

PROSPECTUS DATED 30 August 2012



Intermediate Capital Group plc

(incorporated in England and Wales with limited liability; registered number 02234775)

6.25 per cent. Sterling Guaranteed Notes due 2020

guaranteed by certain subsidiaries of Intermediate Capital Group plc

Issue Price 100 per cent.

The 6.25 per cent. Sterling Guaranteed Notes due 2020 (the "Notes") will be issued by Intermediate Capital Group plc (the "Issuer") and will, upon issue and subject to the provisions of Condition 2 of the terms and conditions of the Notes (the "Terms and Conditions") relating to the removal and addition of guarantors (see "Terms and Conditions of the Notes"), be unconditionally and irrevocably guaranteed (the "Guarantee") on a joint and several basis by Intermediate Capital Investments Limited ("ICIL"), Intermediate Capital Managers Limited ("ICML") and Intermediate Investments LLP ("IIL" and together with ICIL and ICML, the "Guarantors" and each a "Guarantor") and any other subsidiary of the Issuer which becomes a guarantor of the Notes after the date on which the Notes are issued (the "Issue Date"). References herein to the "Guarantors" or a "Guarantor" shall, so far as the context permits, also include any subsidiary of the Issuer which becomes a guarantor of the Notes after the Issue Date, but shall not include any subsidiary of the Issuer which ceases to be a guarantor of the Notes after the Issue Date, all as described under "Terms and Conditions of the Notes – 2. Guarantee and Status". The Issue Date, which is expected to be 19 September 2012, will be set forth in an announcement which will be published by a Regulatory Information Service (expected to be the Regulatory News Service operated by the London Stock Exchange) by the Issuer on or about 12 September 2012 (the "Sizing Announcement"). Interest on the Notes is payable semi-annually in arrear on March and September in each year at the rate of 6.25 per cent. per annum. Payments on the Notes will be made without deduction for or on account of taxes of each Relevant Jurisdiction (as defined in the Terms and Conditions) to the extent described under "Terms and Conditions of the Notes – 7. Taxation". The total principal amount of the Notes to be issued will be determined following a process of "bookbuilding" by the Lead Manager as described under "Subscription and Sale", and will be set forth in the Sizing Announcement.

The Notes mature on 19 September 2020 (the "Maturity Date"). The Notes are subject to redemption in whole, at their principal amount together with accrued interest, at the option of the Issuer at any time in the event of certain tax changes. The Notes may also be redeemed in whole by the Issuer, at its option, at any time at a price which shall be the higher of their principal amount and an amount calculated by reference to the yield of the relevant United Kingdom Government stock, together with accrued interest, each as described under "Terms and Conditions of the Notes – 5. Redemption and Purchase".

Upon the occurrence of certain change of control events and ratings actions relating to the Issuer, each Noteholder shall have the option to require the Issuer to redeem or (at the option of the Issuer) purchase the Notes of such Noteholder at their principal amount plus accrued interest.

The Notes will constitute unsecured and unsubordinated obligations of the Issuer. See "Terms and Conditions of the Notes – 2(b) Status of the Notes".

Application has been made to the Financial Services Authority (the "FSA") in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "FSMA") (the "UK Listing Authority") for the Notes to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the "Market") and through the electronic order book for retail bonds (the "ORB") of the London Stock Exchange. References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Market and through the ORB. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments ("MiFID").

The denomination of the Notes shall be £100. The Notes will initially be represented by a Global Note, without interest coupons, which will be deposited with a common depository on behalf of Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V. ("Euroclear") on or about the Issue Date. The Global Note will be exchangeable for definitive Notes in bearer form in the denomination of £100 not less than 60 days following the request of the Issuer or the holder in the limited circumstances set out in it. See "Summary of provisions relating to the Notes while in Global Form".

As at the date of this Prospectus the Issuer is rated BBB- by Fitch Ratings Ltd. ("Fitch") and Standard and Poor's Credit Market Services Europe Limited ("S&P"). The Notes are expected on issue to be rated BBB- by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. As at the date of this Prospectus, Fitch and S&P are established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "CRA Regulation").

PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE RISK FACTORS DESCRIBED UNDER THE SECTION HEADED "RISK FACTORS" IN THIS PROSPECTUS.

Lead Manager

CANACCORD GENUITY LIMITED

This Prospectus (the "**Prospectus**") comprises a prospectus for the purposes of the Prospectus Directive (as defined below), which requires a prospectus to be published when securities are offered to the public or admitted to trading, and for the purpose of giving information with regard to Intermediate Capital Group plc (the "**Issuer**") and the Issuer and its subsidiaries and affiliates taken as a whole (the "**Group**"), the Guarantors and the Notes which, according to the particular nature of the Issuer, the Guarantors and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantors. This Prospectus is to be read in conjunction with all the documents which are incorporated by reference into this Prospectus. See "*Documents Incorporated by Reference*".

The Issuer (the "**Responsible Person**") accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The previous sentence should be read in conjunction with the fifth paragraph on the first page of this Prospectus.

Each of ICIL, ICML and IIL accepts responsibility for the relevant Guarantor Information. To the best of the knowledge of each of ICIL, ICML and IIL (having taken all reasonable care to ensure that such is the case), the relevant Guarantor Information is in accordance with the facts and contains no omission likely to affect its import.

Where used above, "**Guarantor Information**" means:

- (i) in respect of ICIL: (a) the information incorporated by reference into this Prospectus pursuant to paragraphs (iii) and (iv) under the heading "*Documents Incorporated by Reference*" on pages vii to viii of this Prospectus, (b) the risks relating to the Group and its business set out under the heading "*Risk Factors*" on pages 12 to 19 of this Prospectus, (c) the provisions relating to the guarantee under Condition 2(a) (*Guarantee*) and Condition 2(c) (*Status of the Guarantee*) set out under the heading "*Terms and Conditions of the Notes*" on pages 20 to 21 of this Prospectus, (d) the information set out under the heading "*Description of the Guarantors — Intermediate Capital Investments Limited*" on pages 49 to 50 of this Prospectus and (e) the information and statements relating to ICIL set out in paragraphs 2, 3, 7, 8 and 12 under the heading "*General Information*" on pages 64 to 65 of this Prospectus;
- (ii) in respect of ICML: (a) the information incorporated by reference into this Prospectus pursuant to paragraphs (v) and (vi) under the heading "*Documents Incorporated by Reference*" on page viii of this Prospectus, (b) the risks relating to the Group and its business set out under the heading "*Risk Factors*" on pages 12 to 19 of this Prospectus, (c) the provisions relating to the guarantee under Condition 2(a) (*Guarantee*) and Condition 2(c) (*Status of the Guarantee*) set out under the heading "*Terms and Conditions of the Notes*" on pages 20 to 21 of this Prospectus, (d) the information set out under the heading "*Description of the Guarantors — Intermediate Capital Managers Limited*" on pages 51 to 52 of this Prospectus and (e) the information and statements relating to ICML set out in paragraphs 2, 3, 7, 8 and 12 under the heading "*General Information*" on pages 64 to 65 of this Prospectus; and
- (iii) in respect of IIL: (a) the information incorporated by reference into this Prospectus pursuant to paragraphs (vii) and (viii) under the heading "*Documents Incorporated by Reference*" on page viii of this Prospectus, (b) the risks relating to the Group and its business set out under the heading "*Risk Factors*" on pages 12 to 19 of this Prospectus, (c) the provisions relating to the guarantee under Condition 2(a) (*Guarantee*) and Condition 2(c) (*Status of the Guarantee*) set out under the heading "*Terms and Conditions of the Notes*" 20 to 21 of this Prospectus, (d) the information set out under the heading "*Description of the Guarantors — Intermediate Investments LLP*" on pages 53 to 54 of this Prospectus and (e) the information and statements relating to IIL set out in paragraphs 2, 3, 7, 8 and 12 under the heading "*General Information*" on pages 64 to 65 of this Prospectus.

In addition, in the context of any offer of securities that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a "**Public Offer**"), the Issuer and the Guarantors accept responsibility, in each Member State for which they have given their consent referred to herein, for the content of this Prospectus in relation to any person (an "**Investor**") to whom an offer of any Notes is made by any financial intermediary to whom they have given their consent to use this Prospectus (an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and where the offer is made in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Prospectus. However, none of

the Issuer, the Guarantors or the Lead Manager (as defined in "*Subscription and Sale*") has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

Each of the Issuer and the Guarantors consents to the use of this Prospectus in connection with a Public Offer of any Notes during the period commencing from, and including, 30 August 2012 until 5.00 p.m. (London time) on 12 September 2012 (the "**Offer Period**") in United Kingdom by any financial intermediary which satisfies the following conditions:

(a) is authorised to make such offers under MiFID, (b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), including the Rules published by the FSA (including its guidance for distributors in "The Responsibilities of Providers and Distributors for the Fair Treatment of Customers") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor, (c) complies with the restrictions set out under "*Subscription and Sale*" in this Prospectus which would apply as if it were the Lead Manager, (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to investors or potential investors, (e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the FSMA, (f) complies with applicable anti-money laundering, anti-bribery and "know your client" Rules, and does not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies, (g) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Lead Manager, the Issuer and the Guarantors or directly to the appropriate authorities with jurisdiction over the Issuer, the Guarantors and/or the Lead Manager in order to enable the Issuer, the Guarantors and/or the Lead Manager to comply with anti-money laundering, anti-bribery and "know your client" Rules applying to the Issuer, the Guarantors and/or the Lead Manager and (h) does not, directly or indirectly, cause the Issuer, the Guarantors or the Lead Manager to breach any Rule or subject the Issuer, the Guarantors or the Lead Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction.

For the Public Offer Jurisdictions (as defined in "*Subscription and Sale*") outside the United Kingdom (being Jersey, Guernsey and the Isle of Man), each of the Issuer and the Guarantors consents to the use of this Prospectus in connection with an offer of any Notes by any financial intermediary that satisfy the equivalent of conditions (a) – (h) applicable in those jurisdictions.

Any Authorised Offeror who wishes to use this Prospectus in connection with a Public Offer is required, for the duration of the Offer Period, to publish on its website that it is using this Prospectus for such Public Offer in accordance with the consent of each of the Issuer and the Guarantors and the conditions attached thereto.

A Public Offer may be made, subject to the conditions set out above, during the Offer Period by any of the Issuer, the Guarantors, the Lead Manager or any Authorised Offeror.

Other than as set out above, none of the Issuer, the Guarantors or the Lead Manager has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer, the Guarantors or by any of the Lead Manager or Authorised Offerors and none of the Issuer, the Guarantors or any of the Lead Manager or Authorised Offerors has any responsibility or liability for the actions of the persons making such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the "Terms and Conditions of the Public Offer"). None of the Issuer or the Guarantors will be a party to any such arrangements with Investors (other than the Lead Manager) in connection with the offer or sale of the Notes and, accordingly, this Prospectus will not contain such information. The Terms and Conditions of the Public Offer shall be provided by the relevant Authorised Offeror to the Investor at the relevant time. None of the Issuer, the Guarantors or any of the Lead Manager or other Authorised Offerors has any responsibility or liability for such information.

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") other than offers (the "**Permitted Public Offers**") which are made prior to the Issue Date, and which are contemplated in the Prospectus in the United Kingdom once the Prospectus has been approved by the competent authority in the United Kingdom and published in accordance with the Prospectus Directive, and in respect of which the Issuer has consented in writing to the use of the Prospectus, will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer, in that Relevant Member State, of Notes which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offers, may only do so in circumstances in which no obligation arises for the Issuer, the Guarantors or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer, the Guarantors or the Lead Manager have authorised, nor do they authorise, the making of any offer (other than Permitted Public Offers) of Notes in circumstances in which an obligation arises for the Issuer, the Guarantors or the Lead Manager to publish or supplement a prospectus for such offer. Unless otherwise specified, all references in this document to the "**Prospectus Directive**" refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and all references to the "**2010 PD Amending Directive**" refer to Directive 2010/73/EU.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors or the Lead Manager to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantors and the Lead Manager to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Notes and distribution of this Prospectus, see "*Subscription and Sale*" below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantors or the Lead Manager. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, the Lead Manager accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by it or on its behalf in connection with the Issuer, the Guarantors or the issue and offering of the Notes. The Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States.

Investors may hold interests in the Notes through Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) ("**CREST**") through the issuance of dematerialised depository interests ("**CREST Depository Interests**" or "**CDIs**") issued, held, settled and transferred through CREST, representing interests in the Notes underlying the CDIs (the "**Underlying Notes**"). CREST Depository Interests are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited (the "**CREST Depository**") pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) the ("**CREST Deed Poll**").

Each potential investor in the Notes must determine (either alone or with the help of a financial adviser) the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone instruments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Unless otherwise specified or the context requires, references to "GBP", "Pounds Sterling", "sterling", "Sterling" and "£" are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland (the "UK" or the "**United Kingdom**") and all references to "€" and "Euro" are to the lawful currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Communities, as amended from time to time.

Information Regarding Forward-Looking Statements

This Prospectus includes forward-looking statements. The words "believe", "anticipate", "expect", "intend", "plan", "continue", "assume", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. In particular, the statements under the headings "*Risk Factors*" and "*Description of Intermediate Capital Group plc*" regarding the Group's strategy and other future events or prospects are forward-looking statements. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Issuer's control. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Recipients of this Prospectus are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. This cautionary statement should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer, or persons acting on its behalf, may issue. Factors that may cause the Group's actual results to differ materially from those expressed or implied by the forward-looking statements in this Prospectus include, but are not limited to, the risks described under "*Risk Factors*".

These forward-looking statements reflect the Issuer's judgement at the date of this Prospectus and are not intended to give any assurances as to future results. Save for those forward-looking statements required by the Listing Rules, Disclosure Rules and Transparency Rules and/or the Prospectus Rules, in each case, of the UK Listing Authority, the Issuer undertakes no obligation to update these forward-looking statements, and will not publicly release any revisions they may make to these forward-looking statements that may result from events or circumstances arising after the date of this Prospectus. The Issuer will comply with its obligations to publish updated information as required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with:

Intermediate Capital Group plc

- (i) the following sections of the annual report and accounts of the Issuer for the financial year ended 31 March 2012 published on the Issuer's website on 28 May 2012;
 - (a) Financial Review on pages 26 to 31;
 - (b) Principal Risks and Uncertainties on pages 32 to 35;
 - (c) Independent Auditors' Report on page 82;
 - (d) Consolidated Income Statement on page 84;
 - (e) Consolidated Statement of Comprehensive Income on page 85;
 - (f) Consolidated Statement of Financial Position on page 86;
 - (g) Consolidated Statement of Cash Flow on page 87;
 - (h) Consolidated Statement of Changes in Equity on pages 88 to 89; and
 - (i) Notes to the Accounts on pages 90 to 118;

- (ii) the following sections of the annual report and accounts of the Issuer for the financial year ended 31 March 2011 published on the Issuer's website on 6 June 2011:
 - (a) Financial Review on pages 26 to 32;
 - (b) Principal Risks and Uncertainties on pages 33 to 37;
 - (c) Independent Auditors' Report on page 84;
 - (d) Consolidated Income Statement on page 86;
 - (e) Consolidated Statement of Comprehensive Income on page 87;
 - (f) Consolidated Statement of Financial Position on page 88;
 - (g) Consolidated Statement of Cash Flow on page 89;
 - (h) Consolidated Statement of Changes in Equity on pages 90 to 91; and
 - (i) Notes to the Accounts on pages 92 to 117;

Intermediate Capital Investments Limited

- (iii) the following sections of the report and audited non-consolidated financial statements of ICIL for the financial year ended 31 March 2012:
 - (a) Directors' Report on pages 1 to 3;
 - (b) Independent Auditors' Report on page 5;
 - (c) Profit and Loss Account on page 6;
 - (d) Balance Sheet on page 7;
 - (e) Cash Flow Statement on page 8; and
 - (e) Notes to the Accounts on pages 9 to 14;

- (iv) the following sections of the report and audited non-consolidated financial statements of ICIL for the financial year ended 31 March 2011:
 - (a) Directors' Report on pages 1 to 3;
 - (b) Independent Auditors' Report on page 5;
 - (c) Profit and Loss Account on page 6;
 - (d) Balance Sheet on page 7; and

- (e) Notes to the Accounts on pages 8 to 13;

Intermediate Capital Managers Limited

- (v) the following sections of the annual report and audited non-consolidated financial statements of ICML for the financial year ended 31 March 2012:
 - (a) the sections of the Directors' Report contained on pages 3 to 5;
 - (b) Independent Auditors' Report on page 7;
 - (c) Profit and Loss Account on page 8;
 - (d) Balance Sheet on page 9; and
 - (e) Cash Flow Statement on page 10
 - (f) Notes to the Financial Statements on pages 11 to 16;
- (vi) the following sections of the annual report and audited non-consolidated financial statements of ICML for the financial year ended 31 March 2011:
 - (a) the sections of the Directors' Report contained on pages 2 to 3;
 - (b) Independent Auditors' Report on page 6;
 - (c) Profit and Loss Account on page 7;
 - (d) Balance Sheet on page 8; and
 - (e) Notes to the Financial Statements on pages 9 to 14;

Intermediate Investments LLP

- (vii) the following sections of the report and audited non-consolidated financial statements of IIL for the financial year ended 31 March 2012:
 - (a) Members' Report on pages 2 to 3;
 - (b) Independent Auditors' Report on page 5;
 - (c) Profit and Loss Account on page 6;
 - (d) Balance Sheet on page 7;
 - (e) Cash Flow Statement on page 8; and
 - (f) Notes to the Financial Statements on pages 9 to 13; and
- (viii) the following sections of the report and audited non-consolidated financial statements of IIL for the financial year ended 31 March 2011:
 - (a) Members' Report on pages 1 to 2;
 - (b) Independent Auditors' Report on page 4;
 - (c) Profit and Loss Account on page 5;
 - (d) Balance Sheet on page 6; and
 - (e) Notes to the Financial Statements on pages 7 to 11;

each of which has been previously published or are published simultaneously with this Prospectus and approved by the Financial Services Authority or filed with it. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a

statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Information contained in the documents incorporated by reference into this Prospectus, which is not itself incorporated by reference, is either not relevant for investors or else is covered elsewhere in this Prospectus.

Copies of the Prospectus and all of the documents incorporated by reference in this Prospectus will be available for inspection upon request (without charge) during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Issuer and copies of the documents in respect of the Issuer, as listed in paragraphs (i) and (ii) above, can also be obtained on the Issuer's website at <http://www.icgplc.com/shareholders/results-and-presentations.aspx>. The contents of the Issuer's website shall not form part of the Prospectus.

