INVESTCORP

Business Review

Fiscal Year 2017
For the period July 1, 2016 to December 31, 2016

"In the first half of the financial year we continued to focus on delivering on our strategic goals, and we have made great strides forward to building the foundation for our future growth. At the same time, we have returned to investors $1.1 billion of distributions following successful investments that deliver attractive returns across a diversified portfolio of alternatives investments. I'm particularly excited to welcome to Investcorp our new Credit Management team which brings with it $11 billion of assets to manage on behalf of clients. We look forward to the rest of 2017 and beyond with great confidence as a bigger, more geographically diversified firm with a broader range of products which will see us continue to deliver value to our clients and shareholders."

Mohammed Alardhi

Figures throughout may not add up due to rounding

H1 FY17 Business Highlights

Growth initiatives

A number of strategic initiatives have been completed and several are well underway to realize Investcorp's medium-term objective of more than doubling assets under management, including:

Inorganic growth:

- Acquisition of the Debt Management business from 3i, adding a new product capability in credit-based investments and approximately $11 billion in incremental AUM

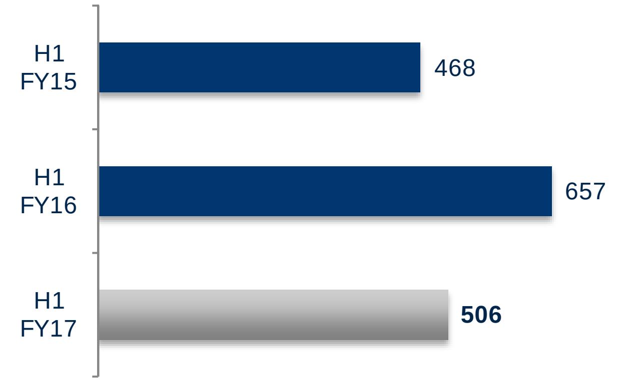
Fundraising platform:

- Continued hiring of additional client-facing resources to increase market penetration in the Gulf
- AIS product suite continues to gain traction with global institutional investors, winning several mandates from new investors
- Continued progress on development and implementation of a Global Distribution capability across the Firm's current markets

Investment platform:

- Real estate club deal product well underway with acquisition of two high quality assets in Washington D.C. and Seattle, syndicated to a small group of investors
- Full investment team in place with an active pipeline for real estate investment opportunities in Europe
- Launch and first close of Technology Fund IV, with acquisition of the first investment under the Fund IV umbrella

Capital deployed ($m)

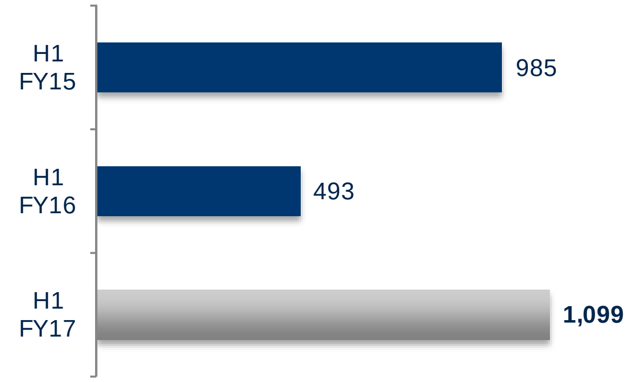


Continued strong acquisitions momentum with four new corporate investments and 14 new real estate properties acquired over the period

Deal-by-deal placement ($m)

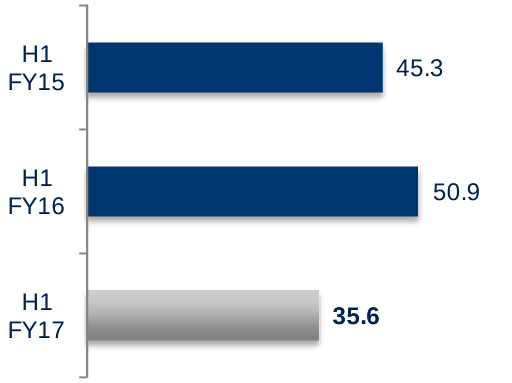
Good, stable placement activity in the Gulf, albeit with longer lead times and overall cautious investor sentiment due to overhang of uncertainty from global geopolitical events. New offerings include one add-on investment and three new investments in corporate investment and one club deal and two new portfolios in real estate

Realizations and distributions ($m)



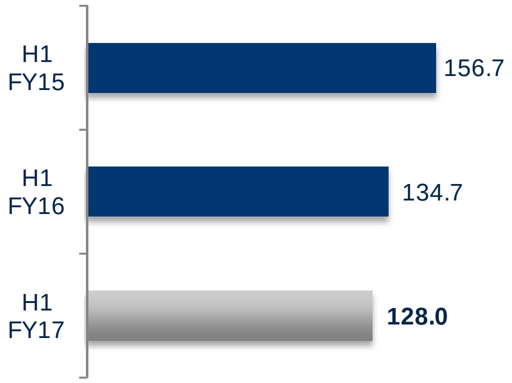
Continued healthy exit activity, returning $1.1 billion back to clients and the balance sheet, from realizations, dividends and other distributions

Net income ($m)



