



## Intermediate Capital Group PLC

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

### 7.00 per cent. Sterling Fixed Rate Notes due 2018

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**Issue Price 100.00 per cent.**

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The 7.00 per cent. Sterling Fixed Rate Notes due 2018 (the “Notes”) of Intermediate Capital Group PLC (the “Issuer”) are proposed to be issued on a date (the “Issue Date”), which is expected to be 21 December 2011, to be set forth in an announcement which will be published by Regulatory Information Service (expected to be the Regulatory News Service operated by the London Stock Exchange) by the Issuer on or about 16 December 2011 (the “Sizing Announcement”). Interest on the Notes is payable semi-annually in arrear on 21 June and 21 December in each year at the rate of 7.00 per cent. per annum. On the Issue Date, no guarantees in respect of the Notes or Coupons will be given by any subsidiaries of the Issuer (“Subsidiaries” and each, a “Subsidiary”), or by any other person, however, the Issuer has undertaken to procure that certain Subsidiaries will provide guarantees in respect of the Notes and Coupons before the first Interest Payment Date as described under “Terms and Conditions of the Notes — Covenants — Addition of Guarantors”. If, by the first Interest Payment Date, the Issuer has not complied with its undertaking to procure such guarantees, the rate of interest payable on the Notes will increase to the initial rate of interest plus 0.50 per cent. per annum, being 7.50 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 21 December 2018 (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”.

The Notes will constitute unsecured and unsubordinated obligations of the Issuer. See “Terms and Conditions of the Notes — Status”.

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (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.

Any person (an “Investor”) intending to acquire or acquiring any Notes from any person (an “Offeror”) should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the Issuer may only be responsible to the Investor for the Prospectus under section 90 of the FSMA if it has authorised the Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not so authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents, it should take legal advice. An Investor intending to acquire Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price allocations and settlement arrangements with Investors (other than the Lead Manager, as defined under “Subscription and Sale”) in connection with the offer or sale of the Notes and, accordingly, the Prospectus will not contain such information and an Investor must obtain such information from the Offeror.

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 (the “CRA Regulation”).

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

*Lead Manager*

**EVOLUTION SECURITIES LIMITED**

This Prospectus (the “**Prospectus**”) comprises a prospectus for the purposes of Directive 2003/71/EC of the European Parliament and of the Council (the “**Prospectus Directive**”), 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**”) and the Notes which, according to the particular nature of the Issuer 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. 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.

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 and published in accordance with the Prospectus Directive, and in respect of the 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 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. Neither the Issuer nor 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 or the Lead Manager to publish or supplement a prospectus for such offer.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer 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 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 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 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 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 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 “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 “€” 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”, “positioned”, “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 Rule 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 unaudited consolidated financial statements of the Issuer for the six months ended 30 September 2011 published on the Issuer's website on 22 November 2011:
  - (a) Condensed Consolidated Income Statement on page 21;
  - (b) Condensed Consolidated Statement of Comprehensive Income on page 21;
  - (c) Condensed Consolidated Statement of Financial Position on page 22;
  - (d) Condensed Consolidated Statement of Cash Flows on page 23;
  - (e) Condensed Consolidated Statement of Changes in Equity on pages 24 to 25;
  - (f) Notes to the Accounts on pages 26 to 31; and
  - (g) Auditor's Independent Report on page 32.
- (ii) the following sections of the unaudited consolidated financial statements of the Issuer for the six months ended 30 September 2010 published on the Issuer's website on 23 November 2010:
  - (a) Condensed Consolidated Income Statement on page 11;
  - (b) Condensed Consolidated Statement of Comprehensive Income on page 12;
  - (c) Condensed Consolidated Statement of Financial Position on page 13;
  - (d) Condensed Consolidated Statement of Cash Flows on page 14;
  - (e) Condensed Consolidated Statement of Changes in Equity on pages 15 to 16;
  - (f) Notes to the Accounts on pages 16 to 20; and
  - (g) Auditor's Independent Report on page 21.
- (iii) 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;
- (iv) the following sections of the annual report and accounts of the Issuer for the financial year ended 31 March 2010 published on the Issuer's website on 14 June 2010:
  - (a) Financial Review on pages 32 to 37;
  - (b) Principal Risks and Uncertainties on pages 38 to 41;
  - (c) Independent Auditors' Report on page 90;
  - (d) Consolidated Income Statement on page 92;
  - (e) Consolidated Statement of Comprehensive Income on page 93;
  - (f) Consolidated Statement of Financial Position on page 94;
  - (g) Consolidated Statement of Cash Flow on page 95;
  - (h) Consolidated Statement of Changes in Equity on pages 96 to 97; and
  - (i) Notes to the Accounts on pages 98 to 122;

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), (ii), (iii) and (iv) 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.

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## Summary

*This summary must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (each, an “EEA State”), no civil liability will attach to the Responsible Person in any such EEA State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in an EEA State, the claimant may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.*

*Word and expressions defined in the Terms and Conditions shall have the same meanings in this Summary.*

### **Issuer**

#### **Intermediate Capital Group PLC**

The Issuer is a public limited company with its ordinary shares listed on the London Stock Exchange. The Issuer structures and provides mezzanine finance, leveraged credit and equity. The Issuer is a leading fund manager of, and independent investor in, mezzanine finance and buyout debt operating from several international offices. The Issuer's income is generated from fees from managing funds for third parties, 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.

### **Lead Manager**

Evolution Securities Limited

### **Trustee**

Deutsche Trustee Company Limited

### **Principal Paying Agent**

Deutsche Bank AG, London Branch

### **Issue Size**

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.

### **Maturity Date**

21 December 2018

### **Interest**

The Notes will bear interest at the rate of 7.00 per cent. per annum.

### **Interest Payment Dates**

Interest will be payable semi-annually in arrear on 21 June and 21 December in each year in respect of the period from (and including) 21 December 2011 to (but excluding) the Maturity Date.

### **Step Up Interest**

If, by the first Interest Payment Date, the Notes have not been guaranteed, on a joint and several basis, by each Subsidiary which, at such time, is providing a guarantee in respect of either of the Facility Agreements (as defined below) pursuant to Condition 3(b) (*Addition of Guarantors*) (together, the “**Facility Guarantors**”) the Notes will, from and including the first Interest Payment Date, bear interest at the initial interest rate plus 0.50 per cent. per annum, being 7.50 per cent. per annum.

### **Yield**

7.00 per cent.

The yield is calculated on the basis of the Issue Price. It is not an indication of future yield.

### **Form and Denomination**

The Notes will be issued in bearer form in denominations of £100.

The Notes will initially be represented by a Global Note, without interest Coupons attached, 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. CDI Holders will hold CDIs constituted and issued by the CREST Depository representing indirect interests in the Notes.



## **Status of the Notes**

The obligations of the Issuer under the Notes shall (subject to Condition 3(a) (*Negative Pledge*)) at all times rank at least equally with all its 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.