TABLE OF CONTENTS

| | Page |
|--|-------------|
| SUMMARY | 1 |
| RISK FACTORS | 12 |
| TERMS AND CONDITIONS OF THE NOTES | 20 |
| SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM | 33 |
| CLEARING AND SETTLEMENT | 35 |
| DESCRIPTION OF INTERMEDIATE CAPITAL GROUP PLC | 37 |
| SELECTED FINANCIAL INFORMATION OF INTERMEDIATE CAPITAL GROUP PLC | 47 |
| DESCRIPTION OF THE GUARANTORS | 49 |
| USE OF PROCEEDS | 55 |
| UNITED KINGDOM TAXATION | 56 |
| SUBSCRIPTION AND SALE | 59 |
| GENERAL INFORMATION | 64 |

Summary

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

| | |
|-----|---|
| A.1 | <p>Introduction and warnings</p> <ul style="list-style-type: none"> • <i>This summary must be read as an introduction to this Prospectus.</i> • <i>Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by the Investor.</i> • <i>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff Investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</i> • <i>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in such securities.</i> |
| A.2 | <p>Consent to use this Prospectus</p> <p>Each of the Issuer and the Guarantors consents to the use of this Prospectus in connection with a Public Offer of any Notes during the period commencing from, and including, 30 August 2012 until 5.00 p.m. (London time) on 12 September 2012 in the United Kingdom by any financial intermediary which is authorised to make such offers under MiFID and which satisfies certain conditions.</p> <p>Any Authorised Offeror who wishes to use this Prospectus in connection with a Public Offer is required, for the duration of the Offer Period, to publish on its website that it is using this Prospectus for such Public Offer in accordance with the consent of each of the Issuer and the Guarantors and the conditions attached thereto.</p> <p>An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the "Terms and Conditions of the Public Offer"). None of the Issuer or the Guarantors will be a party to any such arrangements with Investors (other than the Lead Manager) in connection with the offer or sale of the Notes and, accordingly, this Prospectus will not contain such information. The Terms and Conditions of the Public Offer shall be provided by the relevant Authorised Offeror to the Investor at the relevant time. None of the Issuer, the Guarantors or any of the Lead</p> |

| | Manager or other Authorised Offerors has any responsibility or liability for such information. | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|--|------|------|---|--|--|------------------------|-------|-------|--------------------|--------|--------|---------------------------|-------|-------|------------------|--|--|-----------------------------------|-------|-------|--------------------------------|-------|-------|
| Summary information on the Issuer and the Guarantors | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.1 (B.19) | Issuer: Guarantors: | Intermediate Capital Group plc. Intermediate Capital Investments Limited (" ICIL "), Intermediate Capital Managers Limited (" ICML ") and Intermediate Investments LLP (" IIL " and together with ICIL and ICML, the " Guarantors "). Other subsidiaries of the Issuer may become guarantors of the Notes after the Issue Date. The Guarantors or any other subsidiary of the Issuer which becomes a guarantor of the Notes after the Issue Date may also cease to be a guarantor in the circumstances set out in the Terms and Conditions of the Notes (the " Conditions "). | | | | | | | | | | | | | | | | | | | | | | | | |
| B.2 (B.19) (B.19) (B.19) | Legal form of the Issuer and the Guarantors: | The Issuer is incorporated in England and Wales under the Companies Act 1985 as a public limited company with registered number 2234775. ICIL is incorporated in England and Wales under the Companies Act 1985 as a private limited company with registered number 02327070. ICML is incorporated in England and Wales under the Companies Act 1985 as a private limited company with registered number 02327504. IIL is incorporated under the Limited Liability Partnerships Act 2000 and registered in England and Wales as a limited liability partnership with registered number OC323795. | | | | | | | | | | | | | | | | | | | | | | | | |
| B.4b (B.19) | Known trends: | Not applicable: there are no known trends affecting the Issuer, the Guarantors and the industries in which they operate. | | | | | | | | | | | | | | | | | | | | | | | | |
| B.5 (B.19) | Description of the Group: | The Issuer along with its subsidiaries (the " Group ") structures and provides mezzanine finance, leveraged credit and equity and is a leading fund manager of mezzanine and leveraged buy-out debt. | | | | | | | | | | | | | | | | | | | | | | | | |
| B.9 (B.19) | Profit forecast or estimate: | Not applicable: there is no profit forecast or estimate that has been made. | | | | | | | | | | | | | | | | | | | | | | | | |
| B.10 (B.19) | Qualifications in the Auditors' report: | Not applicable: there are no qualifications in the audit report on the historical information. | | | | | | | | | | | | | | | | | | | | | | | | |
| B.12 | Selected financial information: | <p>Issuer</p> <p style="text-align: right;">For the year ended 31 March</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center;">2012</th> <th style="text-align: center;">2011</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;"><i>(£m, except per share information)</i></td> </tr> <tr> <td>Profit before tax.....</td> <td style="text-align: right;">243.8</td> <td style="text-align: right;">186.3</td> </tr> <tr> <td>Tax expenses</td> <td style="text-align: right;">(56.2)</td> <td style="text-align: right;">(58.2)</td> </tr> <tr> <td>Profit for the year</td> <td style="text-align: right; border-top: 1px solid black;">187.6</td> <td style="text-align: right; border-top: 1px solid black;">128.1</td> </tr> <tr> <td colspan="3">Attributable to:</td> </tr> <tr> <td>Equity holders of the parent.....</td> <td style="text-align: right;">188.3</td> <td style="text-align: right;">128.2</td> </tr> <tr> <td>Non-controlling interests.....</td> <td style="text-align: right; border-top: 1px solid black;">(0.7)</td> <td style="text-align: right; border-top: 1px solid black;">(0.1)</td> </tr> </tbody> </table> | | 2012 | 2011 | <i>(£m, except per share information)</i> | | | Profit before tax..... | 243.8 | 186.3 | Tax expenses | (56.2) | (58.2) | Profit for the year | 187.6 | 128.1 | Attributable to: | | | Equity holders of the parent..... | 188.3 | 128.2 | Non-controlling interests..... | (0.7) | (0.1) |
| | 2012 | 2011 | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>(£m, except per share information)</i> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before tax..... | 243.8 | 186.3 | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax expenses | (56.2) | (58.2) | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit for the year | 187.6 | 128.1 | | | | | | | | | | | | | | | | | | | | | | | | |
| Attributable to: | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity holders of the parent..... | 188.3 | 128.2 | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-controlling interests..... | (0.7) | (0.1) | | | | | | | | | | | | | | | | | | | | | | | | |

| | | |
|----------------------------------|-------|-------|
| | 187.6 | 128.1 |
| Earnings per share | 47.7p | 32.6p |
| Diluted earnings per share | 47.6p | 32.5p |

Consolidated Statements of Financial Position

As at 31 March

| | 2012 (£m) | 2011 (£m) |
|------------------------------------|--------------|--------------|
| Total assets | 2,656.1 | 2,837.4 |
| Total equity and liabilities | 2,656.1 | 2,837.4 |

Consolidated Statement of Cash Flow

As at 31 March

| | 2012 (£m) | 2011 (£m) |
|---|--------------|--------------|
| Net increase/(decrease)..... | 15.8 | 60.3 |
| Cash and cash equivalents at the end of the year..... | 149.8 | 140.9 |

(B.19)

ICIL

Profit & Loss Account

For the year ended 31 March

| | 2012 (£'000) | 2011 (£'000) |
|--|-----------------|-----------------|
| Profit on ordinary activities after taxation ... | 13,098 | 90,191 |

Balance Sheet

As at 31 March

| | 2012 (£'000) | 2011 (£'000) |
|------------------------------|-----------------|-----------------|
| Total assets | 281,905 | 342,631 |
| Total capital employed | 64,548 | 81,450 |

Cash Flow Statement

As at 31 March

| | 2012 (£'000) | 2011 (£'000) |
|---|-----------------|-----------------|
| Cash and cash equivalents at the beginning of the year..... | 88 | 5 |
| Cash and cash equivalents at the end of the year..... | 88 | 88 |

B.19)

ICML

Profit & Loss Account

For the year ended 31 March

| | 2012 (£'000) | 2011 (£'000) |
|---|-----------------|-----------------|
| Profit on ordinary activities after taxation..... | 39,812 | 28,100 |

Balance Sheet

As at 31 March

| | 2012 (£'000) | 2011 (£'000) |
|------------------------------|-----------------|-----------------|
| Total assets | 62,790 | 55,985 |
| Total capital employed | 44,512 | 34,701 |

Cash Flow Statement

As at 31 March

| | 2012 (£'000) | 2011 (£'000) |
|--|-----------------|-----------------|
| | | |

| (B.19) | | <p>Cash and cash equivalents at the beginning of the year..... <u>1</u> <u>1</u> Cash and cash equivalents at the end of the year..... <u>1</u> <u>1</u></p> <p>III</p> <p>Profit & Loss Account For the year ended 31 March</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center;">2012 (£'000)</th> <th style="width: 10%; text-align: center;">2011 (£'000)</th> </tr> </thead> <tbody> <tr> <td>Result for the financial year available for discretionary division among members.....</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>Balance Sheet As at 31 March</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center;">2012 (£'000)</th> <th style="width: 10%; text-align: center;">2011 (£'000)</th> </tr> </thead> <tbody> <tr> <td>Net assets attributable to members</td> <td style="text-align: center;">76,636</td> <td style="text-align: center;">76,325</td> </tr> <tr> <td>Total members' interest</td> <td style="text-align: center;">76,636</td> <td style="text-align: center;">76,325</td> </tr> </tbody> </table> <p>Cash Flow Statement As at 31 March</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center;">2012 (£'000)</th> <th style="width: 10%; text-align: center;">2011 (£'000)</th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents at the beginning of the year.....</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Cash and cash equivalents at the end of the year.....</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>There has been no significant change in the financial or trading position of and no material adverse change in the prospects of the Issuer or the Guarantors or the Group since 31 March 2012.</p> | | 2012 (£'000) | 2011 (£'000) | Result for the financial year available for discretionary division among members..... | - | - | | 2012 (£'000) | 2011 (£'000) | Net assets attributable to members | 76,636 | 76,325 | Total members' interest | 76,636 | 76,325 | | 2012 (£'000) | 2011 (£'000) | Cash and cash equivalents at the beginning of the year..... | - | - | Cash and cash equivalents at the end of the year..... | - | - |
|---|---|--|-----------------|-----------------|-----------------|---|---|---|--|-----------------|-----------------|--|--------|--------|-------------------------------|--------|--------|--|-----------------|-----------------|---|---|---|---|---|---|
| | | 2012 (£'000) | 2011 (£'000) | | | | | | | | | | | | | | | | | | | | | | | |
| Result for the financial year available for discretionary division among members..... | - | - | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2012 (£'000) | 2011 (£'000) | | | | | | | | | | | | | | | | | | | | | | | | |
| Net assets attributable to members | 76,636 | 76,325 | | | | | | | | | | | | | | | | | | | | | | | | |
| Total members' interest | 76,636 | 76,325 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2012 (£'000) | 2011 (£'000) | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents at the beginning of the year..... | - | - | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents at the end of the year..... | - | - | | | | | | | | | | | | | | | | | | | | | | | | |
| B.13 (B.19) | Recent material events particular to the Issuer's and/or the Guarantors' solvency: | Not applicable: there have been no recent events particular to the Issuer or the Guarantor which are to a material extent relevant to the evaluation of the Issuer's or the Guarantors' solvency. | | | | | | | | | | | | | | | | | | | | | | | | |
| B.14 (B.19) | Dependency on other members of the Group: | The Group structures and provides mezzanine finance, leveraged credit and equity and is a leading fund manager of mezzanine and leveraged buy-out debt. None of the Issuer or the Guarantors is dependent upon other entities within the Group. | | | | | | | | | | | | | | | | | | | | | | | | |
| B.15 (B.19) | Principal activities: | <p>The Issuer is a leading fund manager of, and independent investor in, mezzanine finance and buyout debt with an experienced investment team operating from its head office in London and offices in Amsterdam, Frankfurt, Hong Kong, Madrid, New York, Paris, Stockholm and Sydney. The Issuer's income is generated from fund management fees, interest and dividend income, capital gains arising from the sale of shares and warrants acquired in conjunction with financings and fees from arranging and underwriting mezzanine debt.</p> <p>ICIL's primary business activities are the making of investments and</p> | | | | | | | | | | | | | | | | | | | | | | | | |

| | | |
|---|------------------------------------|---|
| | | <p>owning an investment portfolio as part of the Issuer's investment business segment.</p> <p>(B.19) ICML's primary business activity is to act as the investment advisor to the Issuer's fund management business segment.</p> <p>(B.19) IIL's primary business activity is that of holding and managing an investment portfolio as part of the Issuer's investment business segment.</p> |
| <p>B.16</p> <p>(B.19)</p> <p>(B.19)</p> <p>(B.19)</p> | <p>Ownership structure:</p> | <p>The Issuer is not directly or indirectly owned or controlled by any other corporation.</p> <p>ICIL is a wholly owned subsidiary of the Issuer.</p> <p>ICML is a wholly owned subsidiary of the Issuer.</p> <p>IIL is indirectly controlled and owned by the Issuer by way of subsidiary companies that are either directly or indirectly owned by the Issuer.</p> |
| <p>B.17</p> <p>(B.19)</p> | <p>Ratings:</p> | <p>The Issuer has been rated BBB- by each of Fitch Ratings Ltd. ("Fitch") and Standard and Poor's Credit Market Services Europe Limited ("S&P"). The Notes are expected on issue to be rated BBB- by S&P. As defined by Fitch, a "BBB-" rating means that the expectation of default risk is currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. As defined by S&P, a "BBB-" rating means that the obligations of the Issuer exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. In each case, the "-" sign shows the relative standing within this rating category. As at the date of this Prospectus, Fitch and S&P are established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "CRA Regulation").</p> <p>Not applicable: the Guarantors are not rated.</p> |
| <p>B.18</p> | <p>Guarantee:</p> | <p>Each of the Guarantors has, in the trust deed to be dated on or around 19 September 2012 between the Issuer, the Guarantors and the Trustee (the "Trust Deed"), jointly and severally, unconditionally and irrevocably, subject to release of any such Guarantor under the Terms and Conditions of the Notes, guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the coupons relating to them (the "Coupons").</p> <p>The obligations of the Guarantors under the Guarantee constitute direct, unconditional and, subject to the provisions of the negative pledge, unsecured obligations of the relevant Guarantor and will rank <i>pari passu</i>, without preference among themselves, with all other present and future unsecured and unsubordinated obligations of such Guarantor, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.</p> |

| Summary information on the Notes | | |
|---|---------------------------------------|---|
| C.1 | Description of the Notes: | <p>6.25 per cent. Sterling Guaranteed Notes due 2020 to be issued by the Issuer on the issue date (the "Issue Date") at an issue price of 100 per cent. (the "Issue Price").</p> <p>The Notes will be issued in bearer form in denominations of GBP 100 and integral multiples thereof.</p> <p>The Issue Date, which is expected to be 19 September 2012, the total principal amount of the Notes to be issued will be determined following the end of the Offer Period and set forth in the Sizing Announcement.</p> <p>The Notes will initially be represented by a Global Note, without interest coupons, which will be deposited with a common depository on behalf of Clearstream, Luxembourg and Euroclear on or about the Issue Date. Save in limited circumstances, Notes in definitive bearer form with coupons attached will not be issued in exchange for interests in the Global Note. Holders of CREST Depository interests ("CDIs") will hold CDIs constituted and issued by the CREST Depository representing indirect interests in the Notes. The CDIs will be issued and settled through CREST.</p> <p>The ISIN for the Notes is XS0818634668 and the Common Code is 081863466.</p> |
| C.2 | Currency: | Pounds Sterling (" GBP "). |
| C.5 | Selling Restrictions: | The Notes have not been and will not be registered under the United States Securities Act of 1933 and, subject to certain exceptions, may not be offered, sold or delivered within the United States. The Notes may be sold in other jurisdictions (including the United Kingdom, Jersey, Guernsey and the Isle of Man) only in compliance with applicable laws and regulations. |
| C.8 | Rights attaching to the Notes: | <p>Status of the Notes: The Notes and Coupons constitute direct, unconditional and, subject to the provisions of the negative pledge, unsecured obligations of the Issuer and shall at all times (subject as aforesaid) rank pari passu, without any preference among themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.</p> <p>Negative pledge: The Conditions contain a negative pledge provision pursuant to which none of the Issuer, any Guarantor and any other material subsidiary of the Issuer may create, assume or permit to subsist any security over their present or future undertaking, assets or revenues to secure any debt without securing the Notes equally and rateably therewith, subject to certain exceptions.</p> <p>Events of default:</p> <p>Events of default under the Notes include non-payment of principal for seven days, non-payment of interest for 14 days, breach of other obligations under the Notes or the Trust Deed (which breach is not</p> |

| | | |
|-----|--|---|
| | | <p>remedied within 30 days), cross-acceleration relating to indebtedness for borrowed money of the Issuer, a Guarantor or any material subsidiary subject to an aggregate threshold and certain events related to insolvency or winding up of the Issuer, a Guarantor or any material subsidiary.</p> <p>Withholding tax:</p> <p>All payments of principal and interest made by the Issuer or any Guarantor in respect of the Notes and the Coupons, shall be made free and clear of, and without withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the relevant jurisdiction or any authority therein or thereof having power to tax, unless required by law or pursuant to a voluntary agreement with a taxing authority. In such case the Issuer or any Guarantor shall pay additional amounts as will result in receipt by the holders of the Notes ("Noteholders") and Coupons of such amounts as would have been received by them had no such withholding or deduction been required, subject to customary exceptions.</p> <p>Meetings of Noteholders:</p> <p>The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not vote on the relevant resolution and Noteholders who voted in a manner contrary to the majority.</p> <p>Modification, waiver and substitution:</p> <p>The Trustee may, in certain circumstances, without the consent of Noteholders, agree to (i) any modification of (subject to certain exceptions), or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed or (ii) the substitution of certain other entities in place of the Issuer, any Guarantor or any previous substituted company as principal debtor or guarantor under any Notes.</p> <p>Governing law:</p> <p>English law.</p> |
| C.9 | Interest and redemption provisions: | <p>Interest rate:</p> <p>The Notes will bear interest from (and including) 19 September to (but excluding) the Maturity Date (as defined below) at the rate of 6.25 per cent. per annum, payable semi-annually in arrear on 19 March and 19 September in each year.</p> <p>Maturity:</p> <p>Unless previously redeemed in accordance with the Conditions, the maturity date of the Notes is 19 September 2020 (the "Maturity Date").</p> <p>Redemption: Notes will be redeemed at their principal amount on the Maturity Date.</p> <p>Redemption for taxation reasons: The Notes will be redeemable at the</p> |

| | | |
|-----------------------------|---|--|
| | | <p>option of the Issuer prior to maturity, at the principal amount thereof together with accrued interest, if the Issuer satisfies the Trustee that it or any Guarantor has or will become obliged to pay additional amounts as a result of any change in, or amendment to the law or regulations in the United Kingdom or relevant jurisdiction and such obligation cannot be avoided by the Issuer or any such Guarantor, as applicable, using reasonable measures available to it.</p> <p>Redemption at the Option of the Issuer: The Notes may be redeemed in whole by the Issuer, at its option, at any time at a price which shall be the higher of their principal amount and an amount calculated by reference to the yield of the relevant United Kingdom Government stock plus a margin of 0.50 per cent., together with accrued interest.</p> <p>Redemption at the Option of Noteholders: Upon the occurrence of a put event, which will be deemed to occur if there is (i) a change of control in 50 per cent. of the Issuer's ordinary share capital or shares in the Issuer carrying more than 50 per cent. of the voting rights, and (ii) the Notes are subject to a ratings downgrade from a rating agency or, if not rated prior to the change of control, the Notes are not assigned a rating of at least investment grade within prescribed time limits, each Noteholder shall have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) the Notes of such Noteholder at the principal amount thereof together with accrued interest.</p> <p>Indication of Yield:</p> <p>6.25 per cent. The yield is calculated as at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.</p> <p>Trustee:</p> <p>Deutsche Trustee Company Limited</p> <p>Principal Paying Agent:</p> <p>Deutsche Bank AG, London Branch</p> |
| C.10 | Derivative component in interest payments: | Not applicable: the Notes do not have a derivative component. |
| C.11 | Listing and Admission to Trading: | Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and through the order book for retail bonds (the "ORB"). |
| Summary Risk Factors | | |
| D.2 | Each of the Issuer and the Guarantors believes that the following factors may affect their ability to fulfil their respective obligations under the Notes. All of these factors are contingencies which may or may not occur and none of the Issuer or the Guarantors is in a position to express a view on the likelihood of any such contingency occurring. Prospective | |