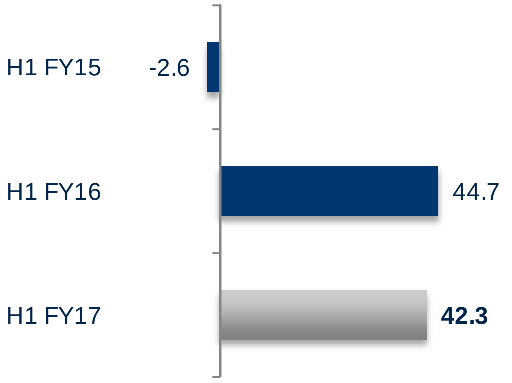
Lower net income predominantly attributable to the writedown of a legacy investment in real estate

Fee income ($m)



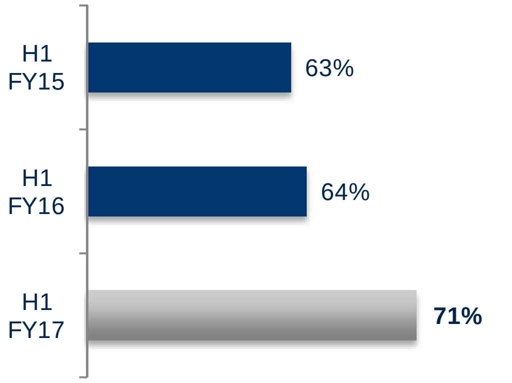
Stable fee income, albeit slightly down due to the impact of regional and global political and economic factors on the pace of placement and investment activity

Asset-based income ($m)



Marginally lower asset-based income versus H1 FY16, with lower returns in CI asset-based income largely offset by stronger performance in RE and AIS asset-based income

Cost-to-income



Total operating expenses stable at $89 million but cost-to-income ratio increased due to lower overall income net of provisions and legacy writedowns

Interest expense of $28.4 million is lower by 8% due to a lower average cost of funding

H1 FY17 Key Business Highlights

Shareholder KPIs

$0.48	Fully diluted EPS
6%	Return on equity (annualised)
$10.70	Book value per share

Balance sheet KPIs

Jun-16	Dec-16	
$2.5b	**$2.7b**	**Total assets** increase reflects cash from distributions and realizations
$1.0b	**$1.0b**	**Total equity** stable
$854m	**$1.2b**	**Accessible liquidity** substantially covers next three years of debt
0.6x	**0.5x**	**Net leverage** remains well below 1.0x
30.3%	**29.9%**	**Basel III regulatory capital** well above CBB minimum requirements
0.6x	**0.6x**	**Co-investments** / **permanent & long-term capital** well below 1.0x

Fundraising ($m)

$391 — **Corporate investment**

$239 — **Real estate**

$381 — **Alternative investment solutions**

*Total fundraising in the Gulf was **$631 million** (H1 FY16: $482 million)*

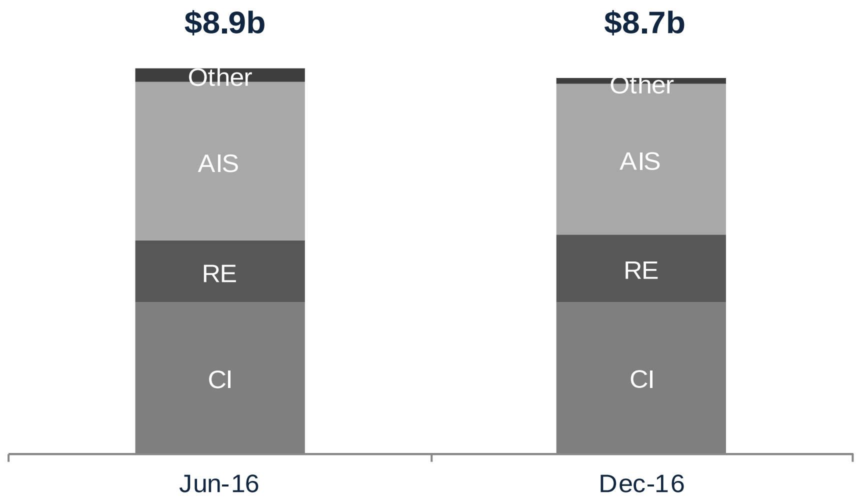
***$213 million** placed with clients in corporate investments*

***$178 million** raised for a new technology fund*

***$239 million** placed with clients across two new real estate portfolios and a club deal*

***$381 million** of inflows and advisory mandates for AIS. An additional $300 million mandate was signed but will only be funded in H2 FY17*

Client AUM ($b)



Acquisition of 3i Debt Management business, scheduled to close by end of February 2017, will add approximately $11 billion client AUM

Corporate investment client AUM is flat at $3.5 billion reflecting new deal placement activity largely offset by the healthy level of distributions from realization activity

Real estate client AUM increased by 8% to $1.5 billion reflecting new placement activity

Client AUM in AIS decreased by 4% as redemptions net of performance more than offset new subscriptions during the period

Investment Activity

$348 million…

*…the aggregate capital deployed in four new **CI investments**; and an additional **$5 million** invested for Investcorp's new technology fund into a new portfolio company*

$158 million…

*…the aggregate capital deployed in two new **real estate portfolios** and two new apartment properties which will form part of a portfolio for placement in H2 FY17*

