

Investcorp reports profits of \$39.2m for the six months ended December 31, 2012

Bahrain, January 30, 2013 - Investcorp, a global provider and manager of alternative investment products, today announced its results for the six months ended December 31, 2012, the first half of its fiscal 2013 (H1 FY13).

Investcorp delivered strong growth in its overall performance for the period despite continued economic uncertainty in the EU and US, with gross operating income for H1 FY13 rising by 65% versus the comparable period last year, to \$152.9 million. Fee income increased by 80% to \$147.6 million, driven by strong acquisition, realization and placement activity.

Net income for the period was higher than last year at \$39.2 million (H1 FY12: \$5.2 million), representing progress across all business activities.

Investcorp reported \$793 million in new fund-raising during the period, its strongest performance on this front since the onset of the financial crisis in 2008. \$204 million was raised in corporate investment deal-by-deal placements, \$73 million in real estate through the placement of two portfolios, and \$516 million was raised in new hedge funds subscriptions from institutional investors. Investcorp's continued success and traction in fundraising demonstrates the ongoing commitment and long term loyalty of its investor base. At the same time, Investcorp returned \$1.1 billion in proceeds from investment realizations and distributions to Investcorp and its clients, roughly 2.7 times the \$412 million returned in H1 FY12.

During the period, Investcorp further strengthened the liquidity and funding profile of its balance sheet with a successful \$250 million bond issue in November 2012. Reflecting Investcorp's global business footprint, the profile of bond investors was geographically well-diversified with 46% from Europe, 27% from the Middle East, 15% from Asia and 12% from the United States. The bond issue followed on from a successful \$529 million loan financing in June 2012, ensuring that with no near term debt maturities after utilizing a portion of this financing, Investcorp has ample financial flexibility in place to drive long term growth.

Nemir A. Kirdar, Executive Chairman & CEO, commented: "I am delighted to report a robust start to fiscal 2013. We have enjoyed a six month period of almost record deal flow for acquisitions as well as exits. We have delivered strong growth across our business both in

terms of profitability and fee income with our fundraising initiatives enjoying their strongest performance yet since the global financial crisis of 2008-09.

Our balance sheet is well-positioned, with the necessary funding in place to meet our long-term objectives in line with our commitment towards generating maximum value for our shareholders and investors.”

Highlights for the period:

- Exits for the period included the sale of FleetPride, North America's largest distributor of heavy duty truck and trailer parts, to TPG for more than \$1 billion; the sale of CCC Information Services, a leading US software solutions provider to the automobile industry to Leonard Green and Partners; and the partial exit of FleetMatics, a leading global provider of fleet management solutions for commercial fleet vehicles, through a listing on the New York Stock Exchange.
- New investments for the period included the acquisitions of Georg Jensen, Scandinavia's leading luxury brand, and FishNet Security, North America's leading provider of IT security solutions and services, and the Gulf Opportunity Fund's investments in Orka Group, Turkey and Automak Automotive, Kuwait.
- In real estate, \$126 million of investment capital was deployed in the acquisition of ten new property investments. Eight of these were packaged into two new portfolios and fully placed with clients in H1 FY13. The remaining two will be offered to clients in H2 FY13 as part of a third new portfolio.
- Total balance sheet assets at December 31, 2012 were \$2.7 billion, unchanged from the previous fiscal year end. Leverage fell to 1.3x and capital adequacy increased to 27.8%.
- Total liquidity comprising cash plus undrawn committed facilities together with Investcorp's hedge funds co-investment was \$1.1 billion at December 31, 2012, comfortably in excess of all medium and long term debt maturities that fall due over the next five years.

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About Investcorp

Investcorp is a leading provider and manager of alternative investment products. Investcorp has offices in Kingdom of Bahrain, New York and London and is publicly traded on the Bahrain Bourse (INVCORP). Investcorp has three business areas: corporate investment in

the US, Europe and the Gulf, real estate investment in the US and global hedge funds. As at December 31, 2012, Investcorp had \$11.5 billion in assets under management. Further information is available at www.investcorp.com.

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