| | |
|------------|--|
| | <p>investors should reach their own views prior to making any investment decision.</p> <p>The Issuer and its subsidiaries (taken as a whole, the "Group") are subject to the below key risks. If any of these key risks actually occurs, the Group's business, operations, financial condition or reputation could be materially adversely affected, with the result that the trading price of the Notes could decline and investors could lose all or part of their investment:</p> <ul style="list-style-type: none"> • Significant unexpected changes or outcomes, beyond those factored into the Group's strategy and business model, may occur, which could have an adverse impact on the Group's performance or financial position. • Poor performance of the Group's investment portfolio could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group. • Changes to the regulatory frameworks under which the Group operates or a breach of applicable regulations could damage the Group's reputation and affect the Issuer's compliance costs, returns and financial condition. • The level of repayments on the Group's loan portfolio and consequently on the timing of the realisation of rolled up interest as well as delays in realising minority interests could have a negative impact on the Group's investment capacity. • If the Group cannot retain and motivate its senior investment professionals and other key employees, the Group's business could be adversely affected. • Operational risks may disrupt the Group's businesses, result in losses or damage Issuer's reputation. • Unless otherwise exempted, the Issuer may be subject to a withholding tax of up to 30 per cent. on certain payments if it does not enter into and comply with an information reporting and withholding agreement with the U.S. Internal Revenue Service in respect of the U.S Foreign Account Tax Compliance Act ("FATCA") or, to the extent applicable, if it does not comply with any United Kingdom laws designed to implement the U.S. Foreign Account Tax Compliance Act. In addition, payments, including principal, on the Notes to certain Noteholders and beneficial owners may be subject to a withholding tax of up to 30 per cent. if the Noteholders or beneficial owners do not comply with FATCA or any United Kingdom laws designed to implement FATCA. |
| D.3 | <p>The Notes are subject to the below key risks. If any of these key risks actually occurs it may have an impact on the trading price of the Notes, which could decline and investors could lose all or part of their investment:</p> <ul style="list-style-type: none"> • The Notes contain an optional redemption feature, which may limit their market value. • Modifications to the terms and conditions of the Notes may be made by a resolution of Noteholders permitting defined majorities to bind all Noteholders, including Noteholders who did not vote on the relevant resolutions and who voted in a manner contrary to the majority. The Trustee may, without Noteholder consent, agree to certain modifications and waivers of the provisions of and make certain determinations in respect of the Notes. • The terms and conditions are based on English law and no assurance can be given as to the impact of any possible judicial change to English law or practice after the date of |

| | |
|--|---|
| | <p>issue of the Notes. The EC Council Directive 2003/48/EC on the taxation of savings income may result in the imposition of withholding taxes in certain jurisdictions.</p> <ul style="list-style-type: none"> • Holders of CREST Depository interests ("CDI Holders") will hold an interest in a separate legal instrument and may not be the legal owners of the Notes. Accordingly the rights under the Notes cannot be enforced by CDI Holders except indirectly through intermediary depositaries and custodians. • If there are internal operational failures in processing payments or delays in the receipt or execution of payment instructions by any of the Principal Paying Agent and/or Euroclear and/or Clearstream, Luxembourg may result in the Noteholders (or some of them) not receiving payment under the Notes until after the due date for payment thereof. <p>Other risks relating to the market are as follows:</p> <ul style="list-style-type: none"> • Exchange rate fluctuations and exchange controls may adversely affect investors' return on their investments in the notes and/or the market value of the Notes. • Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them. • The ratings of the Issuer may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. • The Notes may have no established trading market when issued and there can be no assurance that an active public market for the Notes will develop. |
|--|---|

Summary information on the Offer:

| | | |
|-------------|---|---|
| E.2b | Reasons for the Offer and Use of Proceeds: | The reason for the offer is to give potential investors an opportunity to invest in the Notes and the net proceeds of the issue of the Notes will be set out in the Sizing Announcement (as defined in " <i>Terms and Conditions of the Offer</i> " below) and will be used for the Issuer's general corporate purposes. |
| E.3 | Terms and Conditions of the Offer: | <p>An offer of the Notes may be made by the Lead Manager or the Authorised Offerors in the United Kingdom, Jersey, Guernsey and/or the Isle of Man during the period from 30 August 2012 until 12 September 2012 (the "Offer Period"). Investors will be notified by the relevant Lead Manager or Authorised Offeror of their allocations of Notes and the settlement arrangement in respect thereof. Investors may not be allocated all of the Notes for which they apply.</p> <p>Notes will be issued at the Issue Price (being 100 per cent.) and the aggregate nominal amount of the Notes to be issued will be specified in a sizing announcement published by the Issuer on a Regulatory Information Service (expected to be the Regulatory News Service operated by the London Stock Exchange) (the "Sizing Announcement").</p> <p>The issue of the Notes is subject to certain conditions precedent (including (i) the issue of the Notes, (ii) the execution of the transactional documents by the parties thereto, (iii) the UK Listing Authority having agreed to list the Notes and the London Stock Exchange having agreed to admit the Notes for trading on the Market and through ORB on or prior to</p> |

| | | |
|------------|---|---|
| | | <p>closing, (iv) the delivery of certificates to the Lead Manager stating that the representations and warranties of the Issuer and the Guarantor under the Subscription Agreement are true, accurate and correct and that they have performed all of their respective obligations thereunder, (v) the delivery of legal opinions and auditor comfort letters satisfactory to the Lead Manager, (vi) no downgrading of the Issuer having occurred, and (vii) there being no material or adverse change in the financial condition or prospects of the Issuer or the Group or a Guarantor making it impracticable to market the Notes) set out in a Subscription Agreement between the Issuer, the Guarantors and the Lead Manager, which is expected to be dated on or about 12 September 2012.</p> <p>In the event that the issue of the Notes is oversubscribed there will be no refund as investors will not be required to pay for any Notes until any application for Notes has been accepted and the Notes allotted.</p> <p>The minimum subscription per Investor is for a principal amount of £2,000 of Notes.</p> <p>Canaccord Genuity Limited will be appointed as registered market makers through ORB in respect of the Notes from the date of admission of the Notes.</p> |
| E.4 | Interests of natural and legal persons involved in the issue of the Notes: | <p>So far as the Issuer and the Guarantors are aware, no person involved in the offer of the Notes has an interest material to the offer.</p> |
| E.7 | Estimated expenses charged to investors: | <p>The Issuer will not charge any expenses to any Investor. Expenses may be charged by an Authorised Offeror; these are beyond the control of the Issuer and are not set by the Issuer. They may vary depending on the size of the amount subscribed for and the Investor's arrangements with the Authorised Offeror.</p> <p>The Issuer estimates that the expenses charged by an Authorised Offeror named in the Sizing Announcement in connection with the sale of Notes to an Investor will be on average 1.85 per cent. of the aggregate principal amount of the Notes sold to such Investor.</p> |

Risk Factors

Each of the Issuer and the Guarantors believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and none of the Issuer or the Guarantors is in a position to express a view on the likelihood of any such contingency occurring.

Factors which each of the Issuer and the Guarantors believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

Each of the Issuer and the Guarantors believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer or the Guarantors may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons, and none of the Issuer or the Guarantors represents that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Risks relating to the Group and its business

General market conditions

The Group's strategy and business model are based on an analysis of and assumptions regarding its operating environment. This includes market evaluations and the identification and assessment of external and internal risk factors. Significant unexpected changes or outcomes, beyond those factored into the Group's strategy and business model, may occur, including the withdrawal of certain countries from the eurozone, which could have an adverse impact on the Group's performance or financial position.

Poor performance of the Group's investment portfolio

The performance of the Group's investment portfolio is affected by a number of factors. The portfolio may experience poor investment performance (both in absolute terms and relative to the performance of portfolios managed by competitors and relative to other asset classes) due to the failure of strategies implemented in managing the portfolio assets. The amount of assets under management and performance of the investment portfolio may also be affected by matters beyond the Group's control, including conditions in the domestic and global financial markets and the wider economy, such as the level and volatility of bond prices, interest rates, exchange rates, the break-up of the eurozone or other similar event having an impact on the value of the Euro, liquidity in markets, credit spreads, margin requirements, the availability and cost of credit and the responses of governments and regulators to these economic and market conditions.

Adverse movements in any of the global conditions described above could result in losses on investments from the Group's own balance sheet in the investment portfolio and reduced performance fees received on third party funds, all of which, individually or taken together, could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group.

The Group invests only in certain geographies, industries and sectors. If investment in any one geography, industry or sector becomes unduly concentrated, the Group could suffer increased impairment to its investment performance or increased financial loss as a consequence of adverse market, economic or environmental conditions impacting a particular geography, industry or sector. In addition, the Group sources a significant proportion of its balance sheet funding from a small number of banks. The Group could suffer impairment to its ability to make investments or financial loss in the event of failure of one or more of the relationship banks.

The unlisted equity portfolio of the Issuer and that of third party funds currently managed by the Group are marked to market and, therefore, market valuations may impact on the amount of assets under management. The Group's equity portfolio's overall sensitivity to market fluctuations is expected to increase due to market fluctuations.

Furthermore, loss of investor confidence in the Group or in the alternative investment sector generally, whether because of changes in investor risk appetite, investor liquidity requirements, regulatory and fiscal changes, poor relative or absolute performance of the Group's investment or alternative investment funds generally or for any other reason could have an adverse impact on the Group's performance or financial position.

The Group may be unable to raise future investment funds from third parties. This could limit the Group's capacity to make new investments, increase its exposure to individual deals and decrease the Group's income from management and advisory fees, performance fees and carried interest

The Group's ability to raise investment funds from third parties depends on a number of factors, including appetite of investors, general availability of funds in the market, investment track records and competitor fundraising activity. Certain factors, such as the performance of financial markets or the asset allocation rules or regulations to which such third parties are subject, could inhibit or restrict the ability of certain third parties to provide the Group with investment funds to manage or invest in the asset classes in which the Group invests. In addition, if the Group is unable to increase its assets under management, the level of the Group's return from management and advisory fees, performance fees and carried interest may be reduced.

The removal of a member of the Group as the investment manager for one or more funds would reduce fee income and thus could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group

Fees earned from managing the Group's funds are expected to comprise an increasing proportion of the Group's revenue. All or substantially all of the funds are managed pursuant to management, advisory or fund partnership agreements that may be terminated by the independent board of directors of the particular fund. The termination of a management agreement could cause a material reduction in assets under management and loss of revenue and adversely affect the Group's reputation, which in turn could affect its business, financial condition, results of operations (including impairments in the value of goodwill) and/or prospects.

A breach of an investment mandate by a member of the Group that is the investment manager for one or more funds would reduce fee income and thus could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group

The investment mandates for a number of the funds may contain restrictions (whether by the investor, financing counterparties or as a result of regulatory requirements in the relevant jurisdiction) on the investment allocations of those funds. Breaches of these restrictions may result in losses suffered by investors, termination of external financing or regulatory censure. This may reduce assets under management and revenue and could also damage the Group's reputation and result in weak future financial performance given that fees earned from managing the Group's funds are expected to comprise an increasing proportion of the Group's revenue. It could also expose the Group to the risk of litigation from investors who have suffered losses which in turn could affect the business, financial condition, results of operations and/or prospects of the Group.

Changes to the regulatory frameworks under which the Group operates or a breach of applicable regulations could damage the Group's reputation and affect the Issuer's compliance costs, returns and financial condition

The Group operates in numerous jurisdictions and its business, particularly the fund management part of the business, is subject to numerous regulatory regimes, including in the United Kingdom, the European Union, the United States, Hong Kong, Ireland and Luxembourg. The UK Financial Services Authority (the "FSA") is the Group's primary regulator. The FSA and other such regulatory authorities have broad regulatory powers dealing with all aspects of financial services, including the authority to grant, and in specific circumstances to vary or cancel, permissions and to regulate marketing and sales practices, advertising and the maintenance of adequate financial resources.

If the Group were to breach any such laws or regulations it would be exposed to the risk of investigations, fines, temporary or permanent prohibition from engaging in certain activities, suspensions of personnel or revocation of their licenses and suspension or termination of the regulatory permissions to operate. Any regulatory investigations could result in increased costs and increase the risk of civil litigation from investors. In addition, a material breach of applicable laws and regulations by an investment management subsidiary of the Group could result in a breach of certain external financing facilities provided to the funds managed by that investment management subsidiary.

In addition, there is a risk that changes to any laws, regulations, policies or interpretations thereof in any of the jurisdictions in which the Group operates may adversely affect the Group. In particular, following the recent global and European economic crises, regulators and governments across the world have effected greater regulatory scrutiny over financial markets and financial institutions, imposing a number of measures which could result in the withdrawal of certain countries from the European Monetary Union and may have a negative impact on the Issuer. It is expected that enhanced regulatory scrutiny will continue for the foreseeable future, particularly in relation to compliance with new and existing rules relating to corporate

governance, compensation, remuneration, capital and liquidity requirements, conduct of business. Furthermore, new legislation, such as the Alternative Investment Fund Managers Directive in the EU and the Dodd-Frank Act in the U.S., and regulations implementing such legislation, might have an adverse impact on the Group by, for example, imposing restrictions on the marketing of funds to certain investors.

The level of repayments on the Group's loan portfolio and consequently on the timing of the realisation of rolled up interest as well as delays in realising minority interests could have a negative impact on the Group's investment capacity

Historically, the Group has received early repayments from its portfolio companies on the underlying principal loan amount ahead of the contractual maturity date in respect of such loans. In addition, mezzanine investments typically comprise rolled up interest for part or the totality of their return, which is realised upon repayment. Owing to the illiquid nature of mezzanine investments, these repayments and realisations usually only occur upon the event of a refinancing of the capital structure or a sale of the portfolio company. The Group cannot predict when, or if, any repayments of the loan principal and realisations of the rolled up interest on its investments will occur. The Group does not control the timing of exits in portfolio companies where it holds a minority equity interest or where it invested in mezzanine debt and thus the investments will be subject to the risk that the majority stakeholders may defer realisation of the investment where to do so may not be in line with the Group's interests. Delays in equity realisation and repayment of principal and realisation of rolled up interest could have a negative impact on the Issuer's investment capacity.

Mezzanine investments are typically issued as private loans which have no, or a limited, trading market and therefore, such investments are typically illiquid. Due to the illiquid nature of mezzanine investments, the Group's ability to sell its portfolio for liquidity purposes at short notice or to receive a fair price will be limited. This may have an adverse effect on the Group's business, financial condition and prospects.

There can be no assurance that the Group will be able to secure borrowings or other forms of liquidity in the longer term on commercially acceptable terms or at all. Failure to secure borrowings or other forms of liquidity on commercially acceptable terms may adversely affect the Group's business and returns

The Group invests from its own balance sheet using cash generated from investing activities, credit facilities and other third party funds. Unexpected changes in the levels of investment activities and/or realisations or in interest rates could adversely impact the Group's ability to exploit opportunities to make new investments. A significant shortfall in third party funds would require possible alternative financing structures to enable the Group to continue to invest in accordance with its plans. Such structures could entail higher costs and/or operational complexity and could impact the Group's ability to take advantage of future investment opportunities.

The Group's ability to borrow funds or access debt capital markets in the longer term is dependent on a number of factors including credit market conditions. Difficult credit market conditions may make it difficult for the Group to refinance existing credit facilities as and when they mature or to obtain debt financing for new investments. In addition, the cost and terms of any new or replacement facilities may be less favourable and may include more onerous financial covenants. Failure to secure borrowings on commercially acceptable terms or a default by the Group under its debt agreements may have a material adverse effect upon the Group's financial condition and results.

The Group is exposed to fluctuations in exchange rates which could adversely affect the Group's returns and financial condition

The Group reports in Sterling and pays dividends from Sterling profits. The underlying assets in the Group's portfolio are principally denominated in Euros, and to a lesser degree in US dollars and other currencies. Therefore, changes in the rates of exchange of these currencies or changes to the Euro due to the break-up of the eurozone or similar event may have an adverse effect on the value of the Group's investments and any undrawn amount of the Group's debt facilities. The Group seeks to reduce structural currency exposures by matching loans and investment assets denominated in foreign currency with borrowings or synthetic borrowings in the same currency. In addition, the Group has used and continues to use derivative financial instruments and other instruments on a limited basis, as part of its foreign exchange risk management, to hedge a proportion of unrealised income recognised on a fair value basis. Failure by a counterparty to make payments due under such derivative financial investments may reduce the Group's returns. Although the Group has in place measures to mitigate the foreign exchange risk on its assets and liabilities, to the extent that any structural currency exposures are unhedged or unmatched or result in a currency event as a consequence of political risk, such exposure could adversely affect the Issuer's returns and financial condition.

If the Group cannot retain and motivate its senior investment professionals and other key employees, the Group's business could be adversely affected

The Group's continued success is highly dependent upon the efforts of the Group's investment professionals and other key employees. The Group's future success and growth depends to a substantial degree on the Group's ability to retain and motivate key employees, the market for whom is very competitive. The Group may be unable to retain such key employees or to continue to motivate them.

The Group's investment professionals possess substantial experience and expertise in investing and are responsible for locating and executing the Group's investments. The loss of even a small number of the Group's investment professionals could jeopardise the Group's ability to source, execute and manage investments as well as affect recoveries on troubled assets, which could have a material adverse effect on the Group's business. The Group attempts to reward its investment professionals and other key employees in line with market practice. Failure to maintain an appropriate and attractive reward system may result in the loss of some of the Group's key staff. On the other hand, successful efforts to retain investment professionals or other key staff may result in significant additional expenses, which could adversely affect the Group's returns. In addition, the Group may deem it necessary to maintain reward levels to retain key employees even during periods when it generates lower returns than in previous periods.

The Group and some of the Group's portfolio companies are exposed to fluctuations in interest rates which could adversely affect the Group's returns

The Group has a mixture of fixed and floating rate assets, which are funded with a mixture of equity and borrowings. The Group seeks to minimise interest rate exposure by matching the type, maturity and currency of its borrowings to those of a group of assets with a similar anticipated holding period. A failure to match borrowings by type or maturity or the failure or inappropriate use of derivative financial instruments for the purpose of hedging could have an adverse impact on the Group's returns and financial condition.

In addition, many of the Group's portfolio companies rely on leverage to finance their business operations and increase the rate of return on their equity. Investments in highly leveraged entities are inherently more sensitive to interest rate movements. Therefore, a significant increase in interest rates could adversely affect the returns and financial condition of the Group's portfolio companies and may even lead some of the Group's portfolio companies to breach financial or operating covenants in their credit agreements or default on their debt.