Exits & Distributions

*Corporate investment exits included the sale of **Tyrrells**, a leading manufacturer of premium hand-cooked potato crisps and other snacks; the sale of **Polyconcept,** the world's leading value-added supplier of promotional products; and announced exit of **Optiv**, the largest holistic pure-play cyber security solutions provider in North America*

*Significant real estate exits included the sale of the following properties: multifamily properties **Bala Sands** and **Bay Pointe** in Florida and **Eagle Crest** in Nevada; student housing complexes at **University Village** and **University Estates** in Texas; **the Duke Bridges III** office building in Texas; **The Shops at Tech Ridge** shopping center in Texas; the **Park Tower** office building in California; the industrial portfolio of the **Flagler Center** in Florida; and the **Arundel Mills Mezzanine Loan** in Maryland*

Total realization proceeds and other distributions to Investcorp and its clients, from exits that closed in H1 FY7 were $1.1 billion

Investcorp's key performance indicators:

	H1 FY13*	H1 FY14*	H1 FY14 (restated)	H1 FY15	H1 FY16	H1 FY17
Gross operating income ($m)	152.9	174.9	158.1	154.0	179.3	170.3
Cost-to-income ratio	66%	58%	66%	63%	64%	71%
Return on average assets **	2.9%	5.0%	3.6%	4.1%	4.5%	2.7%
Return on ordinary shareholders' equity **	7.7%	12.0%	8.7%	10.4%	12.1%	6.1%

* As reported prior to the adoption of IFRS 15
**Annualized return

Purchase of 3i's Debt Management Business

In 2015, Investcorp's Executive Chairman, Mohammed Al Ardhi, set out a vision targeting growing assets under management ('AUM') by more than two times from $10 billion to $25 billion in the medium term and laid out a detailed strategy roadmap with key initiatives to pursue this objective.

In H1 FY17, Investcorp announced a very significant step towards delivering against this growth vision, when it signed an agreement to acquire the debt management business of 3i (3iDM) from UK-based 3i Group PLC (3i), a leading global credit investment management platform.

This is a transformational deal for Investcorp.

The proposed transaction, for a total consideration of £222 million (approximately $271 million), significantly enhances Investcorp's global franchise as a multi-asset class alternative investment manager by adding approximately $11 billion of AUM, bringing the total to approximately $21 billion.

The transaction is subject to various regulatory approvals and is expected to close in the first half of 2017.

3iDM is a leading global credit investment company managing funds which invest primarily in senior secured corporate debt issued by mid and large-cap corporates in Western Europe and the US. The business has a strong track record of consistent performance and growth, employing approximately 50 people in London, New York and Singapore. The existing management team of 3iDM will remain intact, with Jeremy Ghose continuing as CEO of the overall business and John Fraser continuing to oversee the US operations.

The transaction is the largest ever strategic acquisition made by Investcorp. It will be fully funded through the existing balance sheet, and will not require any incremental debt financing or equity capital given a current strong capital and liquidity position with a regulatory capital adequacy ratio of 29.9% and accessible liquidity of $1.2 billion at the end of December 2016. Investcorp will continue to maintain strong levels of liquidity and economic capital adequacy after giving effect to the transaction, providing it with flexibility to fund additional strategic acquisitions where appropriate.

This acquisition will provide Investcorp with:

- A pool of highly talented and experienced credit investment professionals
- A product offering that is very complementary to Investcorp's existing product set, and one that meets the evolving needs of an increasingly sophisticated client base
- Access to a deeper pool of capital through 3iDM's existing network of institutional investors in the UK, the rest of Europe, the US and Asia

The complementary nature of 3iDM relative to Investcorp's existing businesses is expected to further cement Investcorp's position as a diversified multi-asset class alternative investments business; one that we believe is well positioned for long-term growth and to better serve Investcorp's clients and all stakeholders.

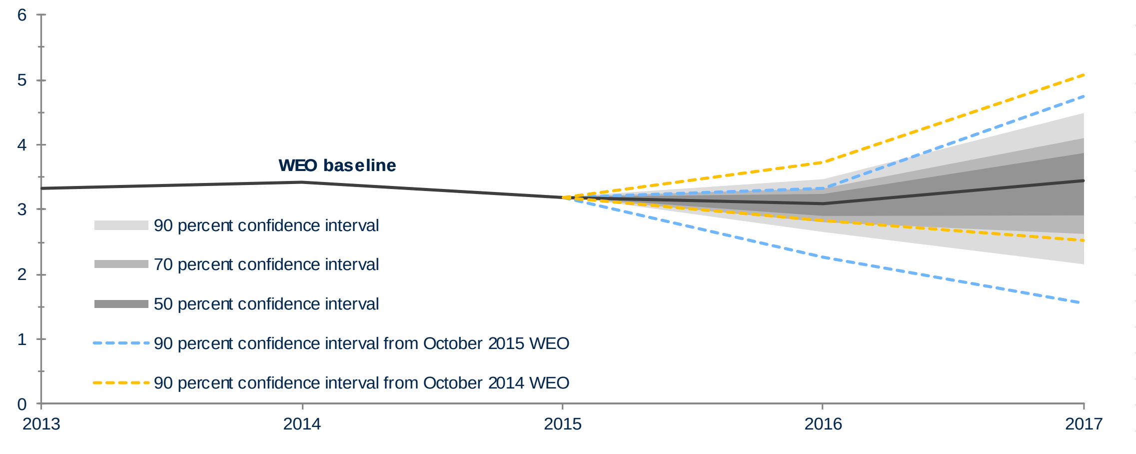
Business Environment[1]

Global economic activity is expected to pick up in 2017 and 2018 for both emerging and developed economies. Uncertainty looms surrounding the policy stance of the US incoming administration and the global ramifications. Despite this, the projection of some near-term fiscal stimulus and a less gradual normalization of monetary policy is consistent with the steepening US yield curve, the rise in equity prices and a sizeable appreciation of the US dollar since the November 8th election.