## **Addition of Guarantors**

The Issuer has undertaken to procure, prior to the first Interest Payment Date, that the Facility Guarantors are added as Guarantors pursuant to Condition 3(b) (*Addition of Guarantors*) and the Trust Deed. In addition, Condition 3(b) (*Addition of Guarantors*) and Condition 3(c) (*Release of the Guarantors*) and the Trust Deed provide that in the event that any Subsidiary is added as a guarantor under the terms of either the Issuer's £250,000,000 Facility Agreement dated 1 July 2009 or £250,000,000 Facility Agreement dated 1 June 2009 and amended and restated on 1 July 2009, each as amended 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) (together, the "**Facility Agreements**") then the same Subsidiaries will provide guarantees under the Notes (any such Subsidiary, a "**Guarantor**") and for the release of any Guarantor so appointed if, as the case may be, any such Guarantor is subsequently released from the terms of such Facility Agreements. See "*Terms and Conditions of the Notes — Covenants — Addition of Guarantors*".

## **Negative Pledge**

The Notes will have the benefit of a negative pledge, which limits the Issuer, any Guarantors and any Material Subsidiary from creating, assuming or permitting to subsist any mortgage, lien (not being a lien arising by operation of law), pledge, charge or other security other than those permitted under Condition 3(a) (*Negative Pledge*), upon the whole or any part of their respective present or future undertakings, assets or revenues, to secure any Debt or any obligation under any guarantee or indemnity in respect of any Debt, without at the same time or prior thereto, securing the Notes and Coupons and all amounts payable by each of them accordingly, equally or rateably therewith to the satisfaction of the Trustee or providing such other Security for the Notes and the Coupons and all amounts payable by them, as the Trustee in its absolute discretion deems not to be less materially beneficial to the Noteholders or which has been approved by an Extraordinary Resolution of the Noteholders. See "*Terms and Conditions of the Notes — 3(a). Negative Pledge*".

## **Redemption for Taxation Reasons**

The Notes will be redeemable at the 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, all as described in "*Terms and Conditions of the Notes — 5. Redemption and Purchase*".

## **Early Redemption at the Option of the Issuer**

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 plus a margin of 0.50 per cent., together with accrued interest, each as described under "*Terms and Conditions of the Notes — 5. Redemption and Purchase*".

## Change of Control

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 holder of Notes (each, a "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. See "*Terms and Conditions of the Notes — 5. Redemption and Purchase*".

## Events of Default

The Notes are subject to the following events of default:

- (a) non-payment by the Issuer of principal or any interest 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;
- (b) non-performance or non-compliance with other obligations in the Notes or the Trust Deed by the Issuer or any Guarantor which default is incapable of remedy or, if in the opinion of the Trustee is capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default;
- (c) any other present or future indebtedness of the Issuer, any Guarantor or any of the Material Subsidiaries becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like or is not paid when due within any originally applicable grace period; or any failure to pay any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities equals or exceeds the Specified Amount and such default continues for a period of 30 days next following the service of a notice in writing requiring the same to be remedied;
- (d) the enforcement proceedings against any part of the property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries which is not discharged or stayed within 30 days;
- (e) security securing an amount equal to or exceeding the Specified Amount becomes enforceable against the Issuer, any Guarantor or any of the Material Subsidiaries becomes enforceable, any step is taken to enforce it and is not discharged or stayed within 30 days;
- (f) certain events related to the insolvency of the Issuer, any Guarantor, or any of the Material Subsidiaries occur in the circumstances and subject to the conditions described in Condition 8 (*Events of Default*);
- (g) certain events related to the winding up, dissolution and administration of the Issuer, any Guarantor or any of the Material Subsidiaries, or the Issuer or any Guarantor occur in the circumstances and subject to the conditions described in Condition 8 (*Events of Default*);
- (h) the Guarantee (if any) is not in full force and effect in relation to any Guarantor (except in accordance with Condition 3(c) (*Release of Guarantors*)); and

- (i) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events described in the foregoing paragraphs.

**Meetings of Noteholders**

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

**Modification, Waiver and Substitutions**

The Trustee may agree, without consent of the Noteholders or Couponholders, to any modification of any provisions of the Trust Deed which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and any other modification (except as mentioned in the Trust Deed), and any waiver of or authorisation of any breach or proposed breach, of any provision of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, subject to the provisions of Condition 11(b) (*Modification and Waiver*).

The Trustee may agree, without consent of the Noteholders or Couponholders, to the substitution of certain other entities in place of the Issuer, any Guarantor, or of any previously substituted company, as principal debtor or guarantor under the Trust Deed, the Notes and the Coupons, subject to the provisions of Condition 11(c) (*Substitution*).

**Withholding Tax and Additional Amounts**

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 an agreement with the United States taxing authority. In such case the Issuer or Guarantor (if any) shall pay additional amounts as will result in receipt by Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to Condition 7 (*Taxation*).

**Listing and Admission to Trading**

Application will be made to have the Notes admitted to listing on the Official List and to trading on the Market and through the ORB. It is expected that admission to listing will become effective on or about, and dealings are expected to commence on or before, the Issue Date.

**Governing Law**

The Notes, and any non-contractual obligations arising out of or in connection with the Notes, will be governed by, and construed in accordance with, English law.

**Rating**

The Issuer has been assigned a rating of BBB- by Fitch and S&P. The Notes are expected on issue to be rated BBB- by S&P. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, 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 the CRA Regulation.

**Use of Proceeds**

The net proceeds from the sale of the Notes (less any fees or expenses payable by the Issuer) will be set out in the Sizing Announcement and will be used for the Issuer's general corporate purposes.

**Risk Factors**

As set out under "*Risk Factors*" below, certain factors may affect the Issuer's ability to fulfil its obligations under the Notes and the

Guarantors' (if any) ability to fulfil their obligations under the Guarantee (if any), including: the Group's exposure to general market conditions; the poor performance of the Group's investment portfolio; the risk that the Issuer will not be able to raise future investment funds from third parties; the risk that fee income may be reduced due to the removal of or a breach of investment mandate by a member of the Group as investment manager for one or more funds; regulatory risk; risk relating to the levels of repayments on the Group's loan portfolio, the timing of the realisation of rolled up interest and delays in realising minority interests; risks relating to the Group's ability to secure the necessary borrowings or other forms of liquidity; exchange and interest rate risk; risk related to retaining and motivating key employees; operational and tax risks. There are also risks relating to the structure of and market for the Notes and the CDIs: the Noteholders may be effectively subordinated to the other creditors of the Issuer if the Issuer does not within the time frame prescribed in the terms and conditions of the Notes provide the guarantees by the relevant Subsidiaries; the Issuer may redeem the Notes before the Maturity Date; the Trustee may modify, waive or authorise certain specified breaches or proposed breaches of the Terms and Conditions of the Notes without the consent of the Noteholders; exchange rate, interest rate and exchange control risks; credit ratings may not reflect all risks; the absence of a prior public market in the Notes; holders of CDIs will have an interest in a separate legal instrument and will not be the legal owner of the Underlying Notes.

Prospective investors should carefully consider the information under "*Risk Factors*" in conjunction with the other information contained or incorporated by reference in this document.

**Clearing System**

Euroclear and/or Clearstream, Luxembourg. The CDIs representing the Underlying Notes will be issued and settled through CREST.

**Public Offer**

The Notes may be offered by the Lead Manager and by any Financial Intermediaries to the public in the United Kingdom, Guernsey, Jersey and the Isle of Man between 30 November 2011 and 16 December 2011 (or such earlier date as agreed between the Issuer and Lead Manager). For provisions and restrictions relating to offers of Notes to the public, see "*Subscription and Sale — Public Offer*".

**Fees Payable**

The fees payable to the Lead Manager and to any Financial Intermediaries are set out in "*Subscription and Sale*".