Operational risks may disrupt the Group's businesses, result in losses or damage Issuer's reputation

The Group relies heavily on its financial, accounting and other data processing systems. Although the Group has in place business processes and procedures covering information security, change management, business continuity and disaster recovery, aimed at ensuring that its systems can be rebuilt in the event any of its premises suffer a disaster, if any of these procedures or systems do not operate properly or are disabled, the Group could suffer financial loss, disruption of businesses and damage to its reputation. If there have been, or are, failures in the Issuer's accounting and other data processing systems, the Group may be unable to report its or its funds' financial information on a timely basis. This could result in a loss of investor confidence and thereby adversely affect the performance of the Group.

In addition, the Group maintains a system of internal controls designed to detect, amongst other things, fraud by the Group's employees, agents and counterparties. A failure of these internal controls to detect any such fraud could result in the imposition of fines and/or other criminal or regulatory sanctions and could also damage the Group's reputation.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the FSA.

Changes in tax laws or in the policy of tax administrations, either in the United Kingdom or in other jurisdictions, could adversely affect the Issuer's future after-tax returns

A change in relevant UK legislation or in Her Majesty's Revenue and Customs policy or practice could adversely affect the Group's returns or financial condition.

Similar risks may exist in certain other jurisdictions in which the Group operates and in relation to tax structures which have been put in place, some of which make use of off-shore vehicles. This includes structures designed to ensure that the Group does not create a permanent establishment in some jurisdictions

or that certain Group or portfolio companies are tax resident in a particular jurisdiction only, as a necessary part of the overall tax structure.

The creation of a permanent establishment for the Issuer in some jurisdictions or certain Group or portfolio companies being considered tax resident in more than one particular jurisdiction could result in the Issuer or those Group or portfolio companies being subject to withholding or other taxes on income received from or gains arising on the sale of investments. Likewise, changes in relevant taxation legislation or applicable tax treaties could affect the expected tax position of the Issuer or of certain Group or portfolio companies, and could require less favourable tax structures to be put in place.

FATCA withholding risk

CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE U.S. INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN; AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") ("**FATCA**") may require a payor of U.S. source income and proceeds from the sale of certain U.S. assets to withhold 30 per cent. of such payments made on or after 1 January 2014 to certain non-U.S. entities, such as the Issuer. However, the Issuer will avoid the withholding tax if it complies with the necessary requirements under FATCA, or, to the extent applicable in the future, any UK laws designed to implement FATCA on an intergovernmental basis. The Issuer may, in the future, enter into an agreement ("**FATCA Agreement**") with the U.S. Internal Revenue Service ("**IRS**") pursuant to which the Issuer will be obligated to report on its Noteholders and beneficial owners of interests in the Notes and to withhold on payments to Noteholders and beneficial owners that are not FATCA compliant. There is no assurance that the Issuer will be able to comply with the foregoing requirements, including any requirements under UK law, and avoid the withholding tax. Further, non-compliance by certain affiliates may, in certain cases, prevent the Issuer from being able to comply with FATCA. In addition, payments received by the Issuer from other non-U.S. financial institutions ("**FFIs**") that have entered into their own FATCA Agreements may also be subject to a withholding tax if the Issuer is not FATCA compliant. Withholding on payments to the Issuer by other FFIs under their own FATCA Agreements generally would not start before 1 January 2017.

A financial institution, broker, agent or other intermediary (collectively, "**Intermediaries**") through which a beneficial owner of Notes holds its interests may also enter into a FATCA Agreement to avoid the FATCA withholding tax. If the Issuer or an Intermediary does enter into a FATCA Agreement, the Issuer or Intermediary may be required, among other things, to withhold up to 30 per cent. of payments, *including principal*, to Noteholders or beneficial owners that are "Recalcitrant Holders" (as defined below) or that are non-participating FFIs. A "**Recalcitrant Holder**" is an investor that either fails to comply with requests for information that will help the Issuer or an Intermediary comply with its reporting requirements under a FATCA Agreement or, if applicable, does not execute a waiver of law prohibiting the Issuer or Intermediary from disclosing such information to a taxing authority. A non-participating FFI is an investor (i) that is a "foreign financial institution" as defined in section 1471(d)(4) of the Code that fails to enter into an agreement with the IRS to report and withhold on its own account holders, unless exempted or (ii) if applicable, that is not compliant with any requirements imposed by its own government in respect of FATCA.

As noted above, an FFI will not be required to enter into its own FATCA Agreement with the IRS if it is a resident of a jurisdiction (a "**Partner Country**") that enters into an intergovernmental agreement (a "**Partner Country Agreement**") with the United States in furtherance of FATCA. The Partner Country is expected to enact legislation requiring its resident financial institutions to collect and provide information on their account holders to the government of the Partner Country, which will transmit such information to the United States. FFIs resident in a Partner Country will then be subject to reporting and withholding obligations that are different from those that would apply under individual FATCA Agreements with the IRS. It is currently expected that the United Kingdom will become a Partner Country. Since the Issuer is organised in the United Kingdom, it is anticipated that it will be subject to any laws implemented by the United Kingdom in furtherance of FATCA. Because such laws have not yet been implemented, it is unclear whether the Issuer will be required, and if so, able to comply with such laws. If the United Kingdom does not become a Partner Country, or if the Issuer fails to comply with any UK laws for the implementation

of FATCA, the Issuer itself will be required to enter into a FATCA Agreement with the IRS in order to avoid the withholding taxes described above.

To the extent a Guarantor becomes obligated to make payments on a Note under a Guarantee, the discussion herein applies to the Guarantor as if it were the Issuer.

FATCA is particularly complex and the full extent of its application to the Issuer, Guarantor, Intermediaries and Notes is currently uncertain. The Issuer's (or, if applicable, the Guarantor's) ability to avoid the withholding taxes under FATCA may not be within its control and may, in some cases, depend on the actions of an Intermediary, other withholding agents in the chain of custody, or the investors or their beneficial owners. **There can be no assurance that payments on a Note will not be subject to withholding under FATCA. Accordingly, all investors should consult their own tax advisors about how FATCA may affect an investment in the Notes.**

Risks relating to the Notes and the CDIs

Redemption

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any amendment to or change in the laws or regulations of a Relevant Jurisdiction (as described in "*Terms and Conditions of the Notes — 7. Taxation*") or change in an official interpretation or application of such laws or regulations, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

The Issuer has the option to redeem the Notes in whole at any time at a price which shall be the higher of their principal amount and an amount calculated by reference to the yield on the relevant United Kingdom Government stock plus a margin, together with accrued and unpaid interest, all as described in "*Terms and Conditions of the Notes — 5(c) Redemption at Option of the Issuer*". This optional redemption feature may limit the market value of the Notes since the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders of the Notes that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 11.

Change of law

The Terms and Conditions are based on English law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Notes.

EU Savings Directive

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction to (or for the benefit of) an individual resident in another Member State or to (or for the benefit of) certain limited types of entities established in another Member State, except that Austria and Luxembourg are instead required to impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The ending of such transitional period is dependent on the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. It is not clear if and when such changes will be implemented. Any such changes may impact Notes which have already been issued.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to the Notes as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Holding CREST Depository Interests

Holders of CDIs ("**CDI Holders**") will hold or have an interest in a separate legal instrument and not be the legal owners of the Underlying Notes. The rights of CDI Holders to the Underlying Notes are represented by the relevant entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes. Accordingly, rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians. The enforcement of rights under the Underlying Notes will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Underlying Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the relevant Issuer, including the CREST Deed Poll. Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual (as defined in "*Clearing and Settlement*") and the CREST Rules (as defined in "*Clearing and Settlement*") contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of and returns received by CDI Holders may differ from those of holders of Notes which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service.

Potential investors should note that none of the Issuer, the Lead Manager, the Trustee or any Paying Agents have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

For further information on the issue and holding of CDIs see the section "*Clearing and Settlement*".

Delays in the Payments System

The payments of interest and principal on the Notes will be made to the Issuer, in the case of interest, from and including, 19 September 2012, on 19 March and 19 September in each year (each an "**Interest Payment Date**") and, in the case of principal, on 19 September 2020 (the "**Maturity Date**"). However, situations could arise where, although the Issuer has sufficient funds to meet in full its obligations to make payments Noteholders under the Notes and has instructed the Principal Paying Agent to make the relevant payment, internal operational failures in processing payments or delays in the receipt or execution of payment instructions by any of the Principal Paying Agent and/or Euroclear and/or Clearstream, Luxembourg may result in the Noteholders (or some of them) not receiving payment under the Notes until after the due date for payment thereof.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in fixed rate notes involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate notes.

Credit ratings may not reflect all risks

The Issuer has been rated BBB- by each of Fitch and S&P. The Notes are expected on issue to be rated BBB- by S&P. As defined by Fitch, a BBB- rating means that the expectation of default risk is currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. As defined by S&P, a BBB- rating means that the obligations of the Issuer exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. In each case, the "-" sign shows the relative standing within this rating category. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

As at the date of this Prospectus, Fitch and S&P are established in the European Union and registered under the CRA Regulation.

The secondary market generally

The Notes constitute a new issue of securities by the Issuer. Prior to such issues, there will have been no public market for the Notes. Although applications have been made for the Notes to be listed, there can be no assurance that an active public market for the Notes will develop and, if such a market were to develop, neither the Lead Manager nor any other person is under any obligation to maintain such a market. The liquidity and the market prices for the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and the Group and other factors that generally influence the market prices of securities.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether, and if so to what extent, (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Terms and Conditions of the Notes

The following terms and conditions, subject to alteration (and except for the paragraphs in italics), are the terms and conditions of the Notes which will be endorsed on each Note in definitive form if issued.

The Sterling Guaranteed Notes due 2020 (the "**Notes**", which expression shall include any further Notes issued having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest thereon) and so that such further issue shall be consolidated and form a single series of Notes pursuant to Condition 14) was authorised by a resolution of the Board of Directors of the Intermediate Capital Group plc (the "**Issuer**") passed on 28 August 2012 and a resolution of a committee of the Board of Directors passed on 30 August 2012. The guarantee of the Notes was authorised by resolutions of (a) the Board of Directors of each of Intermediate Capital Investments Limited and Intermediate Capital Managers Limited passed on 30 August 2012 and (b) the members of the partnership of Intermediate Investments LLP on 30 August 2012. The Notes are constituted by a Trust Deed (the "**Trust Deed**") dated on or around 19 September 2012 (such date, the "**Issue Date**") between the Issuer, Intermediate Capital Investments Limited, Intermediate Capital Managers Limited and Intermediate Investments LLP as guarantors (the "**Original Guarantors**" and, together with any Subsidiary (as defined in the Trust Deed) which becomes a guarantor pursuant to Condition 2(e), and excluding any Subsidiary which ceases to be a guarantor pursuant to Condition 2(d), the "**Guarantors**" and each, a "**Guarantor**") and Deutsche Trustee Company Limited (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the "**Noteholders**"). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and the coupons relating to them (the "**Coupons**"). Copies of the Trust Deed, and of the Paying Agency Agreement (the "**Paying Agency Agreement**") dated on or about the Issue Date relating to the Notes between the Issuer, the Original Guarantors and the Trustee and the initial principal paying agent, are available for inspection during usual business hours at the principal office of the Trustee (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB) and at the specified offices of the principal paying agent for the time being (the "**Principal Paying Agent**") and the other paying agents for the time being (the "**Paying Agents**", which expression shall include the Principal Paying Agent). The Noteholders and the holders of the Coupons (whether or not attached to the relevant Notes) (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Paying Agency Agreement.

1 Form, Denomination and Title

- (a) **Form and denomination:** The Notes are serially numbered and in bearer form in the denomination of £100 each with Coupons attached on issue.
- (b) **Title:** Title to the Notes and Coupons passes by delivery. The holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2 Guarantee and Status

- (a) **Guarantee:** Each Original Guarantor has guaranteed in the Trust Deed and each Subsidiary of the Issuer which becomes a guarantor pursuant to Condition 2(e) will guarantee, jointly and severally, unconditionally and irrevocably (subject to the provisions of Condition 2(d)), the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons (each such guarantee of a Guarantor being referred to collectively in these Conditions as the "**Guarantee**").
- (b) **Status of the Notes:** The Notes and Coupons constitute direct, unconditional and (subject to the provisions of Condition 3(a)) unsecured obligations of the Issuer and shall at all times (subject as aforesaid) rank *pari passu*, without any preference among themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
- (c) **Status of the Guarantee:** The obligations of each Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the relevant Guarantor and shall at all times (subject as aforesaid) rank *pari passu*, without

any preference among themselves, with all other present and future unsecured and unsubordinated obligations of such Guarantor but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

(d) **Release of Guarantors:** The Issuer may by written notice to the Trustee signed by two Authorised Signatories of the Issuer request that a Guarantor ceases to be a Guarantor in respect of the Notes if such Guarantor is no longer providing a guarantee in respect of the Facility Agreements. Upon the Trustee's receipt of such notice, upon which the Trustee may rely without liability to any person, such Guarantor shall automatically and irrevocably be released and relieved of all its future obligations under the Guarantee and all of its future obligations as a Guarantor under the Trust Deed but without prejudice to any obligations which may have accrued prior to such release. Such notice must also contain the following certifications:

- (i) no Event of Default or potential Event of Default is continuing or will result from the release of that Guarantor;
- (ii) no part of the financial indebtedness in respect of which that Guarantor is or was providing a guarantee in respect of a Facility Agreement is at that time due and payable but unpaid in circumstances where a right to payment has arisen under the relevant guarantee in respect of such Facility Agreement; and
- (iii) such Guarantor is not (or will cease to be simultaneously with such release) providing a guarantee in respect of any Facility Agreement.

If any Subsidiary of the Issuer released from the Guarantee as described above subsequently provides a guarantee in respect of any Facility Agreement at any time after such release, such Subsidiary of the Issuer will be required to provide a guarantee as described in Condition 2(e).

Notice of any release of a Guarantor pursuant to this Condition will be given by the Issuer to the Noteholders in accordance with Condition 15.

(e) **Addition of Guarantors:** Without prejudice to Condition 11(c), if any Subsidiary of the Issuer provides a guarantee in respect of any Facility Agreement, the Issuer covenants that it shall procure that such Subsidiary of the Issuer shall at or prior to the date of the giving of such guarantee in respect of such Facility Agreement provide a Guarantee in respect of the Notes. The Issuer shall provide written notice to the Trustee of the proposed addition of such Guarantor under the relevant Facility Agreement. The Trust Deed provides that the Trustee shall agree, subject to such amendment of, or supplement to, the Trust Deed as the Trustee may require and such other conditions as are set out in the Trust Deed, but without the consent of the Noteholders or the Couponholders, to such Guarantee being provided by such new Guarantor. Subject to satisfaction of the conditions specified in the Trust Deed, the addition of a new Guarantor shall take effect on the same date that the addition of such Subsidiary of the Issuer as a guarantor takes effect under the relevant Facility Agreement. Notice of any release or addition of a Guarantor pursuant to this Condition will be given to the Noteholders in accordance with Condition 15.

The Trustee shall not be obliged to monitor compliance by the Issuer with this Condition 2(e) and shall have no liability to any person for not doing so. The Trustee shall be entitled to rely, without liability to any person, on a notice of the Issuer provided under this Condition 2(e) and until it receives such notice shall assume that no other Subsidiary of the Issuer has provided a guarantee in respect of any Facility Agreement.

In this Condition 2:

"Facility Agreements" means the Issuer's following facility agreements:

- (i) £250,000,000 Facility Agreement dated 1 July 2009;
- (ii) £250,000,000 Facility Agreement dated 1 June 2009 as amended and restated on 1 July 2009;
- (iii) £66,670,000 Facility Agreement dated 19 August 2011;

- (iv) £50,000,000 Facility Agreement dated 20 October 2011;
- (v) £215,000,000 Facility Agreement dated 5 July 2012;
- (vi) £325,000,000 Facility Agreement dated 18 May 2012; and
- (vii) £100,000,000 Facility Agreement dated 29 May 2012,

each as amended and/or amended and restated and/or replaced and/or refinanced from time to time or, in each case, any instrument or facility which refinances the same (or which in turn refinances such instrument or facility however many times) (each a "**Facility Agreement**").

- 3 Negative Pledge:** So long as any of the Notes remain outstanding (as defined in the Trust Deed) each of the Issuer and any Guarantor shall not, and the Issuer shall procure that no other Material Subsidiary (as defined in Condition 8) of the Issuer shall, create, assume or permit to subsist any mortgage, lien (not being a lien arising by operation of law), pledge, charge or other security ("**Security**") other than a Permitted Security Interest upon the whole or any part of its undertaking, assets or revenues, present or future (including any uncalled capital), to secure any Debt of any person or any obligation of the Issuer, any Guarantor or any Subsidiary of the Issuer under any guarantee, of or indemnity in respect of, any Debt of any person without at the same time or prior thereto securing the Issuer's obligations under the Notes, the Coupons and the Trust Deed and all amounts payable by each of the Guarantors, if any, in respect of the Guarantee, if any, equally and rateably therewith to the satisfaction of the Trustee or providing such other Security for the Notes and the Coupons, and all amounts payable by any such Guarantors in respect of the Guarantee, if any, as the Trustee in its absolute discretion deems to be not materially less beneficial to the Noteholders or which has been approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In this Condition 3:

"**Debt**" means indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange, over-the-counter or other established securities market but excluding any such indebtedness which has a stated maturity not exceeding one year; and

"**Permitted Security Interest**" means

- (i) any Security which:
 - (A) is created or outstanding upon any property or assets of any description (including, but not limited to, beneficial rights, existing and/or future revenues, accounts receivables, premium receivables, clawback rights, rights against third parties and other payments due to the Issuer or any Material Subsidiary and rights in respect of bank or securities accounts) of the Issuer or any Material Subsidiary; and
 - (B) arises in relation to any securitisation or other structured finance transaction where:
 - (x) the primary source of payment of any obligations of the Issuer or any Material Subsidiary is linked to identified property or assets (including all rights in relation thereto and profits arising therefrom) (the "**Financing Assets**") or where payment of such obligations is otherwise supported by such property or assets; and
 - (y) recourse to the Issuer or any Material Subsidiary in respect of such obligations is limited to and conditional on, the Financing Assets or other identified property or assets; and
- (ii) any Security which is in existence prior to the Issue Date.

4 Interest

The Notes bear interest from and including 19 September 2012 at the rate of 6.25 per cent. per annum, payable semi-annually in arrear in equal instalments of £3.125 per Calculation Amount (as defined below), rounding the resulting figure to the nearest pence (half a pence being rounded

upwards), on 19 March and 19 September in each year (each an "**Interest Payment Date**"). Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the total number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including 19 September 2012 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Note shall be calculated per £100 denomination of the Notes (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of 6.25 per cent., the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest pence (half a pence being rounded upwards).

