

Investcorp reports 13% rise in net income for FY15

- Strong levels of business activity on all fronts
- Continued performance momentum and trajectory
- Solid balance sheet strength across all key metrics

Bahrain, August 5, 2015 - Investcorp, a global provider and manager of alternative investment products, today announced its full year 2015 (FY15) results for the fiscal year ended June 30, 2015.

Investcorp's strong earnings growth trajectory continued with net income for the period of \$116.7 million, up 13 percent (FY14: \$103.1 million), representing a 70% increase in fully diluted (after the payment of preference share dividends and other obligations) earnings per share to \$129 per ordinary share and a return on equity of 16%. Earnings momentum accelerated in the second half of the fiscal year (H2 FY15), with a 19% year-on-year increase to \$71.4 million (H2 FY14: \$59.8 million). Fee income for the full year was \$308.2 million and asset based income was \$73.0 million (FY14: \$315.8 million and \$47.6 million respectively).

Performance was driven by strong momentum across Investcorp's investment, placement and realisation activities as demand from the firm's Gulf clients for attractive, diversified global alternative investment products continues to grow and the Firm believes it is well-positioned to gain market share based on its strong brand and long-dated performance track record.

In terms of investment, Corporate Investment ("CI") continued to experience good levels of activity across Europe, the U.S., Turkey, and the GCC, with \$607 million of equity deployed in five new deals in the period. Aggregate investment activity in CI in the past three years now totals \$2 billion. In Real Estate ("RE"), the period saw strong investment activity with \$368 million deployed during the year.

Total placement of CI and RE investments amongst clients was \$1,095 million, with an additional \$251 million raised from investors into the Hedge Fund ("HF") business.

Realization proceeds and other distributions to Investcorp and its clients for the period exceeded \$1.5 billion taking total proceeds over the past three years to \$5 billion. Significant realizations for the period included Berlin Packaging, Fishnet and Asiakastiето.

The Firm's balance sheet remains well capitalised, and at its strongest in terms of key metrics since 2008; net cash generated from operating activities exceeded \$400 million, and accessible liquidity was \$864 million at June 30, 2015 covers all outstanding medium and long-term debt maturing through 2018. The Firm's net leverage ratio, at 0.7x, and Basel III capital adequacy ratio of 28.7% remain comfortably above regulatory requirements.

The Board proposed a full year dividend for ordinary shareholders of \$15 per share, in line with FY14. The book value per ordinary share at June 30, 2015 was \$900.0 (FY14: \$737.8)

Mohammed Al Ardhi, Executive Chairman, said: "We are pleased to see continued growth across our core business lines, driven by our blue-chip brand and placement capability in the Gulf. Our clients continue to place their trust in Investcorp to identify and deliver attractive alternative investment opportunities across our three areas of expertise within our core markets in the Gulf, Europe and the United States. We continue to evolve and innovate in our product set to meet our clients' demands, and our efforts to get even closer to our clients are showing real results."

"We are particularly pleased to see continued momentum in our financial performance where we're delivering high quality, less concentrated and more predictable earnings against the backdrop of what have been challenging markets in recent years."

Highlights for the period:

- For FY15, Investcorp deployed \$607 million in five new CI deals. New investments included, PRO Unlimited, a leading provider of software and services that enable large enterprises to more effectively manage their contingent workforce; Dainese, the most recognized and respected brand for safety and quality in the protective gear market for motorcycle and other dynamic sports market; Arvento, Turkey's leading telematics company; Noble Learning Communities, a leading provider of private preschool through high school education in the United States; and NDT Corrosion Control Services Co., the largest testing services company for the industrial sector in Saudi Arabia. In addition to these investments, there were add on acquisitions over the period, including Namet's acquisition of Marmara Besicilik ve Et Sanayi ve Ticaret A.S. ("Maret"), a 30 year old meat processing company. Total equity deployed including add-on investments was \$625 million in FY15.
- Investcorp had a very active year in real estate, deploying \$368 million across four portfolios that were placed with clients during the fiscal period and two properties that were warehoused for placement in FY16. In keeping with the firm's strategy, these investments were primarily in commercial, office and residential properties in key U.S. markets, including Washington D.C., Orlando, San Diego and Baltimore.
- Investcorp's continued strength in investments has been balanced with a series of successful realizations in Europe and the U.S. which have generated premium returns for the firm's investors. Realisation proceeds of \$1.5 billion for the period included completion of the sale of SourceMedia, a diversified business-to-business media company, to Observer Capital; the sale of Berlin Packaging to Oak Hill Capital Partners; the partial realization of FishNet Security through a merger with Accuvant, Inc.; and the partial realization through an IPO of Asiakastiето, the leader in the Finnish credit information market.

- Significant realizations in RE included the sale of multi-family properties in Houston and Dallas; industrial property in Connecticut; office buildings in Petaluma, California; and hotels in Pittsburgh and Boston.
- In HF, a strong second half of top quartile performance generated \$19.5 million in asset based income, resulting in total income for the year of \$9.1 million. This business line continued to innovate with new products to meet client demand with the launch of the firm's Alternative Beta product in June 2015.
- Investcorp raised more than \$1.3 billion in new money from investors during FY15, with CI and RE placements of \$1,095 million, and HF subscriptions of \$251 million. Clients continue to have an interest in deploying capital outside of the Gulf, with a continued demand for pursuing alternative investment opportunities offering an appropriate risk / reward profile and attractive returns that will help create a diversified portfolio across multiple markets.
- Building on Investcorp's presence across the Gulf region, Investcorp's regional expansion plans progressed well with the receipt of regulatory approval to open an office in Doha, Qatar.
- Investcorp has also this year announced changes to its senior management team effective July 01st, 2015, with the appointments of Mohammed Al Ardhi as Executive Chairman, and Mohammed Al-Shroogi, (formerly President, Gulf Business), and Rishi Kapoor, (formerly Chief Financial Officer) as Co-Chief Executive Officers, following the retirement of Nemir Kirdar, formerly Executive Chairman and Chief Executive Officer. Nemir Kirdar has been appointed Chairman of the Board of Directors of Investcorp Bank.
- Investcorp continues to invest in its people and infrastructure – with several new strategic hires including Anthony L. Robinson as Chief Financial Officer, David Tayeh as Head of Corporate Investment – North America and Jennifer Cahill and Jon Olstein as Managing Directors in the HF group.
- The firm's balance sheet remains robust, with capitalisation, leverage and liquidity all improving in FY15. Total balance sheet assets as at June 30, 2015 were \$2.2 billion with a capital adequacy ratio of 28.7%, comfortably in excess of the Central Bank of Bahrain's regulatory minimum requirement of 12%. Total accessible liquidity covers all outstanding medium and long term debt maturing through 2018.

- Ends -

About Investcorp

Investcorp is a leading provider and manager of alternative investment products and is publicly traded on the Bahrain Bourse (INVCORP). The Investcorp Group has offices in Bahrain, New York, London, Saudi Arabia and Abu Dhabi. Investcorp has three business areas: corporate investment in the U.S., Europe and the Gulf, real estate investment in the U.S and global hedge funds. As at June 30, 2015, the Investcorp Group had \$10.6 billion in total assets under management ('AUM'), including assets managed by third party managers where Investcorp receives fees calculated on the basis of AUM.

Further information, including our most recent periodic financial statements, which details our assets under management, is available at www.investcorp.com.