**Selling Restrictions**

There are restrictions on the offer, sale and transfer of Notes and the distribution of this Prospectus and other offering materials in various jurisdictions, including the United States, the Relevant Member States of the European Economic Area, Jersey, Guernsey and the Isle of Man.

Regulation S Compliance Category 2; the Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**").

## **Risk Factors**

*The Issuer 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 the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons, and the Issuer does not represent 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 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.

*The US Foreign Account Tax Compliance Act (“FATCA”) withholding risk*

FATCA generally imposes a 30 per cent. withholding tax on certain payments to certain non-US financial institutions (including entities such as the Issuer) that do not enter into and comply with an agreement with the U.S. Internal Revenue Service (the “IRS”) to provide certain information on its U.S. accountholders (including the holders of its debt or equity). In order to avoid such withholding, the Issuer intends to enter into an agreement with the IRS (an “IRS FATCA Agreement”) in which it will agree (if necessary) to (i) obtain (or effectively cause brokers or agents through which Noteholders purchase their Notes, to obtain) information regarding each Noteholder (other than the Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such Noteholders are U.S. persons or U.S. owned foreign entities, (ii) provide (or effectively cause brokers or agents through which Noteholders purchase their Notes, to provide) annually to the IRS the name, address, taxpayer identification number and certain other information with respect to Noteholders and beneficial owners of Notes (other than with respect to Notes that are treated as regularly traded on an established securities market) that are U.S. persons or that are United States owned foreign entities and (iii) comply with withholding and other requirements. In order to provide such information, the Issuer (or brokers or agents through which Noteholders purchase their Notes) may be obliged to obtain information from all of the Noteholders (not just from the U.S. Noteholders) because unless the Issuer (or the brokers or agents through which Noteholders purchase their Notes) can adequately identify the non-U.S. Noteholders, it will be unable to properly identify (by matter of elimination) the direct and indirect U.S. Noteholders.

Provided that Notes are not modified after 18 March 2012 such that Notes are treated as being reissued for U.S. federal income tax purposes, there should be no withholding imposed on the Notes.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCES.

**Risks relating to the Notes and the CDIs**

*The Notes may be structurally subordinated to the payment obligations of other members of the Issuer’s group*

At the date of their issue, the Notes will not have the benefit of any guarantee from any of the Issuer’s subsidiaries. Under the terms and conditions of the Notes, the Issuer is obligated to procure that each of the Issuer’s subsidiaries giving guarantees under the Issuer’s Facility Agreements, provide, on or before the first Interest Payment Date, guarantees in respect of the due payment of all sums payable by the Issuer under the Notes (the “Guarantees”). If such Guarantees are not provided on or before the first Interest Payment Date, the Notes will bear interest at an increased rate of 7.50 per cent. per annum from and including the first Interest Payment Date, as compared to the rate of 7.00 per cent. per annum as at the date of the issue of the Notes.

However, although the Issuer fully intends that the Noteholders be given the benefit of the Guarantees, due to technical or other reasons beyond the Issuer’s control, there is no certainty that the Issuer will be able to successfully procure that such Guarantees are provided within the prescribed time or at all. In such case, the Noteholders will be effectively structurally subordinated to the lending parties under the Facility Agreements since, if the Issuer were to default on its repayment obligations under the Facility Agreements, such lenders will have recourse to the guarantees provided under the Facility Agreements. This may, therefore, diminish the assets available for the purposes of paying any outstanding sums due and payable to the Noteholders in the event of insolvency of the Issuer.

### *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 — 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 — Redemption at Option of the Issuer*”. This optional redemption feature is likely to 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 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*

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person to, or collected by such person for, an individual resident within its jurisdiction, or to certain limited types of entities established, in that other Member State. However, for a transitional period, Luxembourg and Austria may instead (unless during that period they elect otherwise) operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no interest be withheld) (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of countries and territories outside the European Union including Switzerland, have adopted similar measures to the Savings Directive, (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. It is not clear if and when these changes will be enacted. Any changes could impact the Notes already in issue.

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 depositaries 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 and the CREST Rules 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*”.

### **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.

*Absence of prior public markets*

The Notes constitute new issues 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. Where reference is made in these terms and conditions to “Guarantors”, or to any “Guarantee,” such references relate to any guarantors which may on a date after the Issue Date provide guarantees pursuant to Condition 3(b).*

The Sterling Fixed Rate Notes due 2018 (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 15 November 2011 and a resolution of a committee of the Board of Directors passed on 29 November 2011. The Notes are constituted by a Trust Deed (the “Trust Deed”) dated on or around 21 December 2011 (such date, the “Issue Date”) between the Issuer, 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 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 Status of the Notes and Coupons

- (a) **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.

### 3 Covenants

- (a) **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(a):

“**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.

(b) **Addition of Guarantors:** The Issuer covenants that it shall, on or before the first Interest Payment Date, procure that any and each Subsidiary of the Issuer which is at such time providing a guarantee in respect of the Facility Agreements (as defined below) (at such time, a “**Facility Guarantor**”), provides a guarantee and becomes a Guarantor (as defined below), on a joint and several basis, in respect of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons, all in accordance with this Condition 3(b). In addition, and without prejudice to Condition 11(c), if any Subsidiary of the Issuer subsequently provides a guarantee in respect of either the Issuer’s £250,000,000 Facility Agreement dated 1 July 2009 or the Issuer’s £250,000,000 Facility Agreement dated 1 June 2009 and amended and restated on 1 July 2009, each as amended 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) (together the “**Facility Agreements**”), 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, on a joint and several basis, unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons (any Subsidiary of the Issuer providing such a guarantee under and pursuant to this Condition 3(b), a “**Guarantor**” and each such guarantee of a Guarantor being referred to collectively in these Conditions as the “**Guarantee**”). The Issuer shall provide written notice to the Trustee of its intention to procure the provision of any guarantee pursuant to the first sentence of this Condition 3(b) above by a Facility Guarantor or of the proposed addition of any such other Subsidiary of the Issuer as a 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 and such conditions as are set out in the Trust Deed, but without the consent of the

Noteholders or the Couponholders, to any such Guarantee being provided by such new Guarantor. The addition of a new Guarantor shall (subject to the satisfaction of the conditions provided in the Trust Deed) take effect on such date specified by the Issuer in the written notice referred to above which shall be a date on or before the first Interest Payment Date in respect of the guarantees referred to in the first sentence of this Condition 3(b) or on the same date that the addition of such Subsidiary of the Issuer as a guarantor takes effect under the relevant Facility Agreement in respect of any subsequent guarantees referred to in this Condition 3(b). The obligations of any such Guarantor under the Guarantee will constitute direct, unconditional and (subject to the provisions of Condition 3(a)) unsecured obligations of such 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. 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 3(b) 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 3(b) and until it receives such notice shall assume that no Subsidiary of the Issuer has provided any guarantee in respect of either of the Facility Agreements.

- (c) **Release of Guarantors:** The Issuer may by written notice to the Trustee signed by two Authorised Signatories of the Issuer request that a Guarantor, if any, ceases to be a Guarantor in respect of the Notes if such Guarantor is no longer providing a guarantee in respect of any Facility Agreement. 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 other 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 3(b).

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

#### 4 Interest

- (a) **Interest payments:** Subject as provided in Condition 4(b), the Notes bear interest from and including 21 December 2011 at the rate of 7.00 per cent. per annum (the "**Initial Rate of Interest**"), payable semi-annually in arrear in equal instalments of £3.50 per Calculation Amount (as defined below) on 21 June and 21 December 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 21 December 2011 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 7.00 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).