5 Redemption and Purchase

- (a) **Final redemption:** Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed at their principal amount on 19 September 2020.
- (b) **Redemption for taxation reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has (or, if the Guarantee was called, any of the Guarantors has) or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom (or, in relation to any Guarantor which is incorporated in a jurisdiction other than the United Kingdom, such jurisdiction of incorporation) or any political subdivision or any authority thereof or therein having power to tax (each a "**Relevant Jurisdiction**"), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective (a) in the case of the Issuer or an Original Guarantor, on or after the Issue Date or (b) in the case of any Guarantor which becomes a Guarantor after the Issue Date, the first day after such Guarantor becomes a Guarantor pursuant to Condition 2(e), and (ii) such obligation cannot be avoided by the Issuer (or any such Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer (or the relevant Guarantor, as the case may be) stating that the obligation referred to in (i) above has arisen and cannot be avoided by the Issuer (or the relevant Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above (without liability to any person) in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(c) **Redemption at Option of the Issuer:**

The Issuer may at any time, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**")) redeem all, but not some only, of the Notes at a redemption price per Note equal to the greater of the following, in each case together with interest accrued to but excluding the Optional Redemption Date:

- (i) 100 per cent. of the principal amount of the Note; and
- (ii) the price (as reported in writing to the Issuer and the Trustee by a financial adviser (the "**Financial Adviser**") appointed by the Issuer at the Issuer's expense and approved in writing by the Trustee) expressed as a percentage at which the Gross Redemption Yield on the Notes on the Calculation Date is equal to the Gross Redemption Yield at 11.00 a.m. (London time) on the Calculation Date of 4.75 per cent. U.K. Government Treasury Stock 2020 (or, where the Financial Adviser advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such stock is not appropriate for such purpose, such other government stock as such Financial Adviser may recommend for such purpose) plus 0.50 per cent.

In this Condition:

"**Calculation Date**" means the date which is the second business day in London prior to the Optional Redemption Date; and

"**Gross Redemption Yield**" means a yield calculated in accordance with generally accepted market practice at such time, as advised in writing to the Issuer and the Trustee by such financial adviser.

(d) **Redemption at the Option of Noteholders on the occurrence of a Put Event:** A "**Put Event**" will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (each such event being, a "**Change of Control**"); and
- (ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:
 - (A) an investment grade credit rating (BBB- (in the case of Fitch or S&P) or the equivalent rating level of any other Rating Agency, or better) (an "**Investment Grade Rating**"), from any Rating Agency assigned by such Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (BB+ (in the case of Fitch or S&P) or the equivalent rating level of any other Rating Agency, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency; or
 - (B) a Non-Investment Grade Rating from any Rating Agency assigned by such Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded by one or more notches (for example, from BB+ to BB being one notch) or withdrawn and is not, within

the Change of Control Period, subsequently (in the case of a downgrade) reassigned its earlier credit rating or better by such Rating Agency; or

- (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if at the time of the occurrence of the Change of Control the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then paragraph (A) will apply; and

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) and (B) above or not to award a credit rating of at least investment grade as described in the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

If a Put Event occurs, the holder of each Note will have the option (a "**Put Option**") (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 5(b) or 5(c) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Put Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall, and at any time upon the Trustee having express notice thereof and if so requested by the holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, the Trustee shall, (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Put Event Notice**") to the Noteholders and the Trustee (where such Put Event Notice is given by the Issuer) in accordance with Condition 15 specifying the nature of the Put Event and the procedure for exercising the Put Option.

To exercise the Put Option, the holder of a Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the "**Put Period**") of 30 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Notice**"). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the "**Put Date**"), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 10) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 5(c) shall be treated as if they were Notes. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed (or purchased) and cancelled.

If 85 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 5(d), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designation employed by Fitch or S&P is changed from that which is described in paragraph (ii) of the definition of "Put Event" above, or if a rating is procured from any other Rating Agency, the Issuer shall determine the rating designations of Fitch or S&P or such other Rating Agency (as appropriate) as are most equivalent to the prior rating designation of Fitch or S&P and this Condition 5(d) shall be construed accordingly.

The Trustee is under no obligation to ascertain or monitor whether a Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Put Event or Change of Control has occurred, or to seek any confirmation from any Rating Agency pursuant to paragraph (iii) above or pursuant to the definition of Negative Rating Event below, and, until it shall have express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or Change of Control or other such event has occurred and shall have no liability to the Noteholders or any other person in respect thereof.

In this Condition 5(d):

"Change of Control Period" means the period commencing on and including the Relevant Announcement Date and ending on and including the date 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period described above) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days from and including the public announcement of such consideration);

a **"Negative Rating Event"** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency the Issuer does not, by the end of the Change of Control Period, obtain such a rating of at least investment grade;

"Rating Agency" means Fitch Ratings Ltd. ("**Fitch**"), Moody's Investors Service, Inc., Standard & Poor's Rating Services ("**S&P**") or any of their respective successors or any other internationally recognised rating agency appointed by the Issuer to assign a credit rating to the Notes; and

"Relevant Potential Change of Control Announcement" means any public announcement made under the City Code on Takeovers and Mergers or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (e) **Notice of redemption:** All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.
- (f) **Purchase:** The Issuer, any of the Guarantors or any of the Subsidiaries of the Issuer may at any time purchase Notes in the open market or otherwise at any price (provided that, if they should be cancelled under Condition 5(g) below, they are purchased together with all unmatured Coupons relating to them). Such Notes may be held, reissued, resold or, at the option of the Issuer, the relevant Guarantor or the relevant Subsidiary of the Issuer, surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantors (if any) and the Subsidiaries of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 11(a).
- (g) **Cancellation:** All Notes which are (i) redeemed, or (ii) purchased by the Issuer, any of the Guarantors or any of the Subsidiaries of the Issuer and surrendered to the Principal Paying Agent for cancellation pursuant to Condition 5(f), shall forthwith be cancelled together with all unmatured Coupons attached thereto or surrendered therewith, and accordingly all such Notes shall be forwarded to the Principal Paying Agent and cannot be held, reissued or sold.

6 Payments

- (a) **Method of Payment:** Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate

Coupons (as the case may be) at the specified office of any Paying Agent (subject to Condition 6(b) below) by sterling cheque drawn on, or by transfer to a sterling account maintained by the payee with, a bank in the United Kingdom. Payments of interest due in respect of any Note other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.

- (b) **Payments subject to laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (c) **Surrender of unmatured Coupons:** Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.
- (d) **Payments on business days:** A Note or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a sterling account, in London). No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this Condition 6 falling after the due date. In these Conditions "**business day**" means, in relation to any city, a day on which commercial banks and foreign exchange markets are open in the relevant city.
- (e) **Paying Agents:** The initial Paying Agents and their initial specified offices are listed below. Each of the Issuer and the Guarantors reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that they will maintain (i) a Principal Paying Agent, (ii) Paying Agents having specified offices in at least two major European cities and (iii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Noteholders.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons and under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within a Relevant Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law or pursuant to a voluntary agreement with a taxing authority. In that event the Issuer or, as the case may be, any Guarantor, shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (a) **Other connection:** presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or

- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (d) **Payment by another Paying Agent:** presented for payment by or on behalf of a Noteholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) **Foreign Account Tax Compliance Act:** for any withholding or deduction imposed, including pursuant to the terms of a voluntary agreement entered into with a taxing authority, under (i) Sections 1471-1474 of the U.S. Internal Revenue Code and any current or future regulations or official interpretations thereof or (2) any United Kingdom laws designed to implement the U.S. Foreign Account Tax Compliance Act, on payments to a Noteholder, beneficial owner, or any agent having custody or control over a payment made by the Issuer, a Guarantor or any agent in the chain of payment.

"**Relevant Date**" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in London by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

8 Events of Default

If any of the following events occurs the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

- (a) **Non-Payment:** The Issuer or a Guarantor fails to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) **Breach of Other Obligations:** The Issuer or a Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer or a Guarantor by the Trustee; or
- (c) **Cross-Default:** (i) Any other present or future indebtedness of the Issuer, a Guarantor or any of the Material Subsidiaries (as defined below) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or (iii) the Issuer, any Guarantor or any of the Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that (i) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 8(c) have occurred equals or exceeds the Specified Amount and (ii) (except where such default is not, in the opinion of the Trustee, capable of remedy, when no such notice as is hereinafter mentioned will be required), such default continues for a period of 30 days next following the service by the Trustee on the Issuer, a Guarantor or a Material Subsidiary, as the case may be, of a notice in writing requiring the same to be remedied; or
- (d) **Enforcement Proceedings:** A distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the

Issuer, a Guarantor or any of the Material Subsidiaries and is not discharged or stayed within 30 days; or

- (e) **Security Enforced:** Any mortgage, charge, pledge, lien or other encumbrance, present or future securing an amount equal to or exceeding the Specified Amount and created or assumed by the Issuer, a Guarantor or any of the Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and in any such case is not discharged or stayed within 30 days; or
- (f) **Insolvency:** The Issuer, a Guarantor, or any of the Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or, in the opinion of the Trustee, a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, a Guarantor or any of the Material Subsidiaries; or
- (g) **Winding-Up:** An administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, a Guarantor or any of the Material Subsidiaries, or the Issuer, a Guarantor or any of the Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except (A) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or any other Subsidiary of the Issuer, provided that if such transfer is made to a Subsidiary of the Issuer that is not a Material Subsidiary, such transferee Subsidiary of the Issuer shall thereupon become a Material Subsidiary pursuant to subparagraph (ii) of the definition of Material Subsidiary below or (B) in the case of Material Subsidiaries only, for the purpose of a *bona fide* disposal for full value on an arm's length basis of all or substantially all of the business or operations (including the disposal of shares in a Subsidiary of the Issuer) of a Material Subsidiary; or
- (h) **Guarantee:** The Guarantee is not (or is claimed by the Issuer or any Guarantor not to be) in full force and effect in relation to any Guarantor (except in accordance with Condition 2(d)); or
- (i) **Analogous Events:** Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 8(d), 8(f) and 8(g),

provided that in the case Conditions 8(b), and, in respect of Material Subsidiaries or any Guarantor, 8(c), 8(d), 8(f) and 8(i) in respect of Material Subsidiaries only, the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

In these Conditions:

"**Material Subsidiary**" shall, at any time, mean a Subsidiary of the Issuer:

- (i) whose:
 - (A) aggregate interest income and fee income (as shown in its most recent annual audited financial statements and consolidated in the case of a Subsidiary of the Issuer which ordinarily produces consolidated accounts) represent not less than 10 per cent. of the aggregate interest and dividend income and fee and other operating income of the consolidated financial position of the Issuer and its Subsidiaries (the "**Group**"); or
 - (B) total assets (as shown in its most recent annual audited financial statements and consolidated in the case of a Subsidiary of the Issuer which ordinarily produces

consolidated accounts) represent not less than 10 per cent. of the total assets of the Group,

calculated respectively by reference to the most recent annual audited financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary of the Issuer and the then latest audited consolidated financial statements of the Issuer,

provided that in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, for the purpose of applying each of the foregoing tests, the reference to the Issuer's latest audited consolidated financial statements shall, until consolidated accounts for the financial period in which the acquisition is made have been published, be deemed to be a reference to such financial statements as if such Subsidiary of the Issuer had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Issuer; or

- (ii) to which is transferred the whole or substantially all of the business, undertaking and assets of another Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, whereupon (a) the transferor Material Subsidiary shall immediately upon such transfer cease to be a Material Subsidiary and (b) the transferee Subsidiary of the Issuer shall immediately upon such transfer become a Material Subsidiary, provided that such transferee Subsidiary of the Issuer shall cease to be a Material Subsidiary pursuant to this subparagraph (ii) on the date on which the consolidated financial statements for the Group for the financial period current at the date of such transfer are published, but so that such transferor Subsidiary of the Issuer or such transferee Subsidiary of the Issuer may be a Material Subsidiary on or at any time after such date by virtue of the provisions of subparagraph (i) above;

The Trustee shall be entitled to rely upon a certificate signed by two Authorised Signatories of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary without liability to any person and without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties;

"**Authorised Signatory**" means any person who (i) is a director of the Issuer or (ii) has been notified by the Issuer in writing to the Trustee as being duly authorised to sign documents and to do other acts and things on behalf of the Issuer for the purposes of the Trust Deed; and

"**Specified Amount**" shall mean the greater of (1) £25,000,000 or its equivalent in any other currency or currencies and (2) such amount in sterling as is equal to one per cent. of the aggregate of (i) the nominal amount of the share capital of the Issuer for the time being issued and paid up or credited as paid up; (ii) the amounts standing to the credit of the reserves (including any share premium account and profit and loss account) of the Issuer and its Subsidiaries and (iii) any amounts attributable to minority interests in Subsidiaries of the Issuer, all as shown in the latest audited consolidated balance sheet of the Issuer and its Subsidiaries prepared in accordance with generally accepted accounting principles in the United Kingdom or as is required by English law less (iv) any amounts, determined in accordance with generally accepted accounting principles in the United Kingdom, representing distribution of cash or tangible assets declared, recommended or made by the Issuer or any of its Subsidiaries (other than any distribution attributable to the Issuer or another Subsidiary of the Issuer) out of profits accrued prior to the date of, and not provided for in, the latest audited consolidated balance sheet of the Issuer and its Subsidiaries and less (v) any amounts shown in such latest audited consolidated balance sheet attributable to intangible assets and (y) of any debit on profit and loss account.

A certificate signed by two Authorised Signatories of the Issuer as to the Specified Amount shall, in the absence of manifest error, be conclusive and binding on all parties and the Trustee shall be entitled to rely on such certificate without liability to any person.

9 Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

10 Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent in London subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11 Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Notes, (iii) to change the currency of payment of the Notes or the Coupons, (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or cancel the Guarantee, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in its opinion is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Substitution:** Without prejudice to Condition 2(d), the Trust Deed also contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the addition of guarantors in respect of the Notes and the Coupons, to the substitution of certain other entities in place of the Issuer, any Guarantor, or of any previous substituted company, as principal debtor or guarantor, as the case may be, under the Trust Deed, the Notes and the Coupons. In the case of such a substitution, or a release or addition of a Guarantor pursuant to Condition 2(d) or Condition 2(e) or this Condition 11(c), the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the

interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or a Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer and/or a Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such steps, actions or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or a Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into any contract or transaction with the Issuer, a Guarantor and any entity related to the Issuer or any Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

14 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Terms and Conditions of the Notes to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

15 Notices

Notices to Noteholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the Financial Times) or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17 Governing Law

The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law.

Summary of provisions relating to the Notes while in Global Form

The Global Note contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

1 Principal Amount and Exchange

The Global Note is exchangeable in whole but not in part (free of charge to the holder) for the Definitive Notes described below if the Global Note is held on behalf of clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. Thereupon, the Issuer or the holder may give notice to the Principal Paying Agent of its intention to exchange the Global Note for Definitive Notes on or after the Exchange Date specified in the notice.

On or after the Exchange Date (as defined below) the holder of the Global Note may surrender the Global Note to or to the order of the Principal Paying Agent. In exchange for the Global Note the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange of the Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Notes.

"**Exchange Date**" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in the cities in which the relevant clearing system is located.

2 Payments

Payments of principal and interest in respect of Notes represented by the Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of Notes, surrender of the Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 6(e)(iii) and Condition 7(d) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, Condition 6(d) (*Payments on business days*) shall not apply, and all such payments shall be made on a day on which commercial banks and foreign exchange markets are open in the financial centre of the currency of the Notes.

3 Notices

So long as the Notes are represented by the Global Note and the Global Note is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes.

4 Prescription

Claims against the Issuer and, if any, the Guarantors in respect of principal and interest on the Notes while the Notes are represented by the Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7 of the Terms and Conditions).

5 Meetings

The holder of the Global Note shall (unless the Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each £100 in principal amount of Notes.

6 Purchase and Cancellation

Cancellation of any Note required by the Terms and Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Global Note.

7 Trustee's Powers

In considering the interests of Noteholders while the Global Note is held on behalf of a relevant clearing system the Trustee may have regard to any information provided to it by such relevant clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Note and may consider such interests as if such accountholders were the holder of the Global Note.

8 Early Redemption

If a Put Event occurs, the Noteholders' put option in Condition 5(d) may be exercised by the holder of the Global Note, giving notice to the Principal Paying Agent of the principal amount of Notes in respect of which the option is exercised within the time limits specified in Condition 5(d). The Issuer shall procure that any exercise of any option or any right under the Notes, as the case may be, shall be entered in the records of the relevant clearing systems and upon any such entry being made, the principal amount of the Notes represented by such Global Note shall be adjusted accordingly.

Clearing and Settlement

CREST Depository Interests

Following their delivery into a clearing system, interests in Notes may be delivered, held and settled in CREST by means of the creation of CDIs representing the interests in the relevant Underlying Notes. The CDIs will be issued by the CREST Depository to CDI Holders and will be governed by English law.

The CDIs will represent indirect interests in the interest of CREST International Nominees Limited (the "**CREST Nominee**") in the Underlying Notes. Pursuant to the CREST Manual (as defined below), Notes held in global form by the Common Depository may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law which may be held and transferred through CREST.

Interests in the Underlying Notes will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the Underlying Notes on trust for such CDI Holder. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Notes and other relevant notices issued by the Issuer.

Transfers of interests in Underlying Notes by a CREST participant to a participant of Euroclear or Clearstream, Luxembourg will be effected by cancellation of the CDIs and transfer of an interest in such Underlying Notes to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

The CDIs will have the same ISIN as the ISIN of the Underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Notes represented by CDIs are referred to in Chapter 3 of the CREST Manual (as defined below) which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Manual (which forms part of the CREST Manual)) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the "**CREST International Settlement Links Service**"). The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (i) CDI Holders will not be the legal owners of the Underlying Notes. The CDIs are separate legal notes from the Underlying Notes to which they relate and represent an indirect interest in such Underlying Notes.
- (ii) The Underlying Notes themselves (as distinct from the CDIs representing indirect interests in such Underlying Notes) will be held in an account with a custodian. The custodian will hold the Underlying Notes through a clearing system. Rights in the Underlying Notes will be held through custodial and depository links through the appropriate clearing systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the clearing system in or through which the Underlying Notes are held.
- (iii) Rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians described above. The enforcement of rights under the Underlying Notes will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Notes held in clearing systems are not held in

special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

- (iv) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the "**CREST Manual**") and the CREST Rules (the "**CREST Rules**") (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (v) Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.
- (vi) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website at www.euroclear.com/site/public/EUI. The contents of the CREST website shall not form part of this Prospectus.
- (vii) Potential investors should note CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the CDI's through the CREST International Settlement Links Service.
- (viii) Potential investors should note that none of the Issuer, the Lead Manager, the Trustee or any Paying Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Description of Intermediate Capital Group plc

Intermediate Capital Group plc (the "**Issuer**", which term includes the Issuer's subsidiaries on a consolidated basis, where applicable) was incorporated on 23 March 1988 under the laws of England and Wales as a private limited company (registration number 2234775).

In 1994, the Issuer re-registered as a public limited company and had its ordinary shares (the "**Ordinary Shares**") admitted to listing on the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange and changed its name to Intermediate Capital Group plc. The principal legislation under which the Issuer operates is the Companies Act 2006. It is also regulated and authorised by the Financial Services Authority (the "**FSA**"). The Issuer has representative offices in Amsterdam, Frankfurt, Hong Kong, Madrid, New York, Paris, Stockholm and Sydney. The Issuer's registered office and principal place of business is at Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom and its telephone number is +44 (0)20 3201 7700.

As at 23 August 2012 (being the latest practicable date before the publication of this Prospectus), the issued and fully paid up share capital of the Issuer amounted to £80,163,218.20 divided into 400,816,071 ordinary shares of £0.20 each.