The International Monetary Fund (IMF World Economic Outlook, October 2016) expects global growth to reach 3.4% in 2017 which is in line with its October 2016 forecast. Of this, 1.9% is expected to come from advanced economies with the largest range of possible scenarios coming from the United States. Growth projections for 2017 have also been revised upward for Germany, Japan, Spain and the United Kingdom, mainly due to their stronger than expected performance during the last quarter of 2016.

Prospects for World GDP Growth

(Percent change)



Source: World Economic Outlook October 2016, International Monetary Fund

Following the **United States** presidential election, markets saw a repricing of assets which stemmed from an increase in US interest rates, appreciation in the equity markets and higher long-term inflation expectations. Given that asset markets are not only tied to unexpected current events, but to shifting expectations of future events, many have interpreted the post-election moves as a prediction of US fiscal policy turning more expansionary with a swifter pace on interest rate increases by the Federal Reserve. Due to the White House and Congress being in the hands of the same political party, markets are pricing in lower tax rates and potential hikes in infrastructure and defense spending. In light of the potential US economic momentum and shift in policy there is a wider range of upside and downside risks to the World Economic Outlook forecast. On the upside, a sustained non-inflationary growth increase that is marked by a higher workforce participation and expansion of US capital stock and infrastructure would imply a moderate pace of interest rate increase as outlined by the Federal Reserve's stability mandate. A potential downside may be if fiscally-driven demands collide with austere capacity constraints causing a steeper climb for interest rates so as to contain inflation. This could then culminate in a sharp appreciation of the dollar, lower real growth, increased budget pressure and a widening in the US deficit.

1 Unless otherwise stated, all references to years are 'calendar year'.

In Europe, the IMF projects 1.6% growth for 2017, following stronger than previously forecast numbers in some economies such as Spain and the United Kingdom, where domestic demand exceeded expectations following the aftermath of Brexit. There is still a potential for adverse economic repercussions over Britain's terms of exit from the European Union as well as many major upcoming national elections. Additionally, the popular antipathy towards trade, immigration and multilateral engagement in the United States and Europe may affect growth and substantiate inflationary pressures.

Among emerging economies, China continues to be a key driver of world economic developments. The IMF has upgraded China growth to 6.5% for 2017 which reflects the expectation of continued policy support. However, the same reliance on these measures combined with the rapid expansion of credit and lack of progress in addressing corporate debt may raise the risk of a sharp slowdown. Additionally, these risks may also be exacerbated by capital outflow pressures that are brought on by an unsettled external environment.

Emerging market economies have been experiencing a more difficult environment over the past year with growth forecasts for 2017 being revised downward for several regions. In India, this forecast was trimmed by 0.4 percentage points due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative. In Latin America, the growth downgrade reflects more muted expectations of short-term recovery in Argentina and Brazil following weaker than-expected growth outturns in the second half of 2016, tighter financial conditions and increased headwinds from US-related uncertainty in Mexico, and continued deterioration in Venezuela.

In the Gulf countries, growth in Saudi Arabia is expected to be weaker than was forecast in 2017 as oil production is cut back in line with the recent OPEC agreement. Geopolitical risks also continue to weigh on the outlook for the region as civil and domestic conflicts, the plight of refugees and acts of terror intensify. These factors will continue to deepen the hardship of these countries and take a large toll on global market sentiment and economic confidence.

Real GDP of GCC Countries (*annual % change*)

	2013	2014	2015	2016P	2017P
Bahrain	5.4	4.4	2.9	2.1	1.8
Kuwait	0.4	0.6	1.1	2.5	2.6
Oman	3.2	2.9	3.3	1.8	2.6
Qatar	4.6	4.0	3.7	2.6	3.4
Saudi Arabia	2.7	3.6	3.5	1.2	2.0
UAE	4.7	3.1	4.0	2.3	2.5
GCC	**3.2**	**3.5**	**3.3**	**1.8**	**2.3**