- (b) **Step up interest:** If, on or before the first Interest Payment Date, any Facility Guarantor has not, jointly and severally, unconditionally and irrevocably, (subject to the provisions of Condition 3(b) and the Trust Deed) guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons (in such event, a “**Step Up Event**”), the rate of interest payable on the Notes, from and including the first Interest Payment Date, to but excluding the date fixed for redemption, shall be the Initial Rate of Interest plus 0.50 per cent. per annum, being 7.50 per cent. per annum, payable semi-annually in arrear in equal instalments of £3.75 per Calculation Amount on each Interest Payment Date from and including the second Interest Payment Date to, and including, the date fixed for redemption. The Trustee is under no obligation to ascertain whether a Step Up Event or any event which could lead to the occurrence of or could constitute a Step Up Event, has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Step Up Event or other such event has occurred. The Issuer will cause the occurrence of an event giving rise to an adjustment in the Initial Rate of Interest pursuant to this Condition 4(b) to be notified to the Trustee and to the Principal Paying Agent and notice thereof to be given in accordance with Condition 15 as soon as possible after the occurrence of the relevant event but in no event later than the tenth Business Day in London thereafter.

For the avoidance of doubt a Step Up Event will not be treated as a breach of an obligation pursuant to Condition 8(b).

## 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 21 December 2018.
- (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, if any, 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, on or after the Issue Date or (b) in the case of any Guarantor, the first day after such Guarantor becomes a Guarantor pursuant to Condition 3(b), 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 any such 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 (if any), 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 the 5.00 per cent. U.K. Government Treasury Stock 2018 (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(c), 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(c) 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(c):

**"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 Guarantor 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 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. The Issuer and each of the Guarantors (if any) 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, if relevant, 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. 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; or
- (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.

In addition, if (i) a Noteholder fails to comply with reasonable requests by, or on behalf of, the Issuer for certification, identification, declaration, provision of information or similar reporting requirement as the Issuer is required to obtain and provide under any agreement entered into with the U.S. Internal Revenue Service under sections 1471 to 1474 (inclusive) of the United States Internal Revenue Code, and (ii) the Issuer is required to withhold as a result thereof, the Issuer shall not be required to pay any additional amounts in respect of that withholding.

“**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 (if any) 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 3(c)); 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 (if any), 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 3(c), 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 3(b) or Condition 3(c) 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 Conditions 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.

### 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 Chapter 3 of the CREST Manual 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](http://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) under the name of Dreamhold Limited. The Issuer changed its name from Dreamhold Limited to JOG Partners Limited on 17 June 1988 and then to Intermediate Capital Group Limited on 9 February 1989.

On 20 April 1994, the Issuer re-registered as a public limited company 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**”). In May 1994, the Issuer listed its ordinary shares (the “**Ordinary Shares**”) on the Main Market of the London Stock Exchange. 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 22 November 2011 (being the latest practicable date before the publication of this Prospectus), the issued and fully paid up share capital of the Issuer amounted to £79,917,408.80 divided into 399,587,044 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 €12 billion, as at 30 September 2011, and approximately €11.8 billion, as at 31 March 2011, under management in proprietary capital and third party funds. 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 fees from managing funds for third parties, 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 amounted to €11.8 billion as at 31 March 2011, compared to €11.2 billion as at 31 March 2010 and €12.0 billion as at 30 September 2011, compared to €11.7 billion as at 30 September 2010. Fee income was £81.8 million for the financial year to 31 March

2011, compared to £76.4 million for the financial year to 31 March 2010 and £42.9 million for the six months to 30 September 2011, compared to £39.1 million for the six months to 30 September 2010.

#### *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 the date of this Prospectus the Issuer managed four European Mezzanine Funds, two Asia Pacific Mezzanine Funds, a Minority Equity Fund and a Recovery Fund. Mezzanine and Minority Equity funds under the Issuer's management totalled £3.1 billion as at 31 March 2011 and £3.3 billion as at 30 September 2011.

#### *Credit Funds*

In 1999 the Issuer leveraged the credit skills it had acquired through its mezzanine credit analysis 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, the first arbitrage cashflow CDO to be based on European loan, bond and mezzanine collateral, in September 1999.

The credit funds tend to invest in liquid assets, such as senior and subordinated loans and high yield bonds. As at the date of this Prospectus, the Issuer managed 13 CDO funds, two institutional mandates, a unit trust and a high yield fund. Credit funds under the Issuer's management totalled £4.9 billion as at 31 March 2011 and £4.6 billion as at 30 September 2011.

#### *Investment Company*

The Issuer's investment portfolio has grown from a value of £144 million at the time of its listing in 1994 to £2.4 billion as at 31 March 2011 and £2.4 billion as at 30 September 2011.

The Issuer's portfolio as at 31 March 2011 consisted of investments in over 90 different companies diversified by sector, size and geography, being spread across 29 different industries and 19 countries. As at 31 March 2011, the largest industrial sector, business services, represented 19.7 per cent. of the total portfolio of the Group. Its investments located in Spain and Italy represented 5.8 per cent. and 3.4 per cent. of the total portfolio of the Group respectively, with no investments in Greece, Portugal or Ireland.

The Issuer's portfolio as at 30 September 2011 consisted of investments in over 100 different companies diversified by sector, size and geography, being spread across 29 different industries and 20 countries. As at 30 September 2011, the largest industrial sector, business services, represented 21.2 per cent. of the total portfolio of the Group. Its investments located in Spain and Italy represented less than 10.0 per cent. of the total portfolio of the Group, with no investments in Greece, Portugal or Ireland.

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**

#### *Overview*

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.

#### *Consolidated results for the financial year ended 31 March 2011 (audited)*

In the financial year ended 31 March 2011, the Issuer's consolidated pre-tax profit was £186.3 million compared to a pre-tax profit of £105.8 million for the financial year ended 31 March 2010, whilst the Issuer's consolidated post-tax profit was £128.1 million for the financial year ended 31 March 2011, compared to a post-tax profit on a consolidated basis of £81.7 million for the financial year ended 31 March 2010.

In the financial year ended 31 March 2011, the Investment Company generated a pre-tax profit of £150.4 million compared to a pre-tax profit of £67.8 million for the financial year ended 31 March



2010. The Fund Management Company generated a pre-tax profit of £35.9 million for the financial year ended 31 March 2011 compared to £38.0 million (after a cost release of £6.9 million) for the financial year ended 31 March 2010.

*Consolidated result for the six months ended September (unaudited)*

In the six months ended 30 September 2011, the Issuer's consolidated pre-tax profit was £108.8 million compared to a pre-tax profit of £105.1 million for the six months ended 30 September 2010, whilst the Issuer's consolidated post-tax profit was £85.1 million for the six months ended 30 September 2011, compared to a post-tax profit on a consolidated basis of £67.5 million for the six months ended 30 September 2010.

In the six months ended 30 September 2011, the Investment Company generated a pre-tax profit of £91.7 million compared to a pre-tax profit of £88.2 million for the six months ended 30 September 2010. The Fund Management Company generated a pre-tax profit of £17.1 million for the six months ended 30 September 2011 compared to £16.9 million for the six months ended 30 September 2010.

## 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 and the Asia-Pacific region, 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.