The Issuer's objects and purposes can be found in clause 4 of its Memorandum of Association. They include, amongst others: (a) to carry on the business of specialist adviser, expert, consultant, arranger, syndicator, negotiator and fund manager in relation to, and underwriter and provider of, mezzanine or intermediate capital; (b) to carry on the business of an investment company; (c) to carry on the business of manager of all kinds of investments and other funds including mezzanine funds, parallel investment funds, unit trusts, investment trusts, mutual funds and pension funds; (d) to establish and carry on, whether for fees, commissions or otherwise, the business of adviser, expert, consultant, arranger, negotiator, finder and sponsor of and in relation to any and all corporate and other matters relating to or involving finance and investment; and (e) to establish and carry on the business of banking in all its aspects and to transact and do all matters and things incidental thereto.

Overview

The Issuer structures and provides mezzanine finance, leveraged credit and equity. The Issuer had approximately €11 billion, as at 31 March 2012, under management in proprietary capital and third party funds. The Issuer is a leading fund manager of, and independent investor in, mezzanine finance and leveraged buyout debt with an experienced investment team operating from its head office in London and offices in Amsterdam, Frankfurt, Hong Kong, Madrid, New York, Paris, Stockholm and Sydney. The Issuer's income is generated from fund management fees, interest and dividend income, capital gains arising from the sale of shares and warrants acquired in conjunction with financings and fees from arranging and underwriting mezzanine debt. An Executive Committee comprising the three managing directors of the Issuer has general responsibility for its resources, strategy, financial and operational control and managing the business worldwide.

The Issuer's business is organised into two business segments: (i) Fund Management Company and (ii) Investment Company.

Fund Management Company

The Issuer's fund management segment sources and manages investments on behalf of the Issuer's investment segment and other third party funds. The funds under management are categorised into two main business areas: (i) mezzanine and minority equity funds; and (ii) credit funds. Mezzanine and minority equity funds invest in mid-market companies with strong positions in their local markets. Credit funds primarily invest through the Issuer's third party funds in senior loans and high yield bonds of European companies. The Issuer believes that both of these business areas are underpinned by a common credit culture and process, with the Issuer maintaining a strong local network of investment professionals with local insight, knowledge and relationships to provide it with an operational platform.

The total assets under management as at 31 March 2012 and 31 March 2011 are set out in the table below:

| Business Segment | Assets under management (€m) | |
|-------------------------------------|------------------------------|---------------|
| | 31 March 2012 | 31 March 2011 |
| Mezzanine & Minority Equity | 3,714 | 3,461 |
| Credit Funds | 4,965 | 5,575 |
| Investment Company | 2,729 | 2,743 |
| Total assets under management | 11,408 | 11,779 |

Mezzanine and Minority Equity

The Issuer has been managing third party mezzanine funds since 1998. These funds invest alongside the Issuer on a co-investment basis, sharing the benefits of the Issuer's local knowledge, sourcing expertise, investment discipline and on-going asset management. The Issuer provides these asset management services for institutional investors in over 25 countries including sovereign wealth funds, insurance companies, charitable foundations, funds of funds, and government and corporate pension funds.

As at 31 March 2012, the Issuer managed 11 mezzanine funds.

Credit Funds

In 1999, the Issuer built upon the skills it had acquired through its mezzanine lending to raise third party money to invest in sub-investment grade funds containing a mixture of European senior debt, mezzanine debt and high yield bonds issued by companies in leveraged buyout transactions. The Issuer closed its first Collateralised Debt Obligation ("CDO") fund in the same year, the first arbitrage cashflow CDO to be based on European loan, bond and mezzanine collateral.

The credit funds tend to invest in liquid assets, such as senior and subordinated loans and high yield bonds. As at 31 March 2012, the Issuer managed 16 credit funds and two institutional mandates.

Investment Company

The Issuer's investment portfolio has grown from a value of £144 million at the time of its listing in 1994 to £2.3 billion as at 31 March 2012.

The Issuer's portfolio as at 31 March 2012 consisted of investments in over 77 different companies diversified by sector, size and geography, being spread across 27 different industries and 16 countries. As at 31 March 2012, the largest industrial sector, business services, represented 19.2 per cent. of the total portfolio of the Group. Further details of the portfolio are included below under "*Investment Portfolio*".

The Issuer currently funds these activities from its own resources of shareholder funds, bank debt, on-balance sheet securitisation and private placement debt.

Financial Highlights

The Issuer's income is generated from managing funds for third parties, interest and dividend income, capital gains arising from the sale of shares and warrants acquired in conjunction with mezzanine financings and fees from arranging and underwriting mezzanine assets.

The Issuer's profit before tax for the years ending 31 March 2012 and 31 March 2011 was as follows:

| Business Segment | Profit before tax (£m) | |
|-------------------------------|---|---|
| | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
| Fund Management Company | 37.7 | 35.9 |
| Investment Company | 161.1* | 150.4 |
| Total Group..... | 198.8* | 186.3 |

* excludes one off £45 million release of previously accrued costs in relation to the termination of legacy remuneration schemes.

Group Structure

The Issuer acts as the holding company for its subsidiary undertakings, the principal activities of which are the provision of mezzanine capital and equity to companies in Europe, the Asia-Pacific region and the United States, along with the management of third party funds. As at the date of this Prospectus, the Issuer had the following significant subsidiary undertakings all of which are, save as described below, private limited companies and wholly owned.

| Name | Country of incorporation | Proportion of Issuer's ownership interest | Principal activity |
|--|--------------------------|---|---|
| Intermediate Capital Investments Ltd | United Kingdom | 100 per cent. | Investment Company |
| Intermediate Capital Managers Ltd | United Kingdom | 100 per cent. | Advisory Company |
| Intermediate Finance II PLC | United Kingdom | 100 per cent. | Provider of mezzanine finance |
| Mezzanine Finance (Guernsey) Ltd..... | Guernsey | 100 per cent. | Holding Company for loans and investments |
| JOG Partners Ltd..... | United Kingdom | 100 per cent. | Investment Company |
| Intermediate Investments LLP..... | United Kingdom | 100 per cent. | Holding Company for loans and investments |
| Intermediate Investments Guarantee Ltd..... | United Kingdom | 100 per cent. | General Partner |
| Intermediate Investments Jersey Ltd..... | Jersey | 100 per cent. | Investment Company |
| Intermediate Capital Asia Pacific Ltd..... | Hong Kong | 100 per cent. | Advisory Company |
| Intermediate Capital Group SAS | France | 100 per cent. | Advisory Company |
| Intermediate Capital Group Espana SL | Spain | 100 per cent. | Advisory Company |
| Intermediate Capital Nordic AB..... | Sweden | 100 per cent. | Advisory Company |
| Intermediate Capital Group Beratungsgesellschaft..... | Germany | 100 per cent. | Advisory Company |
| Intermediate Capital Group Benelux B.V..... | Amsterdam | 100 per cent. | Advisory Company |
| Intermediate Capital Australia Pty Ltd..... | Australia | 100 per cent. | Advisory Company |
| Intermediate Capital Group Inc..... | United States of America | 100 per cent. | Advisory Company |
| Intermediate Capital Limited..... | United Kingdom | 100 per cent. | General Partner in a number of Partnerships |
| Intermediate Capital GP Ltd..... | Jersey | 100 per cent. | General Partner in a number of Partnerships |
| Intermediate Capital GP 2003 Ltd..... | Jersey | 100 per cent. | General Partner in a number of Partnerships |
| Intermediate Capital GP 2003 No.1 Ltd | Jersey | 100 per cent. | General Partner in a number of Partnerships |
| Intermediate Capital Asia Pacific Mezz GP 2005 Ltd | Jersey | 100 per cent. | General Partner |
| Intermediate Capital Asia Pacific Mezz Opps GP 2005 Ltd..... | Jersey | 100 per cent. | General Partner |
| Intermediate Capital European Fund GP 2006 Ltd | Jersey | 100 per cent. | General Partner |
| Intermediate Capital Asia Pacific 2008 GP Limited..... | Jersey | 100 per cent. | General Partner |
| ICG Recovery Fund 2008 GP Ltd | Jersey | 100 per cent. | General Partner |
| ICG Minority Partners Fund 2008 Ltd..... | Jersey | 100 per cent. | General Partner |
| ICG FMC Ltd..... | United Kingdom | 100 per cent. | Holding Company for funds management |
| Longbow Real Estate Capital LLP | United Kingdom | 51 per cent. | Advisory Company |
| LREC Partners Investments No.2 Limited..... | United Kingdom | 59 per cent. | Investment Company |
| ICG EF V UK Limited | United Kingdom | 100 per cent. | Holding Company for funds management |
| ICG Europe Fund V GP Ltd | Jersey | 100 per cent. | General Partner |
| ICG EF V Jersey Ltd | Jersey | 100 per cent. | General Partner |

Strategy

The Issuer's strategic priorities are to:

- grow the Fund Management Company;
- invest selectively; and
- manage its portfolio to maximise value.

Grow the Fund Management Company

The Issuer aims to increase its assets under management by building on its credit strategy and launching new products for institutional investors through its well-established distribution team, which it intends to expand further.

Mezzanine and Equity Funds

In respect of the Issuer's buyout mezzanine business, the Issuer intends to continue to build on its positions in European and Asia Pacific mezzanine and to expand its presence in the United States.

Credit Funds

The Issuer seeks to (i) increase its assets under management in respect of senior loans and high yield bonds through a growing range of investment products and (ii) exploit new investment opportunities arising as a result of the liquidity shortage in Europe, using the Issuer's distribution team to market these opportunities to

investors. In addition, the Issuer will continue to review investment opportunities with a view to expanding its franchise geographically and through selective acquisitions.

Longbow Real Estate Capital LLP ("Longbow")

In its commercial real estate mezzanine business, the Issuer believes that there are opportunities to grow its Longbow franchise.

Expanding Asset Classes

The Issuer believes that it has achieved success in its mezzanine and European leveraged loan and high yield bond businesses by combining local, dedicated teams of investment specialists with a common investment method, following similar diligence and review processes, and operating platform. In 2010 the Issuer acquired a 51 per cent. stake in Longbow in order to gain a foothold in the real estate mezzanine market. The Issuer intends to increase the investment products it offers through a measured expansion into adjacent asset classes.

Invest selectively

The Issuer has a wide and experienced local network dedicated to sub-investment grade investments and therefore believes that it has a strong capability for originating deals. The Issuer recognises the importance of having local teams that speak the languages and understand the cultures of the markets in which they operate. The Issuer believes that these investment teams have (i) established it as a trusted and experienced investment partner with an ability to structure deals in an innovative manner and (ii) built long-standing relationships with local private equity sponsors, banks, advisors and management teams, providing it with a flow of deals and access to investment opportunities.

Each of the Issuer's investment opportunities is considered on its merits and in the context of the expected risk and return requirements set by the Issuer's Investment Committee. The Issuer aims to limit the downside risk of the investment with the underlying focus on generating cash flow and the repayment of the investment. In order to achieve this, the Issuer's investment strategy is underpinned by rigorous analysis of the credit fundamentals of each investment.

Manage portfolio to maximise value

The Issuer believes that regular involvement with the companies in its investment portfolio is fundamental to managing and supporting the value of its investments. The monitoring of investments is a key focus of both the Issuer's investment executives and its Investment Committee and the Issuer typically seeks board attendance rights from companies in its investment portfolio. The Issuer's investment executives are responsible for attending monthly and quarterly board meetings. The Issuer believes that such board representation assists in:

- effective portfolio management due to access to the relevant company's management and information; and
- building and strengthening relationships with stakeholders, which has historically provided the Issuer with follow-on or new investment opportunities.

The Issuer believes that by closely monitoring investments and with the experience of its executives in recovering principal amounts invested in defaulting companies, it can identify risks within its investment portfolio at an early stage and act accordingly.

Investment Process and Portfolio

Mezzanine and Minority Equity Funds

The Mezzanine and Minority Equities Investment Committee is chaired by Christophe Evain, the Chief Executive Officer (for further details see "*Directors and Management*" below). The Committee comprises seven members including three Managing Directors and four senior members of the mezzanine and growth capital business. One of these members is nominated as a sponsor member, to reflect the nature of the investment (for example, the geography, size or nature of the transaction). The committee members are responsible for reviewing and approving all investment proposals presented by investment executives in accordance with the investment policy set by the Board of Directors. The approval of the Board of Directors is required for large investments. The Mezzanine and Growth Capital Investment Committee also reviews and manages potential and actual conflicts of interest, reviews quarterly performance reports of portfolio companies, and coordinates management plans for individual assets as necessary.

Credit Funds

The Credit Funds Investment Committee is also chaired by Christophe Evain, the Chief Executive Officer. The committee comprises five members, including two senior members of the credit funds management

team. One of these members will be nominated as sponsor member, depending on the nature of the investment (for example the geography, size or nature of the transaction). The committee members are responsible for reviewing and approving all investment proposals presented by credit executives in accordance with the investment policy. The Credit Funds Investment Committee also reviews and manages potential and actual conflicts of interest, reviews the quarterly performance reports of its credit funds' portfolio companies, and coordinates management plans for individual assets as necessary.

The Issuer has appointed the same chairman for the Mezzanine and Growth Capital Investment Committee and the Credit Funds Investment Committee to ensure that the Issuer's global investment strategy is applied consistently across the Issuer's funds.

Investment Portfolio

The Issuer's strategy is to leverage its deep sector or company specific knowledge to identify undervalued assets through rigorous bottom-up research and analysis of the fundamentals of the underlying company.

Issuer's Portfolio by Sector

As at 31 March 2012, the largest industry sector in the Issuer's investment portfolio was business services, representing 19.2 per cent. of the portfolio, followed by healthcare at 14.1 per cent. The table below sets out the Issuer's investment portfolio by industry sector as at 31 March 2012:

| Industry Sector | Percentage of Issuer's Investment Portfolio (per cent.) |
|--------------------------------------|--|
| Business services | 19.2 |
| Healthcare | 14.1 |
| Financial services..... | 13.0 |
| Entertainment and leisure | 7.2 |
| Utilities and waste management | 6.8 |
| Telecoms, media and technology..... | 6.5 |
| Shipping and transport..... | 6.0 |
| Construction materials | 5.7 |
| Food and consumer products | 4.7 |
| Retail..... | 4.7 |
| Pharmaceuticals and chemicals..... | 3.3 |
| Publishing and advertising..... | 2.7 |
| Manufacturing and engineering | 2.2 |
| Packaging..... | 2.1 |
| Automotive | 1.8 |

Issuer's Portfolio by Geography

As at 31 March 2012, the Issuer's investment portfolio was geographically spread across Europe, Asia Pacific and North America; France (with 36.6 per cent. of assets by value) and the UK (with 20.5 per cent. of assets by value) represented the countries with the largest assets by value in the portfolio. The table below sets out the Issuer's investment portfolio by geographical region as at 31 March 2012:

| Region | Percentage of Issuer's Investment Portfolio (per cent.) |
|-------------------|--|
| France | 36.6 |
| UK | 20.5 |
| Asia Pacific..... | 8.9 |
| Germany | 7.3 |
| Nordic..... | 6.5 |
| Spain..... | 5.8 |

| Region | Percentage of Issuer's Investment Portfolio (per cent.) |
|---------------------|--|
| North America | 4.9 |
| Benelux | 4.7 |
| Italy | 4.7 |
| Other Europe..... | 0.1 |

Top 20 Assets

The top 20 assets, as valued on the Issuer's balance sheet as at 31 March 2012 on a consolidated basis, which amounted to £1,167.3 million, were as follows:

| Company | Country | Industry | Investment year | £m⁽¹⁾ |
|----------------------------|----------------|--------------------------------|------------------------|-------------------------|
| Médi Partenaires | France | Healthcare | 2007 | 109.7 |
| Elis | France | Business services | 2007 | 92.6 |
| Applus+ | Spain | Business services | 2007 | 79.8 |
| Attendo | Sweden | Healthcare | 2007 | 77.5 |
| Link Market Services | Australia | Financial services | 2007 | 71.7 |
| Materis | France | Construction materials | 2006 | 69.2 |
| Allflex | UK | Business services | 1998 | 65.4 |
| Biffa | UK | Utilities and waste management | 2008 | 59.8 |
| BAA | UK | Shipping and transport | 2006 | 56.9 |
| Gerflor | France | Construction materials | 2011 | 52.1 |
| Minimax | Germany | Telecoms, media and technology | 2006 | 51.2 |
| Ethypharm | France | Pharmaceuticals and chemicals | 2007 | 50.0 |
| SAG | Germany | Utilities and waste management | 2008 | 45.9 |
| Intelsat | US | Telecoms, media and technology | 2008 | 45.6 |
| Eos Loan Fund 1 | N/A | N/A | 2010 | 44.3 |
| Feu Vert | France | Automotive | 2007 | 41.7 |
| Lowenplay | Germany | Entertainment and leisure | 2008 | 38.9 |
| TeamSystem | Italy | Business services | 2010 | 38.5 |
| Hoyts | Australia | Entertainment and leisure | 2007 | 38.4 |
| Sicurglobal | Italy | Business services | 2008 | 38.1 |

Note:

(1) Carrying value on the Issuer's balance sheet at 31 March 2012.

Top 10 Equity Assets

The top 10 equity assets, as valued on the Issuer's balance sheet as at 31 March 2012 on a consolidated basis, which amounted to £289.8 million, were as follows:

| Company | Industry | £m⁽¹⁾ |
|--------------------------------|--------------------------------|-------------------------|
| AllFlex | Business services | 65.4 |
| Intelsat | Telecoms, media and technology | 45.6 |
| Gerflor | Construction materials | 34.5 |
| Link Market Services | Financial services | 32.7 |
| TeamSystem | Business services | 22.7 |
| Van Gansewinkel | Utilities and waste management | 21.9 |
| Bureau Van Dijk | Publishing and advertising | 18.8 |
| Applus+ | Business services | 18.0 |
| Mennissez | Food and consumer products | 15.3 |
| Westbury Street Holdings | Food and consumer products | 14.9 |

Note:

(1) Carrying value on the Issuer's balance sheet at 31 March 2012.

Trend Information

Save as disclosed under "*Risk Factors*", the Issuer is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the its prospects for the current financial year.

Directors and Management

The Issuer's management team has extensive experience in the mezzanine market. Two of the Executive Directors have been employed by the Issuer for over 10 years. Furthermore, the management team represents a spread of nationalities that provides the relevant local knowledge and understanding to identify and manage the Group's diverse portfolio. The Issuer believes that it has the highest number of investment professionals compared to any other leading player in the European and Asia Pacific mezzanine markets. This enables the Issuer to dedicate substantial time and resources to the origination of high quality investments as well as managing the portfolios.

The Issuer maintains a remuneration policy that promotes alignment between the staff and shareholders, supports the long term corporate strategy of the Issuer, promotes staff ownership and is transparent. In particular, payments under the Issuer's various medium-term and long-term incentive schemes are only made in respect of realised gains.