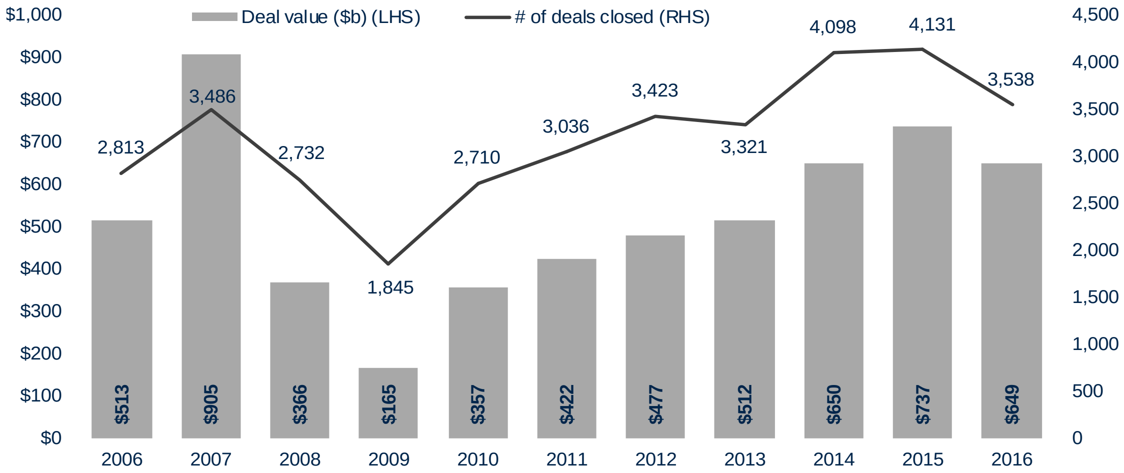
Source: World Economic Outlook October 2016, International Monetary Fund

Corporate investment – North America and Europe

Calendar year 2016 was a competitive year for private equity activity. Deal value and activity trended downwards due to investors' growing concerns regarding the global macro-environment, increased regulatory controls, and the limited remaining amount of available assets that justify the high multiples in the market. Global economic activity was tepid in 2016 over concerns about the recessionary pressures faced by China and emerging markets. Growth continues to be affected by the gradual slowdown and ongoing rebalancing of the Chinese economy, lower prices of raw commodities and crude oil, as well as the policy change of the Federal Reserve in the United States. The IMF revised downward its global growth forecast to 3.1% in 2016 – before recovering to 3.4% in 2017 – broadly in line with 2015 growth performance. The modest growth rate is due to uncertainty increasing and risks of weaker growth scenarios becoming more tangible. Recovery is projected to strengthen in 2017 and beyond, driven primarily by emerging markets rebounding and developing economies stabilizing.

In the US, 2016 produced 3,538 transactions and $649 billion of capital invested, equating to 12% and 14% year-over-year decreases when compared to the prior year.

US PE deal flow by year



Source: Pitchbook 2016 U.S. Private Equity Breakdown Report

Numerous factors impact the private equity productivity. Valuations have steadily increased from the prior year – nearly trading a full turn above deals completed in 2015. Quality assets that are capable of servicing the debt levels necessary for investors to meet underwritten returns have either been sold or are being sold in competitive processes. Processes that were traditionally dominated by private equity investors now more often than not include strategic investors looking to augment their platform growth inorganically. This leaves investors with a limited pool of opportunities to put capital to work.

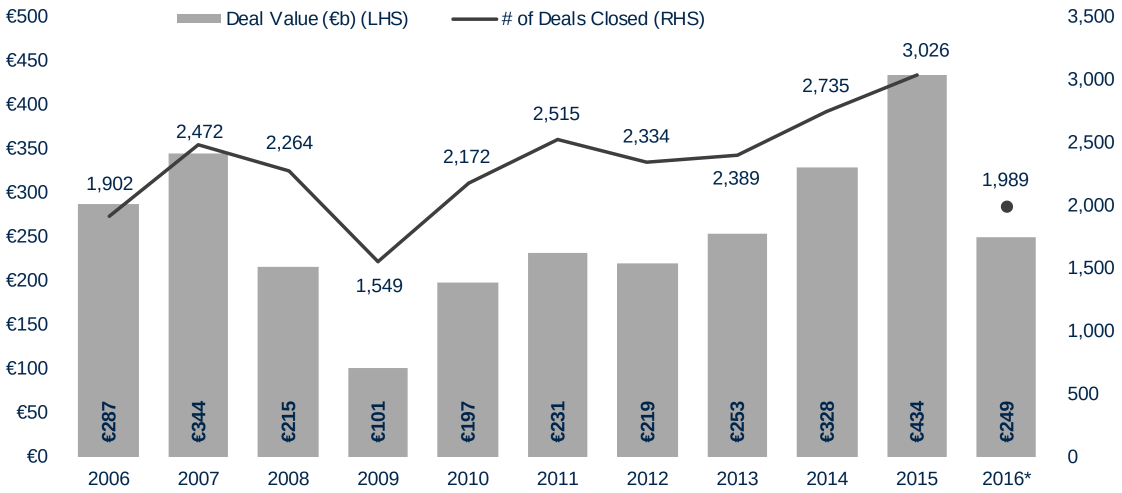
The US median Enterprise Value/EBITDA multiple in 2016, 10.9x, traded nearly a full turn higher compared to 10.0x in 2015. This consequently has required investors to put in more equity, as senior lenders are inversely limiting debt to below 6.0x EBITDA.

With an increasingly competitive marketplace, this puts greater importance on due diligence, investor differentiation, and post-acquisition value enhancement. Capable private equity sponsors with the right set of resources and conviction will remain successful in the space.

European private equity activity continued its slide in the third quarter of 2016. €249 billion in capital was deployed across 1,989 transactions in the first three quarters of 2016 representing a 23% and 11% decrease, respectively, over the same period in the prior year. The third quarter of 2016 saw deal volume drop by over 23% from 711 in the previous quarter to 549 deals and deal value was down by circa 30%, dropping from €96 billion to €67 billion.