<b>Name</b>	<b>Country of incorporation</b>	<b>Proportion of Issuer's ownership interest</b>	<b>Principal activity</b>
Intermediate Capital Investments Ltd .....	United Kingdom	100 per cent.	Investment Company
Intermediate Capital Managers Ltd .....	United Kingdom	100 per cent.	Advisory Company
ICG FMC Ltd .....	United Kingdom	100 per cent.	Intermediary Holding Company
Mezzanine Finance (Guernsey) Ltd .....	Guernsey	100 per cent.	Holding Company for loans and investments
Intermediate Capital Asia Pacific Ltd .....	Hong Kong	100 per cent.	Advisory Company
Intermediate Capital Ltd .....	United Kingdom	100 per cent.	General Partner in a number of Partnerships
Intermediate Investments LLP .....	United Kingdom	100 per cent.	Investment Firm
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 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 2006 Ltd .....	Jersey	100 per cent.	General Partner in a number of Partnerships
JOG Partners Ltd .....	United Kingdom	100 per cent.	Investment Company
Intermediate Finance II PLC .....	United Kingdom	100 per cent.	Provider of mezzanine finance
Intermediate Capital Australia Pty Ltd .....	Australia	100 per cent.	Advisory Company
ICG Inc .....	United States of America	100 per cent.	Advisory Company
Intermediate Investments Jersey Ltd .....	Jersey	100 per cent.	Investment Company
Intermediate Capital Asia Pacific Mezz CP 2005 Ltd .....	Jersey	100 per cent.	General Partner
Intermediate Capital Asia Pacific Mezz Opps CP 2005 Ltd ..	Jersey	100 per cent.	General Partner
Intermediate Capital Asia Pacific 2008 GP Limited .....	Jersey	100 per cent.	General Partner

## **Competitive Advantage**

Having established a reputation as a leading investor and manager of intermediate and senior capital, the Issuer believes that it is well positioned to grow this franchise further. Since 1998 when the Issuer launched its first third party vehicle, funds under management at 31 March 2011 have grown to £10.4 billion, outpacing the growth of its own investment portfolio, which stood at £2.4 billion at 31 March 2011. Funds under management were £10.3 billion at 30 September 2011, whilst the investment portfolio amounted to £2.4 billion at 30 September 2011. The Issuer expects to continue to grow this business and expects fee income to contribute a higher proportion to the Issuer's operating cash flow in the medium term, as a greater proportion of its managed capital is sourced from third party funds.

## **Strategy**

The Issuer's strategic priorities are to:

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

### ***Manage portfolio to maximise value***

The Issuer's portfolio showed consistent improvement throughout the first six months ended 30 September 2011. As at 30 September 2011, 69 per cent. of the Issuer's investments were performing at or above the previous year's level. This compares to 62 per cent. as at 30 September 2010, 74 per cent., as at 31 March 2011 and 59 per cent. as at 31 March 2010, despite the realisations of high performing assets in the past twelve months. The Issuer's top 20 assets, which account for 51 per cent. of its portfolio, continued to perform strongly in the first six months ended 30 September 2011.

The strong performance of the portfolio led to reduced gross impairments of £39.6 million in the first six months ended 30 September 2011, compared to £54.3 million in the first six months ended 30 September 2010. Gross impairments for the financial year ended 31 March 2011 were £89.8 million compared to £180.3 million in the financial year ended 31 March 2010. The Issuer wrote back £11.2 million of provisions on its balance sheet as at 30 September 2011 in respect of one that had materially improved in performance. A provision of £18.9 million was written back on the Issuer's balance sheet as at 31 March 2011, which related to five assets in its portfolio.

While the Issuer has not seen any signs of deterioration in the performance of the portfolio in the six months ended 30 September 2011, it is focussed on managing its portfolio and monitoring portfolio companies given the current deteriorating economic conditions.

The Issuer realised a number of assets in the six months ended 30 September 2011, exiting investments in nine portfolio companies and generating capital gains of £42.1 million, repayments of principal of £188.5 million and the crystallisation of £58.6 million of accrued interest. In the financial year ended 31 March 2011, the Issuer exited from investments in 13 portfolio companies, generating capital gains of £133.4 million, repayments of principal of £388.6 million and the crystallisation of £82 million of accrued interest. The Issuer believes that the current market volatility is likely to result in a decline in the rate of realisations in the near future.

### ***Invest selectively***

Given the current uncertain outlook for Western economies, the Issuer is particularly selective when deploying capital. The Issuer made proprietary investments on behalf of its investment business of £311 million in the financial year to 31 March 2011 and £136 million in the six months to 30 September 2011.

### ***Grow the Fund Management Company***

Having established a reputation as a leading fund manager of intermediate and senior capital, the Issuer believes that it is well positioned to grow this franchise further. Since 1998 when the Issuer launched its first third party vehicle, third party funds under management have grown to £7.9 billion as at 30 September 2011, outpacing the growth of its own investment portfolio, which stood at £2.4 billion at 30 September 2011. The Issuer's third party funds under management were £8.0 billion and its investment portfolio amounted to £2.4 billion as at 31 March 2011.

In March 2010 the Issuer identified three growth areas for its Fund Management Company: continuing to grow its existing Mezzanine and Credit Fund Management operations; taking advantage

of the shift in the market to acquire portfolios of assets at attractive prices; and expanding cautiously into adjacent asset classes. As a result the Issuer expects a greater proportion of its managed capital will be sourced from third party funds and therefore expects fee income to contribute a higher proportion to the Issuer's income in the medium term. As at the date of this Prospectus, the Issuer intends to expand its marketing and distribution team in order to broaden its coverage of institutional investors.

#### *Mezzanine Funds*

As at the date of this Prospectus, the ICG Mezzanine Fund 2000 is entirely realised and has returned a net money multiple of 1.7 times to investors. The ICG Mezzanine Fund 2003 added to a number of successful realisations in the financial year ended 31 March 2011, by exiting its investment in Souriau in the six months ended 30 September 2011. The Issuer's European Fund 2006, which is closed to new investment, realised its investment in Bureau van Dijk, the company information and business intelligence provider; and one of its largest assets, and Eismann, a leading frozen food retailer in Germany. The Issuer's Asia Pacific Fund 2008 completed a new investment in Tegel, New Zealand's leading integrated poultry producer. This transaction also represented the exit from an investment for the Asia Pacific Fund 2005, which retained a minority equity interest from the original 2006 buyout (the mezzanine investment was repaid in 2007 and a partial realisation of the equity investment occurred in 2008).

In addition, in the six months ended 30 September 2011, the Issuer's fifth European mezzanine fund, ICG Europe V, successfully completed its first close having received €1.1 billion of commitments, including a €500 million co-investment commitment from the Issuer. This constituted a large amount of the target fund size of €2 billion. The fund received commitments from both long-term investors in the Issuer's funds and new investors from across Europe, North America, the Middle East and Asia. The fund made its first investment supporting the buyout of Bureau van Dijk. The fund remains open to new investors and the Issuer believes it will hold final close on or around 1 September 2012.

#### *Credit Funds*

The Issuer's senior loan and high yield portfolios performed strongly in the six months ended 30 September 2011, with default rates at historical lows. The Issuer's twelve month senior loan default rate at 30 September 2011 was 0.65 per cent. This low default rate has resulted in an improvement in the performance ratios across the Issuer's structured funds and sustained junior fees.

