Portfolio by calendar year of investment	
2017	1.7%
2016	21.3%
2015	13.8%
2014	20.9%
2013	17.3%
2012	5.4%
2011	4.1%
2010	3.6%
2009	1.4%
2008	3.0%
2007	3.9%
2006 and before	3.6%
Total	100.0%

**% of value of underlying
investments**

Portfolio by sector	
Business services	19.8%
Healthcare and education	18.5%
Consumer goods and services	17.3%
Industrials	15.0%
Leisure	12.8%
Financials	5.9%
Technology and telecommunications	4.4%
Media	2.8%
Automotive supplies	2.3%
Chemicals	1.2%
Total	100.0%

Investment activity

Largest new underlying investments

Investment	Description	Manager	Country	Cost* £m
Ten Entertainment Group PLC	Operator of indoor bowling centres	Harwood	UK	1.1
Intervias	Operator of petrol station forecourts	TDR Capital	UK	0.9
Imagine	Provider of in-store marketing solutions	Oak Hill	USA	0.8
Berlin Packaging	Supplier of rigid packaging products and value-added services	Oak Hill	USA	0.8
Professional Physical Therapy	Provider of outpatient physical therapy services	Thomas H Lee Partners	USA	0.7
CSafe	Provider of cold chain packaging solutions to airlines, freight forwarders	Thomas H Lee Partners	USA	0.7
OH Aircraft	Provider of leasing platform for aircrafts	Oak Hill	USA	0.7
Art Van	Retailer of furniture	Thomas H Lee Partners	USA	0.7
Allegro	Operator of online marketplace and price comparison website	Permira	Poland	0.7
FirstLight Fiber	Provider of fibre-optic bandwidth infrastructure services	Oak Hill	USA	0.7
Total of 10 largest new underlying investments				7.8

* Cost of investment is calculated as the Company's share of the fund's cost of investment

Largest underlying realisations

Investment	Manager	Year of investment	Realisation type	Proceeds £m
Micheldever	Graphite Capital	2006	Trade	35.9
Quironsalud	CVC	2011	Trade	4.9
Xella	PAI Partners	2008	Secondary	3.5
Cerba	PAI Partners	2010	Secondary	3.5
Findis	Activa	2011	Secondary	3.3
Autodata	Bowmark	2014	Trade	2.9
Host Europe Group	Cinven	2013	Trade	2.5
Alix Partners	CVC	2012	Secondary	1.5
Gaz Europeen	Activa	2013	Trade	1.4
Formula One Group	CVC	2006	Trade	1.4
Total of 10 largest underlying realisations				60.8

Commitments analysis

The following tables analyse commitments at 30 April 2017. Original commitments are translated at 30 April 2017 exchange rates.

	Original commitment £m	Outstanding commitment £m	Average drawdown percentage	% of total outstanding commitments
Investment period not commenced	5.5	5.5	0.0%	1.7%
Funds in investment period	444.1	258.3	41.8%	80.6%
Funds post investment period	658.9	56.8	91.4%	17.7%
	1,108.5	320.6	71.1%	100.0%

Remaining investment period of commitments	% of commitments
Investment period not commenced	1.7%
> 5 years	8.8%
4-5 years	16.0%
3-4 years	13.0%
2-3 years	19.4%
1-2 years	20.9%
<1 year	2.5%
Investment period complete	17.7%
Total	100.0%

Movement in outstanding commitments in the quarter	£m
As at 31 January 2017	300.3
New commitments	35.0
Drawdowns	(9.3)
Currency and other movements	(5.4)
As at 30 April 2017	320.6

New commitments in the quarter to 30 April 2017			
Fund	Strategy	Geography	£m
<i>Primary commitments</i>			
Oak Hill IV	Mid-market buyouts	USA	12.0
ICG Strategic Secondaries II	Secondary fund restructurings	USA	7.9
Hg Capital 8	Mid-market buyouts	Europe	5.5
<i>Total primary commitments</i>			25.4
<i>Commitments relating to secondary purchases</i>			9.6
Total new commitments			35.0

Currency Exposure

	30 April 2017 £m	30 April 2017 %	31 January 2017 £m	31 January 2017 %
Portfolio*				
- Sterling	230.3	42.7%	269.1	45.3%
- Euro	140.5	26.0%	156.5	26.3%
- US dollar	116.7	21.6%	115.4	19.4%
- Other European	41.5	7.7%	41.5	7.0%
- Other	12.1	2.0%	11.8	2.0%
Total	541.1	100.0%	594.3	100.0%

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

Outstanding commitment currency exposure

	30 April 2017 £m	30 April 2017 %	31 January 2017 £m	31 January 2017 %
Outstanding commitments				
- Sterling	82.3	25.7%	77.5	25.8%
- Euro	161.8	50.5%	166.2	55.4%
- US dollar	74.5	23.2%	54.5	18.1%
- Other European	2.0	0.6%	2.1	0.7%
Total	320.6	100.0%	300.3	100.0%

Glossary

Alternative Performance Measures (“APMs”) are a term defined by the European Securities and Markets Authority as “financial measures of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework”.