Compared to the US, Europe has experienced a sharper decrease in terms of deal value this year, but slightly more resilience in terms of the number of deals being completed. As economic growth continues to lag and political unions are strained, European dealmakers continue to grapple with a multitude of factors that differ from country to country. IT/Technology has made up 16% of European PE activity in the first three quarters of 2016, showing resilience and even improvement while other markets have slowed down.

Europe PE deal flow

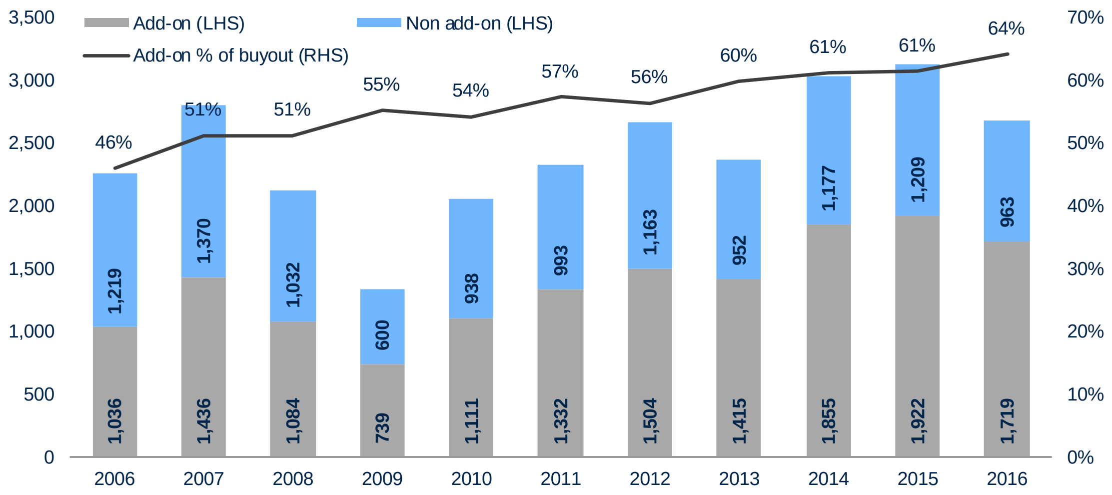


***As of September 30, 2016. Deal values are estimated.**

Source: Pitchbook 3Q 2016 European Breakdown Report

A continued development in global deal activity is the growing shift away from new buyouts to add-on acquisitions. Add-on acquisition levels increased from 61% in 2015 to 64% of US private equity transactions in 2016. The slowdown in the acquisition of larger mid-market businesses reflects a decline in supply following the recent active record breaking years. Add-on acquisitions and minority position investments have gained in popularity due to their lower valuation multiples compared to larger buyouts. Owners of complementary businesses find add-on acquisitions to be accretive due to the benefits of revenue and expense synergies. The market has therefore produced more reasonably priced transactions with a particularly defined group of potential buyers. Add-on acquisitions are also highly-executable due to the number of companies willing to consider transactions as a result of the poor macro environment.

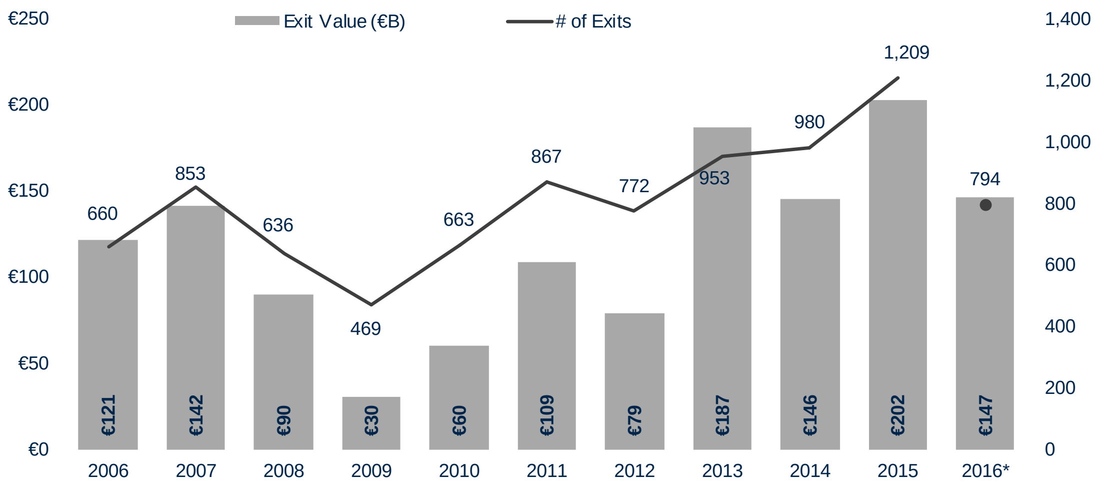
US Buyout vs. Add-on



Source: Pitchbook 2016 U.S. Private Equity Breakdown Report

The European exit market remained strong throughout the first three quarters of 2016. With 794 transactions and an exit volume of €147 billion, the value of exits is on track with last year but the number of transactions declined by circa 13%. The proportion of secondary buyouts in Europe in the first three quarters of 2016 increased to 45%, higher than any other year since 2007. The US market has experienced a similar trend which can partially be explained by generally weak IPO markets in 2016.