Despite volatility in the capital markets having a negative impact on the value of assets, the Issuer's dedicated High Yield fund, has avoided any defaults and performed strongly.

The Issuer intends to continue to invest defensively with regard to its credit funds given the uncertain economic outlook.

#### *Longbow Real Estate Capital LLP*

The Issuer believes that it is well suited to investments in adjacent asset classes. From its origins in mezzanine finance, it has expanded into senior loans, high yield bonds, minority equity investments and more recently recovery assets. The Issuer intends to continue to seek new areas into which it can expand the products it offers and create value for shareholders by capitalising on its investment discipline, relationships and infrastructure.

In December 2010, the issuer acquired a majority stake in Longbow Real Estate Capital LLP ("**Longbow**") a specialist lender to the UK commercial real estate industry. Longbow completed the final close of its Longbow UK Real Estate Debt Investments II fund in September 2011, with £242 million of commitments received from a variety of blue chip institutional investors, including a £50 million commitment from the Issuer.

The Issuer believes that the commercial real estate debt market is favourable to specialist lenders; traditional lenders, banks and commercial mortgage backed securities vehicles continue to retrench from this market, while demand for refinancing capital remains acute. As a result, the Issuer believes that refinancing opportunities present attractive investments with what the Issuer perceives to be increasingly favourable pricing.

### **Investment Process and Portfolio**

#### *Mezzanine and Minority Equity Funds*

The Mezzanine and Growth Capital 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 six members, including two Managing Directors and four 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 2011, the largest industry sector in the Issuer's investment portfolio was business services, representing 19.7 per cent. of the portfolio, followed by financial services at 14.9 per cent. The table below sets out the Issuer's investment portfolio by industry sector as at 31 March 2011.

<b>Industry Sector</b>	<b>Percentage of Issuer's Investment Portfolio (per cent.)</b>
Business services .....	19.7
Financial services .....	14.9
Healthcare.....	11.7
Shipping & transport.....	6.2
Building materials.....	4.9
Publishing & printing .....	4.8
Electronics .....	4.6
Food retailing .....	3.3
Waste management.....	3.3
Leisure & entertainment .....	3.1
Telephone networks.....	2.7
Utilities .....	2.6
Food manufacturing.....	2.5
Restaurants.....	2.5
Drapery & stores .....	2.0
Pharmaceuticals .....	1.8
Motors .....	1.6
Packaging & paper .....	1.3
Consumer products.....	1.2
Entertainment .....	1.1

<b>Industry Sector</b>	<b>Percentage of Issuer's Investment Portfolio (per cent.)</b>
Chemicals & plastic .....	1.0
Mechanical engineering .....	0.9
Metal manufacturing .....	0.5
Insurance .....	0.5
Metal forming.....	0.5
Hotels & catering.....	0.4
Real estate .....	0.2
Advertising.....	0.2

As at 30 September 2011, the largest industry sector in the Issuer's investment portfolio was business services, representing 21.2 per cent. of the portfolio, followed by financial services at 13.3 per cent. The table below sets out the Issuer's investment portfolio by industry sector as at 30 September 2011.

<b>Industry Sector</b>	<b>Percentage of Issuer's Investment Portfolio (per cent.)</b>
Business services .....	21.2
Financial services.....	13.3
Healthcare.....	12.7
Shipping & transport.....	5.6
Building materials.....	5.1
Waste management.....	4.0
Electronics .....	3.9
Food retailing.....	3.9
Leisure & entertainment .....	3.2
Food manufacturing.....	2.9
Telephone networks.....	2.7
Utilities .....	2.6
Drapery & stores .....	2.2
Publishing & printing .....	2.1
Restaurants.....	1.8
Packaging & paper .....	1.8
Pharmaceuticals .....	1.9
Motors .....	1.7
Entertainment .....	1.3
Consumer products.....	1.2
Chemicals & plastic .....	1.1
Mechanical engineering .....	0.9
Insurance .....	0.8
Metal manufacturing .....	0.6
Metal forming.....	0.5
Hotels & catering.....	0.5
Real estate .....	0.3
Advertising.....	0.2

#### *Issuer's Portfolio by Geography*

As at 31 March 2011, the Issuer's investment portfolio was geographically spread across Europe, Asia Pacific and North America; France (with 34.5 per cent. of assets by value) and the UK (with 23.2 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 2011.

<b>Region</b>	<b>Percentage of Issuer's Investment Portfolio (per cent.)</b>
France.....	34.5
UK.....	23.2
Germany.....	8.3
Asia Pacific.....	7.4
Benelux.....	6.8
Spain.....	5.8
Nordic.....	5.7
Other Europe.....	4.8
North America.....	3.5

As at 30 September 2011, the Issuer's investment portfolio was geographically spread across Europe, Asia Pacific and North America; France (with 35.9 per cent. of assets by value) and the UK (with 22.7 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 30 September 2011.

<b>Region</b>	<b>Percentage of Issuer's Investment Portfolio (per cent.)</b>
France.....	35.9
UK.....	22.7
Germany.....	8.5
Asia Pacific.....	7.2
Benelux.....	5.0
Spain.....	5.9
Nordic.....	5.6
North America.....	4.9
Other Europe.....	4.3

#### *Top 20 Assets*

The top 20 assets, as valued on the Issuer's balance sheet as at 31 March 2011 on a consolidated basis, which amounted to £1,250.5 million, were as follows:

<b>Company</b>	<b>Country</b>	<b>Industry</b>	<b>Investment year</b>	<b>£m<sup>(1)</sup></b>
Médi Partenaires.....	France	Healthcare	2007	107.5
Bureau Van Dijk.....	Belgium	Publishing and printing	2007	99.2
Elis.....	France	Business services	2007	93.9
BAA.....	UK	Shipping and transportation	2006	91.3
Applus+.....	Spain	Business services	2007	81.5
Attendo.....	Sweden	Healthcare	2007	76.1
Biffa.....	UK	Waste management	2008	76.0
Materis.....	France	Building materials	2006	65.5
Veda Advantage.....	Australia	Financial services	2008	59.6
CPA Global.....	UK	Business services	2010	52.8
Link Market Sevices.....	Australia	Financial services	2007	51.0
Minimax.....	Germany	Electricals	2006	50.6
Gerflor.....	France	Building materials	2011	49.1
Ethypharm.....	France	Pharmaceuticals	2007	46.5
SAG.....	Germany	Utilities	2008	45.8
Eos Loan Fund 1.....	Europe	Loan portfolio	2010	45.0

<b>Company</b>	<b>Country</b>	<b>Industry</b>	<b>Investment year</b>	<b>£m<sup>(1)</sup></b>
Feu Vert.....	France	Motors	2007	41.1
Orizonia.....	Spain	Leisure and entertainment	2006	40.8
Eismann.....	Germany	Food retailing	2007	40.5
TeamSystem.....	Italy	Business services	2010	36.7

Note:

<sup>(1)</sup> Carrying value on the Issuer's balance sheet at 31 March 2011.