APMs are used in this report if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company and for comparing the performance of the Company to its peers, taking into account industry practice. Definitions and reconciliations to IFRS measures are provided in the main body of the report or in this Glossary, where appropriate.

Co-investment incentive scheme accrual represents the estimated value of interests in the co-investment incentive scheme operated by the Company. At both 30 April 2017 and 31 January 2017, the accrual was estimated as the theoretical value of the interests if the Portfolio had been sold at its carrying value at those dates.

Drawdowns are amounts invested by the Company into funds when called by underlying managers in respect of an existing commitment.

EBITDA stands for earnings before interest, tax, depreciation and amortisation, which is a widely used valuation measure in the private equity industry.

Enterprise value is the aggregate value of a company’s entire issued share capital and net debt.

FTSE All-Share Index Total return is the change in the level of the FTSE All-Share Index, assuming that dividends are re-invested on the day that they are paid.

Full realisations are exit events (e.g. trade sale, sale by public offering, or sale to a financial buyer) following which the residual exposure to an underlying company is zero or immaterial.

Funds in investment period are those funds which are able to make new investments under the terms of their fund agreements, usually up to five years after the initial commitment.

Net asset value per share Total Return is the change in the Company’s net asset value per share, assuming that dividends are re-invested at the end of the quarter in which the dividend was paid.

Net debt is calculated as the total short term and long term debt in a business, less cash and cash equivalents.

Overcommitment

In order to achieve full or near full investment, it is usual for private equity fund investors to make commitments exceeding the amount of cash immediately available for investment. This is described as “overcommitment”. When determining the appropriate level of overcommitment, careful consideration needs to be given to the rate at which commitments might be drawn down, and the rate at which realisations will generate cash from the existing portfolio to fund new investment.

Portfolio

Throughout, reference is made to the “Portfolio”, which represents the aggregate of the investment Portfolios of the Company and of its subsidiary limited partnerships. This is consistent with the commentary in previous annual and interim reports. The Board and the Manager consider that this is the most relevant basis for shareholders to assess the overall performance of the Company and comparison with its peers.

The closest equivalent amount reported on the balance sheet is “investments at fair value”. A reconciliation of these two measures is presented below:

£m	Investments at fair value as per balance sheet	Cash held by subsidiary limited partnerships	Balances receivable from subsidiary limited partnerships	Co-investment incentive scheme accrual	Portfolio
30 April 2017	522.5	(2.3)	1.5	19.4	541.1
31 January 2017	572.2	-	1.4	20.7	594.3

Post-crisis investments are defined as those completed in 2009 or later.

Pre-crisis investments are defined as those completed in 2008 or before, based on the date the original deal was completed, which may differ from when the Company invested if acquired through a secondary.

Realisation proceeds are amounts received by the Company in respect of the Portfolio, which may be in the form of capital proceeds or income such as interest or dividends.

Share price Total Return is the change in the Company's share price, assuming that dividends are re-invested on the day that they are paid.

Total Return is a performance measure that assumes the notional re-investment of dividends. This is a measure commonly used by the listed private equity sector and listed companies in general.

The tables below set out the share price and the net asset value per share growth figures for periods of one, three, five and ten years to the balance sheet date, on both an unadjusted basis (i.e. without dividends re-invested) and on a Total Return basis.

Unadjusted performance in years to 30 April 2017	1 year	3 year	5 year	10 year*
Net asset value per share	17.6%	27.3%	49.9%	88.1%
Share price	36.3%	29.0%	81.3%	78.3%
FTSE All-Share Index	15.8%	9.5%	32.8%	20.7%

Total Return performance in years to 30 April 2017	1 year	3 year	5 year	10 year*
Net asset value per share	19.9%	36.7%	63.6%	112.4%
Share price	39.9%	40.6%	102.3%	112.0%
FTSE All-Share Index	20.1%	21.8%	58.6%	73.0%

* As the Company changed its year end in 2010, the ten year figures are for the 121 month period to 30 April 2017.

Underlying valuation movement is the change in the valuation of the Company's Portfolio, before the effect of currency movements.

Undrawn commitments are commitments that have not yet been drawn down (see definition of drawdowns).

Uplift on exit represents the increase in gross value relative to the underlying manager's most recent valuation prior to the announcement of the disposal. Excludes a small number of investments that were public throughout the life of the investment. May differ from uplift in the reporting period in certain instances.