European PE-backed exits



Source: Pitchbook 3Q 2016 European Breakdown Report
***As of 9/30/2016. Deal values are estimated.**

Despite the challenging macro trends, the private equity industry continues to see strong interest from investors in alternative assets. The industry has seen successive years of healthy returns and limited movements in transaction characteristics, such as debt and valuation multiples. This underlines the fact that good assets are still available and private equity investors are recommitting capital back into the private equity asset class.

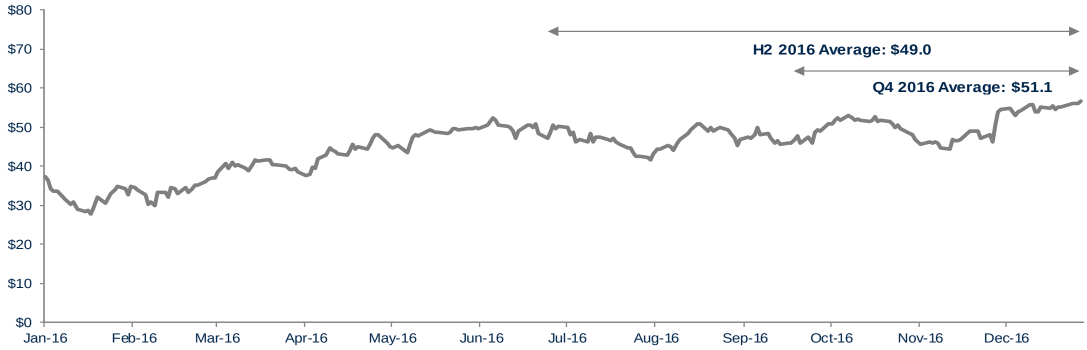
Driven by the pressure to invest capital and a healthy supply of dry powder, high valuation multiples have persisted for strong performing assets. High valuation multiples are forcing investors to develop deeper convictions in platform acquisitions and flawless execution of post-acquisition value enhancement.

Investors, such as Investcorp will need to be creative and exploit their developed playbook to differentiate themselves in producing outsized returns.

Corporate investment – MENA

The second half of 2016 was characterized by oil price volatility. The market sentiment remained weak despite some supply disruptions due to oversupply concerns, falling demand and mixed signals from OPEC on the likelihood of a production cut. Oil prices however surged by the end of the year to close at $56.8 per barrel after OPEC formally agreed to cut its production by 1.2 million barrels per day ('mb/d') to 32.5mb/d for a period of six months, starting January 2017. Russia and other non-OPEC producers have also agreed to join in by cutting their own output by a combined 0.6mb/d. As a consequence, the forward oil price for December 2017 is set at approximately $59 per barrel, which represents an increase of 20% compared to the second half 2016 average of $49 per barrel.

Brent Crude Oil Price – January 1, 2016 – December 31, 2016 ($bbl)



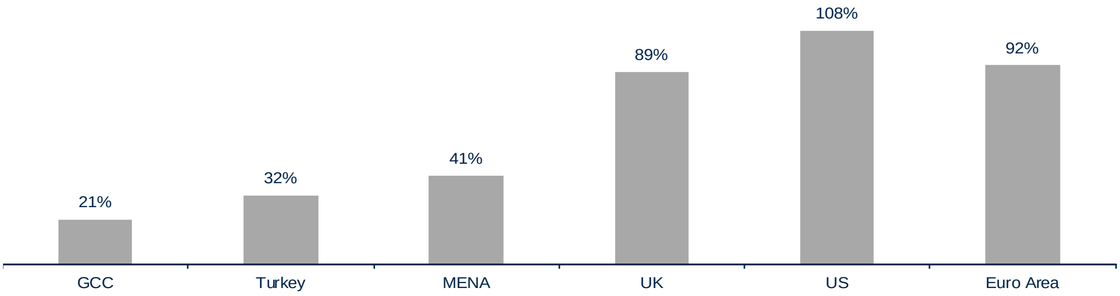
Source: Bloomberg

Given the slowdown in economic activity in the GCC region this year, the IMF projects GCC economies to grow at 1.8% in 2016 compared to 3.3% in 2015. Fiscal tightening and declining liquidity in the financial sector are projected to reduce non-oil growth in the GCC to 1.75% in 2016, down from 3.75% last year. Nonetheless, GCC countries continue to make significant efforts to consolidate public finances, rationalize subsidies and reduce fiscal deficits. As the pace of this fiscal consolidation eases, non-oil growth in the GCC is projected to pick up to 3% next year, with the IMF projecting GCC growth at 2.3% in 2017.

Given the level of foreign exchange reserves, which remain in excess of $700 billion, and low levels of public debt, most of the GCC countries are well positioned to raise domestic and international debt through government bond issuances and finance their deficits. In the second half of 2016, Saudi Arabia conducted the largest-ever emerging market bond sale selling $17.5 billion of debt in the government's first international offer while attracting investor orders totaling almost four times that amount. The Kingdom is planning to issue an additional $10 billion to $15 billion of international bonds in 2017. In October 2016, both Oman and Bahrain took advantage of favorable market conditions to tap the primary market with dual tranche issuances. Oman reopened an outstanding dual tranche bond and raised an additional $1.5 billion while Bahrain successfully priced a $2 billion global dual tranche offering with odd maturities of a long seven-year sukuk (Islamic bond) and a 12-year bond. Both sovereigns demonstrated the resilience of the MENA markets in both conventional and Islamic form.