The top 20 assets, as valued on the Issuer's balance sheet as at 30 September 2011 on a consolidated basis, which amounted to £1,233.6 million, were as follows:

<b>Company</b>	<b>Country</b>	<b>Industry</b>	<b>Investment year</b>	<b>£m<sup>(1)</sup></b>
Médi Partenaires.....	France	Healthcare	2007	108.9
Elis.....	France	Business services	2007	93.4
Applus+.....	Spain	Business services	2007	81.8
Biffa.....	UK	Waste management	2008	78.2
CPA Global.....	UK	Business services	2010	76.9
BAA.....	UK	Shipping and transportation	2006	75.7
Attendo.....	Sweden	Healthcare	2007	75.3
Materis.....	France	Building materials	2006	67.4
Link Market Services.....	Australia	Financial services	2007	60.3
Intelsat.....	USA	Telephone Networks	2008	59.2
Minimax.....	Germany	Electricals	2006	51.1
Eismann.....	Germany	Food retailing	2007	49.4
Gerflor.....	France	Building materials	2011	49.2
Allflex.....	France	Business Services	1998, 2007	47.9
Ethypharm.....	France	Pharmaceuticals	2007	46.8
Eos Loan Fund 1.....	Europe	Loan portfolio	2010	46.5
SAG.....	Germany	Utilities	2008	44.0
Feu Vert.....	France	Motors	2007	41.9
Orizonia.....	Spain	Leisure and entertainment	2006	41.7
Loewenplay.....	Germany	Leisure and entertainment	2008	38.0

Note:

<sup>(1)</sup> Carrying value on the Issuer's balance sheet at 30 September 2011

### Top 10 Equity Assets

The top 10 equity assets, as valued on the Issuer's balance sheet as at 31 March 2011 on a consolidated basis, which amounted to £248.6 million, were as follows:

Company	Country	Industry	Investment year	£m <sup>(1)</sup>
CPA Global.....	UK	Business services	2010	44.3
Gerflor.....	France	Building materials	2011	32.1
Intelsat.....	USA	Telephone networks	2008	31.8
Eismann.....	Germany	Food retailing	2007	24.5
Allflex.....	UK	Business services	1998, 2007	23.5
Acromas Holdings Ltd (AA/SAGA).....	UK	Financial services	2007	23.2
TeamSystem.....	Italy	Business services	2010	20.2
Applus+.....	Spain	Business services	2007	19.1
Mennisez.....	France	Food manufacturing	2006	15.3
Link Market Services.....	Australia	Financial services	2007	14.6

Note:

<sup>(1)</sup> Carrying value on the Issuer's balance sheet at 31 March 2011.

The top 10 equity assets, as valued on the Issuer's balance sheet as at 30 September 2011 on a consolidated basis, which amounted to £341 million, were as follows:

Company	Country	Industry	Investment year	£m <sup>(1)</sup>
CPA Global.....	UK	Business services	2010	67.9
Intelsat.....	USA	Telephone networks	2008	59.2
Allflex.....	UK	Business services	1998, 2007	47.9
Eismann.....	Germany	Food retailing	2007	33.5
Gerflor.....	France	Building materials	2011	31.9
Link Market Services.....	Australia	Financial services	2007	23.4
TeamSystem.....	Italy	Business services	2010	21.3
Van Gansewinkel (AVR).....	Netherlands	Utilities	2007	21.2
Applus+.....	Spain	Business services	2007	18.6
Bureau Van Dijk.....	Belgium	Publishing and printing	2011	16.1

Note:

<sup>(1)</sup> Carrying value on the Issuer's balance sheet at 30 September 2011.

### 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:

<b>Directors</b>	<b>Title</b>	<b>Principal activities outside of the Group</b>
Tom Attwood.....	Managing Director (Executive)	Private Equity Foundation Low Carbon Enterprise Fund Hg Capital The Kennal Academies Trust
Christophe Evain .....	Managing Director and Chief Executive Officer (Executive)	Not Applicable
Philip Keller .....	Managing Director and Chief Financial Officer (Executive)	National Children's Orchestra
Justin Dowley.....	Chairman (Non Executive)	Burnham Overy Boathouse Limited Ascot Authority (Holdings) Limited Independent Port Handling Limited Melrose Plc
Jean Daniel Camus .....	Director (Non Executive)	Orium Oxxo Menuiseries PVC DLB Investissement Crossknowledge Group Limited TCR Capital SAS Come&Stay SAS
James Nelson .....	Director (Non Executive)	TSM Agencies Limited McGill University Trust The Henderson Smaller Companies Investment Trust Plc Henderson Smaller Companies Finance Limited Nelson SLP St James Limited Partnership St James II Limited Partnership Spiralgate Investments Limited Syncora Guarantee (UK) Ltd Aurora Investment Trust AIT Trading Limited
Peter Gibbs .....	Director (Non Executive)	UK Financial Investments Ltd The Evolution Group plc 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 Schroders plc KAH Parry Limited Royal National Children's Foundation The Parry Family Partnership Schroder Pension Management Limited

## **Directors' Details**

*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***

*Tom Attwood.* Prior to joining the Issuer in April 1996, Mr Attwood was a director of James Capel & Co. where he worked for eight years. Mr Attwood is Chairman of the Executive Committee and is responsible for the Investment Management Group.

*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.

### ***Non-Executive Directors***

*Jean Daniel Camus.* Mr Camus was a founding partner of Orium, a proprietary investment firm and previously worked for LBO France. Mr Camus started his career in the French civil service and served as a special adviser to the Department of the General Secretary to the President of the French Republic.

*James Nelson.* Mr Nelson is a non executive director of Henderson Smaller Companies Investment Trust plc. He was a founding partner of Graphite Capital Management LLP and formerly the chairman of the BVCA.

*Kevin Parry.* Mr Parry is Chairman of the Audit 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.

## **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 four independent Non-Executive Directors: Kevin Parry (Chairman of the Committee); Jean-Daniel Camus; Peter Gibbs; and James Nelson. 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 2011, with the provisions of the Financial Reporting Council Combined Code on Corporate Governance.

### Principal Shareholders

As at 21 November 2011 (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):

Shareholder	Number of Ordinary Shares	Approximate percentage of the voting rights
Aviva Investors .....	33,361,056	8.35
F&C Asset Management Plc .....	27,349,347	6.84
Newton Investment Management Ltd.....	26,091,638	6.53
Baillie Gifford & Co Ltd .....	24,483,387	6.13
BlackRock Inc .....	17,879,977	4.48
Legal & General Investment Management Ltd.....	14,575,794	3.65

## Selected Financial Information of Intermediate Capital Group PLC

The financial summary set out below has been extracted without material adjustment from (a) the audited consolidated financial statements of the Issuer for the years ended 31 March 2011 and 31 March 2010, and (b) the unaudited consolidated financial statements of the Issuer for the six months ended 30 September 2011 and 30 September 2010. The selected financial information should be read together with the consolidated financial statements. The audited consolidated financial statements of the of the Issuer for the years ended 31 March 2011 and 31 March 2010, and the unaudited consolidated financial statements of the Issuer for the six months ended 30 September 2011 and 30 September 2010 are incorporated by reference into this Prospectus.