Board of Directors

The Issuer's directors (for the purposes of this section, "**Directors**" and each a "**Director**"), as at the date of this Prospectus were as follows:

| Directors | Title | Principal activities outside of the Group |
|------------------------|---|--|
| Christophe Evain | Managing Director and Chief Executive Officer (Executive) | Not Applicable |
| Philip Keller..... | Managing Director and Chief Financial Officer (Executive) | Not Applicable |
| Benoît Durteste | Managing Director (Executive) | Not Applicable |
| Justin Dowley | Chairman (Non Executive) | Burnham Overy Boathouse Limited Ascot Authority (Holdings) Limited Independent Port Handling Limited Melrose Plc Callerheugh Limited Claridge Partners Limited MCC Overseas Limited L.J. and E.L. Dowley Farming Partnership Old Bailey 2005 LLP New Schools Network Tillmouth & Tweed Salmon Fishings LLP |
| Peter Gibbs | Director (Non Executive) | UK Financial Investments Ltd Impax Asset Management Group plc Merrill Lynch (UK) Pension Plan Trustee Ltd Friends Life Group plc |
| Kevin Parry..... | Director (Non Executive) | Schroder & Co. Limited Schroder Investment Management Limited Schroder Pension Management Limited Schroders plc KAH Parry Limited Royal National Children's Foundation The Parry Family Partnership |

| Directors | Title | Principal activities outside of the Group |
|------------------|-----------------------------|--|
| Kim Wahl | Director (Non-Executive) | Strømstangen AS UPM Kymmene Corporation Aspelin-Ramm Group AS Kavli Holding AS Voxtra Foundation/ Voxtra AS Norwegian-Swedish Chamber of Commerce |

Directors' Details

Chairman

Justin Dowley. Mr Dowley is the Chairman of the Issuer. He was vice chairman of Nomura International plc until August 2011, which in 2010 acquired Tricorn Partners LLP, an independent advisory firm that he co-founded in 2003, and is a non-executive director of Ascot Authority (Holdings) Limited and Melrose Plc. He was previously head of investment banking at Merrill Lynch Europe and a director of Morgan Grenfell. Mr Dowley is a chartered accountant.

Executive Directors

Christophe Evain. Prior to joining the Issuer in 1994, Mr Evain worked for Banque de Gestion Privée in Paris. He was responsible for the establishment of the Issuer's international franchise, opening the Issuer's offices in Paris in 1995, Hong Kong in 2001 and New York in 2007. He is the Chief Executive Officer and chairs the Issuer's Investment Committees in his role as Chief Investment Officer.

Philip Keller. Prior to joining the Issuer in 2006, Mr Keller was finance director at ERM Holdings Ltd., one of the world's largest environmental consultancies. He has previously held a number of financial directorships in the GlaxoSmithKline and Johnson & Johnson groups. He is a chartered accountant, and as a member of the Executive Committee he is responsible for the Issuer's finance and operations.

Benoît Durteste. Prior to joining the Issuer in 2002, Mr Durteste worked in the leveraged and structured finance divisions of Swiss Reinsurance Company Ltd. and BNP Paribas S.A. He also worked for GE Capital as chief financial officer of a portfolio company.

Non-Executive Directors

Kevin Parry. Mr Parry is Chairman of the Audit and Risk Committee and Senior Independent Director. He is also chief financial officer of Schroders plc and was chairman of its audit committee from 2003 to 2008. He was previously chief executive at the Management Consulting Group Plc and a managing partner of KPMG. He is a chartered accountant.

Peter Gibbs. Mr Gibbs is Chairman of the Issuer's Remuneration Committee. He was chief investment officer of Merrill Lynch's investment management activities outside the United States until 2008, and prior to that co-head of Merrill Lynch's equity investments worldwide. He is currently a non-executive director of Evolution Group plc, Impax Asset Management Group plc, Friends Life Group plc, a director of Merrill Lynch (UK) Pension Plan Trustee Ltd and a director of UK Financial Investments Ltd.

Kim Wahl. Mr Wahl joined the Issuer on 10 July 2012. He has extensive European private equity experience having co-founded IK Investment Partners in 1989, to which he is still a senior advisor, and he is owner and Chairman of investment firm Strømstangen AS, focusing on asset management emphasising long term value creation, which he established in 2004. Mr Wahl is also a board member of UPM Kymmene Corporation, Aspelin-Ramm Group AS and Kavli Holding AS. In addition Mr Wahl is Co-Founder and Chairman of the Voxtra Foundation.

Conflicts of Interest

At the date of this Prospectus, no Director has a potential conflict of interest between any duties to the Issuer and his private interests and/or other duties.

Business Address

The business address for each of the Directors is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom.

Audit and Risk Committee

The Audit and Risk Committee consists of the following two independent Non-Executive Directors: Kevin Parry (Chairman of the Committee) and Peter Gibbs. It is anticipated that Kim Wahl will join the Audit and Risk Committee at an appropriate time in the near future. The Executive Directors and Chairman of the Board of Directors are not members of the Audit and Risk Committee but are normally invited to attend committee meetings. Deloitte LLP, the Issuer's auditor, is also invited to attend such meetings and has direct access to committee members. The Audit and Risk Committee meets regularly, at least four times a year, and is responsible for:

- selecting and recommending the appointment of the external auditor to the Board of Directors, approving their terms of reference and fees;
- reviewing the performance of the external auditor and ensuring appropriate rotation of the audit partner;
- acting as a forum for discussion of internal control issues and giving input to the Board of Directors' review of the Issuer's internal control and risk management systems and procedures;
- reviewing the independence of the external auditor and the relationship between audit and non-audit work performed by the external auditor;
- reviewing the annual and interim accounts before they are presented to the Board of Directors, in particular any significant issues arising from the audit; accounting policies and clarity of disclosures; compliance with applicable accounting and legal standards; issues regarding a significant element of judgement; and the statements on internal controls and business risk assessment;
- reviewing the provisioning policy for the investment portfolio on a six-monthly basis; and reviewing and approving the Issuer's whistleblowing policy;
- reviewing the Issuer's procedures for detecting fraud and for handling, in confidence, allegations from whistleblowers and to ensure these procedures allow proportionate and independent investigation of such matters and appropriate follow up action;
- reviewing management's and the internal risk's reports on the effectiveness of systems for internal financial control, financial reporting and risk management, including non-financial risk management; and
- monitoring the integrity of the financial statements of the Issuer, including its annual and half-yearly reports, interim management statements, and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgments which they contain.

Corporate Governance

The Issuer complied, throughout the year ended 31 March 2012, with the provisions of the Financial Reporting Council Combined Code on Corporate Governance.

Principal Shareholders

As at 28 August 2012 (being the latest practicable date before the publication of this Prospectus), the Issuer was aware of the following persons, other than Directors of the Issuer and other than the Issuer itself by virtue of it holding treasury shares, who, directly or indirectly, were interested in 3 per cent. or more of the voting rights attached to the Issuer's share capital (calculated exclusive of treasury shares):

| <u>Shareholder</u> | <u>Number of Ordinary Shares</u> | <u>Approximate percentage of the voting rights</u> |
|---------------------------------------|----------------------------------|--|
| Newton Investment Management Ltd..... | 30,565,083 | 7.63 |
| Aviva Investors..... | 28,373,452 | 7.08 |
| F&C Asset Management Plc..... | 27,708,510 | 6.92 |

| Shareholder | Number of Ordinary Shares | Approximate percentage of the voting rights |
|--|--|--|
| Baillie Gifford & Co Ltd | 19,950,822 | 4.98 |
| TD Direct Investing | 14,533,174 | 3.63 |
| Legal & General Investment Management Ltd..... | 13,919,118 | 3.47 |
| LSV Asset Management | 12,939,305 | 3.23 |

Selected Financial Information of Intermediate Capital Group plc

The financial summary set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 31 March 2012 and 31 March 2011. The selected financial information should be read together with the consolidated financial statements. The audited consolidated financial statements of the Issuer for the years ended 31 March 2012 and 31 March 2011 are incorporated by reference into this Prospectus.

Consolidated Income Statement

| | For the year ended 31 March | |
|--|---|---------|
| | 2012 | 2011 |
| | <i>(£m, except per share information)</i> | |
| Interest and dividend income..... | 251.3 | 242.0 |
| Gains on investments..... | 118.0 | 133.4 |
| Fee and other operating income..... | 68.2 | 63.3 |
| | 437.5 | 438.7 |
| Interest payable and other related financing | (58.8) | (59.2) |
| Provisions for impairment of assets..... | (70.6) | (70.9) |
| Administrative expenses..... | (64.3) | (122.3) |
| | 243.8 | 186.3 |
| Profit before tax | 243.8 | 186.3 |
| Tax expenses | (56.2) | (58.2) |
| | 187.6 | 128.1 |
| Profit for the year | 187.6 | 128.1 |
| Attributable to: | | |
| Equity holders of the parent..... | 188.3 | 128.2 |
| Non-controlling interests | (0.7) | (0.1) |
| | 187.6 | 128.1 |
| | 187.6 | 128.1 |
| Earnings per share | 47.7p | 32.6p |
| Diluted earnings per share | 47.6p | 32.5p |

Consolidated Statements of Financial Position

| | As at 31 March | |
|---|----------------|--------------|
| | 2012 (£m) | 2011 (£m) |
| Non current assets | 2,387.2 | 2,603.2 |
| Current assets | 268.9 | 234.2 |
| | 2,656.1 | 2,837.4 |
| Total assets | 2,656.1 | 2,837.4 |
| Total equity | 1,450.7 | 1,250.4 |
| Non current liabilities..... | 943.4 | 1,086.1 |
| Current liabilities..... | 262.0 | 500.9 |
| | 1,205.4 | 1,587.0 |
| Total liabilities | 1,205.4 | 1,587.0 |
| Total equity and liabilities | 2,656.1 | 2,837.4 |

Consolidated Statement of Cash Flow

| | For the year ended 31 March | |
|---|--------------------------------|--------------|
| | 2012 (£m) | 2011 (£m) |
| Net cash generated from operating activities | 360.0 | 337.2 |
| Net cash (used in)/from investing activities | (1.4) | (10.2) |
| Net cash (used in)/from financing activities | (342.8) | (266.7) |
| Net increase/(decrease) | 15.8 | 60.3 |
| Cash and cash equivalents at the end of the year | 149.8 | 140.9 |

Description of the Guarantors

Intermediate Capital Investments Limited

Overview

ICIL was incorporated on 9 December 1988 under the Companies Act 1985 as a private limited company and registered in England and Wales with registered number 02327070. ICIL is governed by the Companies Act 2006. Its registered office is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom, telephone number +44 (0)203 201 7700.

As at 23 August 2012 (being the latest practicable date prior to the publication of this Prospectus), the issued and fully paid up share capital of ICIL amounted to £9,001,000 divided into 9,001,000 ordinary shares of £1 each.

ICIL's objects and purposes can be found in clause 3 of its Memorandum of Association. They include, amongst others, carrying on the business of an investment company and any other trade or business which can in the opinion of ICIL's board of directors be advantageously carried on in connection with or ancillary to any of the business of ICIL.

Business Activities

ICIL's primary business activities are the making of investments and owning an investment portfolio as part of the Issuer's investment business segment (see "*Description of Intermediate Capital Group plc – Investment Company*").

Organisational Structure

ICIL is a wholly owned subsidiary of the Issuer (see "*Description of Intermediate Capital Group plc – Group Structure*").

Administration and Management

The directors of ICIL and their principal outside activities are as follows:

| <u>Directors</u> | <u>Title</u> | <u>Principal activities outside of the Group</u> |
|------------------------|-------------------------------------|--|
| Christophe Evain | Chief Executive Officer (Executive) | Not Applicable |
| Philip Keller..... | Finance Director (Executive) | Not Applicable |
| Benoît Durteste | Managing Director (Executive) | Not Applicable |

Business Address and Conflicts of Interest

The business address of the directors is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom. At the date of this Prospectus, no director has a potential conflict of interest between any duties to ICIL and his private interests and/or other duties.

Selected Financial Information of Intermediate Capital Investments Limited

The financial summary set out below has been extracted without material adjustment from the audited financial statements of ICIL for the financial years ended 31 March 2012 and 31 March 2011 and should be read together with such audited financial statements. The audited financial statements of ICIL for the financial years ended 31 March 2012 and 31 March 2011 are incorporated by reference into this Prospectus.

Profit & Loss Account

| | For the year ended 31 March | |
|---|------------------------------------|------------------------|
| | 2012 (£'000) | 2011 (£'000) |
| (Loss)/profit on ordinary activities before taxation..... | 14,398 | 123,758 |
| Tax charge on profit on ordinary activities | (1,300) | (33,567) |
| (Loss)/profit on ordinary activities after taxation | <u>13,098</u> | <u>90,191</u> |

Balance Sheet

| | As at 31 March | |
|--|------------------------|------------------------|
| | 2012 (£'000) | 2011 (£'000) |
| Fixed Asset: | | |
| Investments..... | 211,540 | 268,321 |
| Current Assets..... | 70,365 | 74,310 |
| Total Assets | <u>281,905</u> | <u>342,631</u> |
| Creditors: | | |
| Amounts falling due within one year..... | (217,357) | (261,181) |
| Net Assets | <u>64,548</u> | <u>81,450</u> |
| Capital and reserves | | |
| Equity shareholders' funds | 64,548 | 81,450 |
| Total capital employed | <u>64,548</u> | <u>81,450</u> |

Cash Flow Statement

| | For the year ended 31 March | |
|--|--|------------------------|
| | 2012 (£'000) | 2011 (£'000) |
| Net cash inflow from operating activities | - | 83 |
| Net increase in cash | - | 83 |
| Cash and cash equivalents at the beginning of the year | 88 | 5 |
| Cash and cash equivalents at the end of the year | <u>88</u> | <u>88</u> |

Intermediate Capital Managers Limited

Overview

ICML was incorporated on 12 December 1988 under the Companies Act 1985 as a private limited company and registered in England and Wales with registered number 02327504. ICML is governed by the Companies Act 2006. Its registered office is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom, telephone number +44 (0)203 201 7700.

As at 23 August 2012 (being the latest practicable date prior to the publication of the Prospectus), the issued and fully paid-up share capital of ICML amounted to £400,000 divided into 400,000 ordinary shares of £1 each.

ICML's objects and purposes can be found in clause 3 of its Memorandum of Association. They include, amongst others, to act as an investment adviser for companies and other entities and any other trade or business which can in the opinion of ICML's board of directors be advantageously carried on in connection with or ancillary to any of the businesses of ICML.

Business Activities

ICML's primary business activity is to act as the investment advisor to the Issuer's fund management business segment (see "*Description of Intermediate Capital Group plc – Fund Management Company*").

Organisational Structure

ICML is a wholly owned subsidiary of the Issuer (see "*Description of Intermediate Capital Group plc – Group Structure*").

Administration and Management

The directors of ICML and their principal outside activities are as follows:

| Directors | Title | Principal activities outside of the Group |
|------------------------|-------------------------------------|--|
| Christophe Evain | Chief Executive Officer (Executive) | Not Applicable |
| Philip Keller..... | Finance Director (Executive) | Not Applicable |
| Benoît Durteste | Managing Director (Executive) | Not Applicable |

Business Address and Conflicts of Interest

The business address of the directors is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom. At the date of this Prospectus, no director has a potential conflict of interest between any duties to ICML and his private interests and/or other duties.

Selected Financial Information of Intermediate Capital Managers Limited

The financial summary set out below has been extracted without material adjustment from the audited financial statements of ICML for the financial years ended 31 March 2012 and 31 March 2011 and should be read together with such audited financial statements. The audited financial statements of ICML for the financial years ended 31 March 2012 and 31 March 2011 are incorporated by reference into this Prospectus.

Profit & Loss Account

| | For the year ended 31 March | |
|--|------------------------------------|------------------------|
| | 2012 (£'000) | 2011 (£'000) |
| Profit on ordinary activities before taxation..... | 54,545 | 45,111 |
| Tax on profit on ordinary activities..... | (14,733) | (17,011) |
| Profit on ordinary activities after taxation | <u>39,812</u> | <u>28,100</u> |

Balance Sheet

| | As at 31 March | |
|--|------------------------|------------------------|
| | 2012 (£'000) | 2011 (£'000) |
| Fixed Asset: | | |
| Intangible Asset | 3,481 | 4,755 |
| Current Assets..... | 59,309 | 51,230 |
| Total Assets | <u>62,790</u> | <u>55,985</u> |
| Creditors: | | |
| Amounts falling due within one year..... | (18,278) | (21,284) |
| Net Assets | <u>44,512</u> | <u>34,701</u> |
| Capital and reserves | | |
| Shareholders' funds | 44,512 | 34,701 |
| Total capital employed | <u>44,512</u> | <u>34,701</u> |

Cash Flow Statement

| | For the year ended 31 March | |
|--|--|------------------------|
| | 2012 (£'000) | 2011 (£'000) |
| Net cash inflow from operating activities | - | - |
| Cash and cash equivalents at the beginning of the year | 1 | 1 |
| Cash and cash equivalents at the end of the year | <u>1</u> | <u>1</u> |

Intermediate Investments LLP

Overview

IIL was incorporated on 7 November 2006 under the Limited Liability Partnerships Act 2000 as a limited liability partnership registered in England and Wales with registered number OC323795. IIL is governed by the Limited Liability Partnerships Act 2000. Its registered office is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom, telephone number +44 (0)203 201 7700.

Under Clause 3.2 of the partnership agreement dated 8 November 2006 entered into between JOG Partners Limited and Intermediate Capital Limited, and acceded to by Intermediate Investments Guarantee Limited by way of a deed of accession dated 4 December 2006, IIL carries on (i) the business of investing in permitted investments listed therein with a view to a profit, (ii) any other business which may seem to members capable of being conveniently carried on in connection with investing in permitted investments listed therein, and (iii) any other business with a view to profit as the members may agree in writing from time to time.

Business Activities

IIL's primary business activity is that of holding and managing an investment portfolio as part of the Issuer's investment business segment (see "*Description of Intermediate Capital Group plc – Investment Company*").

Organisational Structure

The Issuer is the controlling party and ultimate parent company of IIL (see "*Description of Intermediate Capital Group plc – Group Structure*").

Designated Members

The designated members of IIL are:

| <u>Designated member</u> | <u>Date joined</u> | <u>Directors</u> |
|--|--------------------|--|
| JOG Partners Limited | 8 November 2006 | Christophe Evain Philip Keller Benoît Durteste |
| Intermediate Capital Limited | 8 November 2006 | Christophe Evain Philip Keller Benoît Durteste |
| Intermediate Investments Guarantee Limited | 4 December 2006 | Philip Keller Christophe Evain Benoît Durteste |

Business Address and Conflicts of Interest

The business address of the designated members and the directors of the designated members is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom. At the date of this Prospectus, no designated member nor any director of any designated member has a potential conflict of interest between any duties to the IIL and his private interests and/or other duties.

Selected Financial Information of Intermediate Investments LLP

The financial summary set out below has been extracted without material adjustment from the audited financial statements of IIL for the financial years ended 31 March 2012 and 31 March 2011 and should be read together with such audited financial statements. The audited financial statements of IIL for the financial years ended 31 March 2012 and 31 March 2011 are incorporated by reference into this Prospectus.