### Consolidated Income Statement

	For the six months ended 30 September (Unaudited)		For the year ended 31 March	
	2011	2010	2011	2010
	(£m, except per share information)			
Interest and dividend income.....	132.8	122.4	242.0	274.1
Gains on investments.....	42.1	86.8	133.4	98.8
Fee and other operating income.....	31.0	27.5	63.3	52.0
	205.9	236.7	438.7	424.9
Interest payable and other related financing .....	(22.6)	(17.8)	(59.2)	(62.4)
Provisions for impairment of assets.....	(28.4)	(53.1)	(70.9)	(161.8)
Administrative expenses.....	(46.1)	(60.7)	(122.3)	(94.9)
<b>Profit before tax</b> .....	108.8	105.1	186.3	105.8
Tax expenses .....	(23.7)	(37.6)	(58.2)	(24.1)
<b>Profit for the year</b> .....	85.1	67.5	128.1	81.7
Attributable to:				
Equity holders of the parent.....	85.4	67.5	128.2	81.7
Non-controlling interests .....	(0.3)	–	(0.1)	–
	85.1	67.5	128.1	81.7
Earnings per share .....	21.6p	17.2p	32.6p	25.0p
Diluted earnings per share.....	21.6p	17.2p	32.5p	25.0p

### Consolidated Statement of Financial Position

	As at 30 September (Unaudited)		As at 31 March	
	2011 (£m)	2010 (£m)	2011 (£m)	2010 (£m)
Non current assets .....	2,585.1	2,700.5	2,603.2	2,747.1
Current assets.....	306.6	344.0	234.2	158.4
<b>Total assets</b> .....	2,891.7	3,044.5	2,837.4	2,905.5
Total equity.....	1,366.3	1,197.9	1,250.4	1,183.5
Non current liabilities .....	1,068.8	1,496.0	1,086.1	1,436.5
Current liabilities .....	456.5	350.6	500.9	285.5
<b>Total liabilities</b> .....	1,525.3	1,846.6	1,587.0	1,722.0
<b>Total equity and liabilities</b> .....	2,891.7	3,044.5	2,837.4	2,905.5

**Consolidated Statement of Cash Flow**

	For the six months ended 30 September (Unaudited)		For the year ended 31 March	
	2011 (£m)	2010 (£m)	2011 (£m)	2010 (£m)
Net cash generated from operating activities .....	57.2	18.3	337.2	277.1
Net cash (used in)/from investing activities.....	(0.5)	(1.1)	(10.2)	(1.5)
Net cash (used in)/from financing activities .....	(52.5)	83.2	(266.7)	(217.3)
Net increase/(decrease).....	4.2	100.4	60.3	58.3
<b>Cash and cash equivalents at end of year/period.....</b>	<b>143.9</b>	<b>181.2</b>	<b>140.9</b>	<b>83.7</b>

## 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 £345,000. This figure is calculated on the basis of the following estimates: (i) £180,000 of legal expenses, (ii) £59,000 of marketing expenses, (iii) £50,000 auditor expenses, (iv) £30,000 in respect of credit rating agency fees, (v) £10,000 of regulatory fees (including those related to listing and admission to trading) and (vi) £16,000 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. They do not consider the United Kingdom tax consequences of any payment under the Guarantee (if any). 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) any other relief is available; 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.

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 in other countries. However, in relation to amounts payable on redemption of such Notes HM Revenue & Customs published practice indicates that it will not exercise its power to obtain such information where such amounts are paid or received on or before 5 April 2012.

- 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.

## **2 EU Directive on the Taxation of Savings Income**

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 to an individual or to certain other persons in another Member State, except that Austria and Luxembourg may instead 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 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.

## **3 Taxation of Disposal (including redemption) and Return**

### **3.1 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.

### **3.2 Other Noteholders**

The Notes are "qualifying corporate bonds" with the result that on a disposal of the Notes neither chargeable gains nor allowable losses will arise for the purposes of taxation of capital 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.

## **4 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 16 December 2011, Evolution Securities 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 0.375 per cent. of the total principal amount of the Notes subscribed and paid for and a total distribution fee of 0.750 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:

The time period, including any possible amendments during which the offer will be open (the “**Offer Period**”) and description of the application process:

#### **Start of the offer period:**

In respect of any jurisdiction, not earlier than the date on which all requirements necessary to enable any such offer in any such jurisdiction to be made in accordance with all applicable laws, rules and regulations in such jurisdiction which, at the date hereof, is expected to be on or about 30 November 2011.

#### **End of the offer period:**

12 noon (London time) on 16 December 2011 or such earlier date as may be agreed between the Issuer and the Lead Manager.

Applications for the Notes may only be made through the Lead Manager or the Financial Intermediaries in accordance with their individual procedures. Such intermediaries may

reject any application at their discretion and, pursuant to any anti-money laundering or other relevant regulations in force, such intermediaries or any of their authorised agents may require evidence in connection with any application to subscribe for the Notes, including further identification of the investor, before any Notes are allocated.

Conditions to which the offer is subject:

The issue of the Notes is subject to certain conditions precedent customary for transactions of this type (including issue of the Notes and delivery of legal opinions and auditor comfort letters satisfactory to the Lead Manager) 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.

Manner and date in which results of the offer are to be made public:

The Sizing Announcement will be published by 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 16 December 2011.

Method and time limits for paying for the Notes and for delivery of the Notes:

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 Financial Intermediary of their allocations of Notes and the settlement arrangements that apply in respect thereof.

The various categories of potential investors to which the Notes are offered:

Offers may be made 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, allotment shall be pro-rated, which means that reductions may be applied and the balance of any amount paid on application returned without interest by the Lead Manager or Financial Intermediary.

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 Financial Intermediary of their allocations of Notes in accordance with arrangements in place between such parties.

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 16 December 2011.

Procedures for the exercise of any right of pre-emption, the negotiability and treatment of

Not applicable.

subscription rights:

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:

Evolution Securities 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.

### ***Relevant Member States of the European Economic Area***

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 Prospective 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 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 the Notes cannot be marketed, offered or sold in, or to persons resident in, the Isle of Man, other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 and the Regulated Activities Order 2008 or any exemption therefrom.

#### ***General***

Save as described under “*Relevant Member States of the European Economic Area*” 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 The listing of the Notes on the Official List will be expressed as a percentage of their principal amount (exclusive of accrued interest). 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. 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 The Issuer has obtained all necessary consents, approvals and authorisations in England and Wales in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of Board of Directors of the Issuer passed on 15 November 2011 and a resolution of a committee of the Board of Directors passed on 29 November 2011.
- 3 There has been no significant change in the financial or trading position of the Issuer or the Group since 30 September 2011 and there has been no material adverse change in the prospects of the Issuer or the Group since 31 March 2011.
- 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 071633632 and the International Securities Identification Number (ISIN) is XS0716336325.
- 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 ability to meet its obligations to Noteholders in respect of the Notes being issued.
- 8 None of the Issuer nor any 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 is 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 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 the Issuer;
  - (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 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 2010 have been delivered and statutory accounts for the financial years ended 31 March 2011 will be delivered to the Registrar of Companies in England and Wales. The Issuer’s auditors 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 are Deloitte LLP, a member of the Institute of Chartered Accountants in England and Wales, who have audited the consolidated financial statements of the Issuer, without qualification, in accordance with International Financial Reporting Standards for the financial years ended 31 March 2011 and 31 March 2010.
- 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.

**THE ISSUER**

**Intermediate Capital Group PLC**  
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**LEAD MANAGER**

**Evolution Securities Limited**  
100 Wood Street  
London EC2V 7AN

**TRUSTEE**

**Deutsche Trustee Company Limited**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

**PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**  
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1 Great Winchester Street  
London EC2N 2DB

**LEGAL ADVISERS**

*To the Lead Manager and the Trustee*

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*To the Issuer*

**Ashurst LLP**  
Broadwalk House  
5 Appold Street  
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**REGISTERED AUDITORS OF THE ISSUER**

**Deloitte LLP**  
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