Profit & Loss Account

| | For the year ended 31 March | |
|--|-----------------------------|-----------------|
| | 2012 (£'000) | 2011 (£'000) |
| (Loss)/profit for the financial year before members' remuneration and profit shares..... | 311 | (5,485) |
| Members' remuneration charged as an expense | (311) | 5,485 |
| Result for the financial year available for discretionary division among members..... | - | - |

Balance Sheet

| | As at 31 March | |
|---|-----------------|-----------------|
| | 2012 (£'000) | 2011 (£'000) |
| Current Assets..... | 76,636 | 76,325 |
| Net assets attributable to members..... | 76,636 | 76,325 |
| Total members' interest: | | |
| Loans and debts due to members | 76,636 | 76,325 |

Cash Flow Statement

| | For the year ended 31 March | |
|--|--------------------------------|-----------------|
| | 2012 (£'000) | 2011 (£'000) |
| Net cash outflow from operating activities | - | - |
| Cash and cash equivalents at the beginning of the year | - | - |
| Cash and cash equivalents at the end of the year | - | - |

Use of Proceeds

The net proceeds of the issue of the Notes, to be determined following completion of the Offer Period (as defined in "*Subscription and Sale*") and set forth in the Sizing Announcement, will be used for general corporate purposes.

The expenses incurred in connection with the transaction will be determined following completion of the Offer Period, however, at the date of this Prospectus the estimated total expense to be incurred in connection with the offer and issue of Notes is £391,000. This figure is calculated on the basis of the following estimates: (i) £170,000 of legal expenses, (ii) £53,000 of marketing expenses, (iii) £30,000 auditor expenses, (iv) £30,000 in respect of credit rating agency fees, (v) £3,000 of regulatory fees (including those related to listing and admission to trading) and (vi) £105,000 of other administrative expenses.

United Kingdom Taxation

United Kingdom Taxation

The comments below are of a general nature based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice and are not intended to be exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Notes and Coupons and may not apply to certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer. Any Noteholders who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

1 Interest

1.1 While the Notes continue to be listed on a recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List by the United Kingdom Listing Authority and are admitted to trading on the London Stock Exchange.

If the Notes cease to be listed, interest will generally be paid by the Issuer under deduction of income tax at the basic rate (currently 20 per cent.) unless:

- (i) where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the person beneficially entitled to the interest is:
 - (a) a company resident in the United Kingdom; or
 - (b) a company not resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account the interest in computing its United Kingdom taxable profits; or
 - (c) a partnership each member of which is a company referred to in (a) or (b) above or a combination of companies referred to in (a) or (b) above; or
- (ii) the Issuer has received a direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

HMRC published a consultation document on 27 March 2012 which proposed, amongst other things, disapplying the exemption from United Kingdom withholding tax for notes listed on a recognised stock exchange described above for "intra-group Eurobonds" where there is no substantial or regular trading in the notes. Draft legislation has not yet been published but it is thought unlikely that, if the final proposals are implemented, they would prejudice investors who are not affiliates of Intermediate Capital Group plc.

1.2 The interest has a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment. Where the interest is paid without withholding or deduction, the interest will not be assessed to United Kingdom tax in the hands of holders of the Notes who are not resident in the United Kingdom, except where the Noteholder carries on a trade, profession or vocation through a branch or agency, or in the case of a corporate holder, carries on a trade through a permanent establishment in the United Kingdom, in connection with which the interest is received or to which the Notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch or agency, or permanent establishment.

If interest were paid under deduction of United Kingdom income tax (e.g. if the Notes lost their listing), Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Noteholders should note that the provisions relating to additional amounts referred to in "*Terms and Conditions of the Notes — Taxation*" above would not apply if HM Revenue & Customs sought to assess directly the person entitled to the relevant interest to United Kingdom tax.

However exemption from, or reduction of, such United Kingdom tax liability might be available under an applicable double taxation treaty.

The references to "interest" above mean interest as understood in United Kingdom tax law and in particular any premium element of the redemption amount of any Notes redeemable at a premium may constitute a payment of interest subject to the withholding tax and reporting provisions discussed above and at paragraph 2 below.

2 Payments in respect of the Guarantee

The United Kingdom withholding tax treatment of payments by the Guarantors under the terms of the Guarantee in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) is uncertain. In particular, such payments by the Guarantors may not be eligible for the exemption in respect of Notes listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if the Guarantor makes any such payments, they may be subject to United Kingdom withholding tax at the basic rate.

3 Information Reporting and EU Directive on the Taxation of Savings Income

Persons in the United Kingdom paying interest to or receiving interest on behalf of another person who is an individual may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction to (or for the benefit of) an individual resident in another Member State or to (or for the benefit of) certain limited types of entities established in another Member State, except that Austria and Luxembourg are instead required to impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The ending of such transitional period is dependent on the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. It is not clear if and when such changes will be implemented. Any such changes may impact Notes which have already been issued.

4 Taxation of Disposal (including redemption) and Return

4.1 Corporate Noteholders

Noteholders within the charge to United Kingdom corporation tax (including non-resident Noteholders whose Notes are used, held or acquired for the purposes of a trade carried on in the United Kingdom through a permanent establishment) will be subject to tax as income on all profits and gains from the Notes broadly in accordance with their statutory accounting treatment. Such Noteholders will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining the Noteholder's profit or loss for that period. Fluctuations in value relating to foreign exchange gains and losses in respect of the Notes will be brought into account as income.

4.2 Other Noteholders

The Notes are "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992 with the result that on a disposal of the Notes neither chargeable gains nor allowable losses will arise for the purposes of taxation of chargeable gains.

A transfer of a Note by a Noteholder resident or ordinarily resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom

through a branch or agency to which the Note is attributable may give rise to a charge to tax on income in respect of an amount representing interest on the Note which has accrued since the preceding interest payment date.

5 United Kingdom Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom Stamp Duty or Stamp Duty Reserve Tax should be payable on the issue or transfer by delivery of a Note or on its redemption.

Subscription and Sale

Subscription Agreement

Pursuant to a Subscription Agreement expected to be dated on or about 12 September 2012, Canaccord Genuity Limited (the "**Lead Manager**") is expected to agree with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for the Notes on the Issue Date (as defined below) and to deliver the Notes to the Financial Intermediaries (as defined below) who have paid for them. The Issuer will pay to the Lead Manager an arrangement fee of 0.5 per cent. of the total principal amount of the Notes subscribed and paid for and a total distribution fee of 0.5 per cent. of such total principal amount. In addition, the Issuer will reimburse the Lead Manager for certain of its expenses in connection with the issue of the Notes. The distribution fee may be shared between the Lead Manager, the authorised distributors and any other financial intermediaries that are appointed by the Lead Manager to procure places for and/or to distribute the Notes (together, the "**Financial Intermediaries**" and each, a "**Financial Intermediary**"). The Subscription Agreement will entitle the Lead Manager to terminate it in certain circumstances prior to payment being made to the Issuer. The issue of Notes shall not be underwritten by the Lead Manager.

The Issuer and the Lead Manager have entered into a Prospectus Confirmation Agreement dated the date hereof, pursuant to which the parties have agreed to comply with the selling restrictions set out below.

Public Offer

General

The Issuer retains responsibility for the Prospectus under section 90 of the FSMA in relation to offers of the Notes to Investors during the Offer Period by any Offeror approved by the Issuer (any such Offeror, an "**Authorised Offeror**") who has received a distribution confirmation from the Lead Manager setting out the basis upon which such Authorised Offeror may distribute the Notes during the Offer Period. Any such offers are not made on behalf of the Issuer, the Lead Manager or any other Authorised Offeror and neither the Issuer, the Lead Manager nor any other Authorised Offeror makes any representation as to the compliance by any Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer. Neither the Issuer, the Lead Manager nor any other Authorised Offeror has any responsibility or liability for the actions of such Authorised Offerors.

An offer of the Notes may be made by the Lead Manager or the Authorised Offerors other than pursuant to Article 3(2) of the Prospectus Directive in the United Kingdom during the Offer Period. Neither the Issuer nor the Lead Manager has authorised the making of any other offer of the Notes in any other circumstances.

Terms and Conditions of the Public Offer

Subject to the foregoing, the Notes may be offered to the public in accordance with the following terms and conditions:

- | | |
|----------------------------|--|
| Offer Price: | The Notes will be issued at the Issue Price (being 100 per cent.). Any Investor intending to acquire any Notes from a bank, financial intermediary or other entity (including an Authorised Offeror) will do so in accordance with any terms and other arrangements in place between the seller or distributor and such Investor, including as to price, allocations and settlement arrangements. None of the Issuer, the Guarantors or the Lead Manager are party to such arrangements with Investors and accordingly Investors must obtain such information from the relevant seller or distributor. The Issuer, the Guarantors and the Lead Manager have no responsibility to an Investor for such information. |
| Total amount of the Offer: | The aggregate nominal amount of the Notes to be issued will depend partly on the amount of Notes for which indicative offers to subscribe are received during the Offer Period and will be specified in the Sizing Announcement. |
| Offer Period: | An offer of the Notes may be made by the Lead |

| | |
|---|---|
| | <p>Manager and the Authorised Offerors in the Public Offer Jurisdictions (as defined below) during the period from 30 August 2012 until 5.00 p.m. (London time) on 12 September 2012, or such earlier or later time and date as agreed between the Issuer, the Guarantor and the Lead Manager and announced via a Regulatory Information Service.</p> |
| <p>Description of the application process:</p> | <p>Investors will be notified by the relevant Lead Manager or Authorised Offeror of their allocations of Notes and the settlement arrangements in respect thereof as soon as practicable after the Sizing Announcement is made which may be after the Offer Period has ended.</p> <p>After the closing time and date of the Offer Period no Notes will be offered for sale (i) by or on behalf of the Issuer or (ii) by the Lead Manager and/or any Authorised Offeror (in their respective capacities as Lead Manager or Authorised Offerors) except with the consent of the Issuer.</p> <p>Investors may not be allocated all of the Notes for which they apply.</p> |
| <p>Conditions to which the offer is subject:</p> | <p>The issue of the Notes is subject to certain conditions precedent (including (i) the issue of the Notes, (ii) the execution of the transactional documents by the parties thereto, (iii) the UK Listing Authority having agreed to list the Notes and the London Stock Exchange having agreed to admit the Notes for trading on the Market and through ORB on or prior to closing, (iv) the delivery of certificates to the Lead Manager stating that the representations and warranties of the Issuer and the Guarantor under the Subscription Agreement are true, accurate and correct and that they have performed all of their respective obligations thereunder, (v) the delivery of legal opinions and auditor comfort letters satisfactory to the Lead Manager, (vi) no downgrading of the Issuer having occurred, and (vii) there being no material or adverse change in the financial condition or prospects of the Issuer or the Group making it impracticable to market the Notes) to be set out in the Subscription Agreement. The Lead Manager will also be entitled, in certain circumstances, to be released and discharged from its obligations to subscribe and pay for the Notes under the Subscription Agreement prior to the issue of the Notes.</p> |
| <p>Manner in and date on which results of the offer are to be made public:</p> | <p>The Sizing Announcement will be published by a Regulatory Information Service (expected to be the Regulatory News Service operated by the London Stock Exchange) prior to the Issue Date; such announcement is currently expected to be made on or around 12 September 2012.</p> |
| <p>Method and time limits for paying for the Notes and for delivery of the Notes:</p> | <p>The Notes will be issued on the Issue Date against payment to the Issuer of the subscription moneys (less any amount of fees and/or expenses that the Issuer and the Lead Manager agree should be deducted from such subscription moneys). Investors will be notified by the Lead Manager or Authorised Offeror of their allocations of Notes and the settlement arrangements that apply in respect</p> |

| | |
|--|--|
| The various categories of potential investors to which the Notes are offered: | thereof. Notes may be offered by the Lead Manager and the Authorised Offerors in the United Kingdom, Jersey, Guernsey and/or the Isle of Man (the " Public Offer Jurisdictions ") to any person during the Offer Period. |
| Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | In the event the issue is oversubscribed there will be no refund as investors will not be required to pay for any Notes until any application for Notes has been accepted and the Notes allotted. |
| Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: | Investors will be notified by the Lead Manager or Authorised Offeror of their allocations of Notes in accordance with arrangements in place between such parties. No arrangements have been put in place by the Issuer as to whether dealings may begin before such notification is made. Accordingly, whether Investors can commence dealings before such notification will be as arranged between the relevant Investor and the relevant Lead Manager or Authorised Offeror. |
| Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | The Issuer will not charge any expenses to any Investor. Expenses may be charged by an Authorised Offeror; these are beyond the control of the Issuer and are not set by the Issuer. They may vary depending on the size of the amount subscribed for and the Investor's arrangements with the Authorised Offeror. The Issuer estimates that the expenses charged by an Authorised Offeror named in the Sizing Announcement in connection with the sale of Notes to an Investor will be on average 1.85 per cent. of the aggregate principal amount of the Notes sold to such Investor. |
| Details of the initial minimum and/or maximum amount of application: | The minimum subscription per Investor is for a principal amount of £2,000 of the Notes. |
| When the Subscription Agreement has been or will be entered into: | The Subscription Agreement will be dated on or around 12 September 2012. |
| Procedures for the exercise of any right of pre-emption, the negotiability and treatment of subscription rights: | Not applicable. |
| Entities which have a firm commitment to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: | Canaccord Genuity Limited will be appointed as registered market makers through the electronic order book for retail bonds (ORB) in respect of the Notes from the date of admission of the Notes to trading. |

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S.

tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Lead Manager has represented, warranted and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Public Offer Restriction under the Prospectus Directive

In relation to each Relevant Member State, the Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in the United Kingdom from the time the Prospectus has been approved by the relevant competent authority, in the United Kingdom and is published in accordance with the Prospectus Directive until the Issue Date, or such later date as the Issuer may permit, and provided that the Issuer has consented in writing to use of the Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) to any legal entity which a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Lead Manager; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

The Lead Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Guernsey

The Lead Manager has represented, warranted and agreed that:

- (a) the Notes cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, and the regulations enacted thereunder, or any exemption therefrom; and
- (b) the Prospectus has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey. The Prospectus may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

Isle of Man

The Lead Manager has represented, warranted and agreed that this Prospectus has not been and will not be registered or filed as a prospectus with any governmental or other authority in the Isle of Man and this Prospectus and the issue of the Notes have not been approved by the Isle of Man Financial Supervision Commission. Any offer for subscription, sale or exchange of the Notes in or from the Isle of Man must be made:

- (a) by an Isle of Man financial services licence holder appropriately licensed under section 7 of the Financial Services Act 2008;
- (b) in accordance with any relevant exclusion contained within the Regulated Activities Order 2011; or
- (c) in accordance with any available exemption contained in the Financial Services (Exemptions) Regulations 2011.

General

Save as described under "*Public Offer Restriction under the Prospectus Directive*" above, no representation has been made that any action has been or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Prospectus or any amendment or supplement hereto or any information booklet or advertisement or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. The Lead Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any such other material, in all cases at its own expense.

General Information

- 1 Applications for the Notes to be admitted to the Official List and to trading on the Market and through the ORB are expected to be made on or before 17 September 2012. It is expected that listing of the Notes on the Official List and admission of the Notes to trading on the Market will be granted on or before the Issue Date, subject only to the issue of the Global Note. The listing of the Notes on the Official List will be expressed as a percentage of their principal amount (exclusive of accrued interest). Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.
- 2 Each of the Issuer and the Guarantors has obtained all necessary consents, approvals and authorisations in England and Wales in connection with the issue and performance of the Notes and the giving of the Guarantee, as applicable. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 28 August 2012 and a resolution of a committee of the Board of Directors passed on 30 August 2012. The giving of the Guarantee by ICIL has been authorised by a resolution of the Board of Directors of ICIL passed on 30 August 2012. The giving of the Guarantee by ICML has been authorised by a resolution of the Board of Directors of ICML passed on 30 August 2012. The giving of the Guarantee by IIL has been authorised by a resolution of the members of the partnership passed on 30 August 2012.
- 3 There has been no significant change in the financial or trading position of, and no material adverse change in the prospects of, the Issuer or the Guarantors or the Group since 31 March 2012.
- 4 The Notes and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- 5 The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). Interests in Notes may also be held through CREST through the issuance of CDIs representing Underlying Notes. The Common Code for the Notes is 081863466 and the International Securities Identification Number (ISIN) is XS0818634668.
- 6 The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg and the address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB.
- 7 There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Issuer's group being under an obligation or entitlement that is material to the Issuer's or the Guarantors' ability to meet their obligations to Noteholders in respect of the Notes being issued.
- 8 None of the Issuer, the Guarantors or any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened of which the Issuer and/or the Guarantors is/are aware) which may have, or have had during the 12 months prior to the date of this Prospectus significant effects on the financial position or profitability of the Issuer, the Guarantors and/or the Group.
- 9 Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced, and as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- 10 For the period of 12 months starting on the date on which this Prospectus is made available to the public, copies of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the specified office of each of the Paying Agents:
 - (a) the Articles of Association of each of the Issuer and the Guarantors;
 - (b) the Trust Deed constituting the Notes;

- (c) the Paying Agency Agreement in respect of the Notes;
- (d) any documents incorporated by reference into this Prospectus; and
- (e) a copy of this Prospectus together with any supplement to this Prospectus or further prospectus.

This Prospectus will be published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>. The contents of the website of the Regulatory News Service operated by the London Stock Exchange shall not form part of this Prospectus.

- 11 The financial information of the Issuer and the Guarantors set out in this document does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 (the "**Act**"). Statutory accounts for the financial years ended 31 March 2011 and March 2012 have been delivered to the Registrar of Companies in England and Wales. The auditors of the Issuer and the Guarantors have made a report under Section 495 of the Act on the last statutory accounts that was not "qualified" within the meaning of Section 539 of the Act and did not contain a statement made under Section 498(2) or Section 498(3) of the Act.
- 12 The auditors of the Issuer and the Guarantors are Deloitte LLP, a member of the Institute of Chartered Accountants in England and Wales, who have audited (i) the consolidated financial statements of the Issuer, without qualification, in accordance with International Financial Reporting Standards and (ii) the financial statements of each of the Guarantors, without qualification, in accordance with UK GAAP, in each case for the financial years ended 31 March 2012 and 31 March 2011.
- 13 The Trust Deed constituting the Notes will provide that the Trustee may (a) act or rely on any opinion or advice, or information obtained from any expert whether or not such advice is obtained by or addressed to the Issuer, the Trustee or any other person and (b) rely on any report, confirmation or certificate or any advice of any auditors (including the auditors of the Issuer or a Guarantor (if any)), financial advisers, financial institution or any other expert, whether or not it is addressed to the Trustee and whether or not it contains any limit on liability (monetary or otherwise), in accordance with the provisions of the Trust Deed.
- 14. The yield of Notes is 6.25 per cent. per annum calculated on the basis of the Issue Price and as at the date of this Prospectus. It is not an indication of future yield.

THE ISSUER

Intermediate Capital Group plc

Juxon House
100 St Paul's Churchyard
London EC4M 8BU

THE GUARANTORS

Intermediate Capital Investments Limited

Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Intermediate Capital Managers Limited

Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Intermediate Investments LLP

Juxon House
100 St Paul's Churchyard
London EC4M 8BU

LEAD MANAGER

Canaccord Genuity Limited

88 Wood Street
London EC2V 7QR

TRUSTEE

Deutsche Trustee Company Limited

Winchester House
1 Great Winchester Street
London EC2N 2DB

PRINCIPAL PAYING AGENT

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB

LEGAL ADVISERS

To the Lead Manager and the Trustee

Linklaters LLP
One Silk Street
London EC2Y 8HQ

To the Issuer and the Guarantors

Ashurst LLP
Broadwalk House
5 Appold Street
London EC2A 2HA

REGISTERED AUDITORS OF THE ISSUER AND THE GUARANTORS

Deloitte LLP
2, New Street Square
London EC4A 3BZ