The debt to GDP ratio of the GCC countries is expected to increase from 13.4% as of December 2015 to 21.3% by the end of 2016. While debt levels in the region have increased, they are expected to remain significantly lower than in the rest of the world (92% in the Euro area and 108% in the US), allowing GCC governments to continue to invest cautiously in large development projects and infrastructure.

2016E Government Debt (% GDP)



Source: International Monetary Fund

In this context, countries in the region continue to accelerate their reforms focusing on diversifying the economy and increasing the role of the private sector within their economies. In the second half of 2016, Saudi Arabia announced plans to permit foreign institutional investors to buy shares directly in initial public offerings. The Kingdom also announced plans to nationalize certain key professions in the retail sector as part of its Saudization efforts while at the same time announcing plans to employ 100,000 Saudi nationals in the healthcare sector by 2030. The government also announced plans to remove subsidies across seven services in the region. The Kingdom recently announced its 2017 budget in which it announced a 2016 budget deficit of $79 billion, well below the $98 billion budget deficit in 2015 and its original 2016 budget plan of $87 billion, thereby emphasizing its strong focus on fiscal discipline and efficiency measures.

GCC countries have announced their intention to introduce a value added tax ('VAT') starting in 2018. According to the IMF, the GCC economies could boost their GDP by approximately 1.5% if they implement a VAT of 5%.

GCC stock exchanges were very volatile in 2016 due to instability in oil prices, geopolitical developments and generally volatile economic conditions globally which persisted throughout the year. This resulted in relatively subdued IPO activity over the course of the year and no new issuances at all in the second half of the year. The pipeline for 2017, however, looks more favorable as transactions put on hold in 2016 are expected to come to market once economic reforms gain traction and as oil prices stabilize.

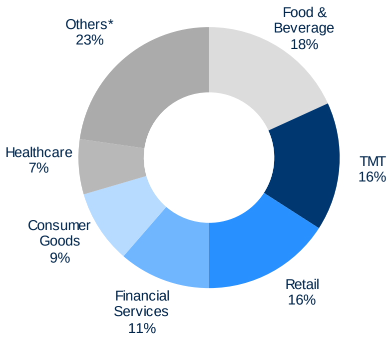
Following the failed military coup attempt aimed at ousting the country's ruling President which took place in Turkey in July 2016, the Turkish Government was quick to restore order and resume daily economic activity. However, the consequent replacement of public officials affected the pace of government economic reforms. While normalization of relations with Russia helped lift the travel ban to Turkey, a series of terrorist attacks negatively affected the tourism sector and foreign investment in the second half of 2016.

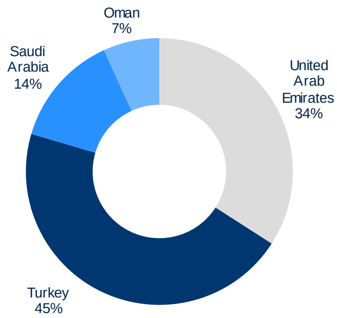
In the third quarter of 2016, Turkey's GDP contracted by 1.8% mainly due to the decline in domestic consumption and net exports which was partially offset by an increase in government consumption. GDP growth is expected to slow down to approximately 2.6 to 2.9% in 2016 from 4% in 2015. The current account deficit is expected to stand at approximately 4.5% in 2016 driven by declining tourism revenues and a moderate level of economic activity despite lower energy prices. As of December 2016, year-on-year inflation in Turkey stood at 8.5% compared to the long-term inflation target of 5.0%. The significant depreciation of the Turkish Lira by 21% in 2016 compared to 2015 had a further negative impact on the high inflation.

Although 2017 is expected to be a challenging year for Turkey, GDP growth is expected to rise to 3.0% in 2017, mainly driven by the government's continued focus on stimulating demand and business activity. Despite the current economic cyclicality and political environment, the long-term outlook for the Turkish economy continues to be positive, on account of the country's strong fundamentals such as its sizeable young population, its aspiring middle class, its entrepreneurial culture and its strategic geographical position as a trading hub.

Despite challenging market fundamentals, regional markets (GCC & Turkey) continue to attract the interest of equity investors on the basis of strong and positive long terms fundamentals. In 2016, there were 179 M&A transactions in the region, of which 44 were private equity investments, compared to 56 in 2015. The majority of the private equity investments were in Saudi Arabia, UAE and Turkey with the most active sectors being the food & beverage ('F&B'), technology, media and telecommunications ('TMT') and the retail sectors. The regional private equity market remains active despite the fact that investors continue to face increased competition for attractive assets, both from existing family groups and larger, foreign private equity firms.

Breakdown of GCC and Turkey Private Equity Transactions in 2016





*** Others includes transactions in education, consumer goods, construction, power, energy, chemicals, manufacturing, transportation, mining and metals, leisure, other services.**

Source: Zawya, Merger Market, Investcorp Analysis as of January 5, 2017

Private equity firms continue to plan the exits of their mature portfolio companies, in order to return capital to investors and realize returns on their investments. 2016 witnessed five private equity exits in the GCC and 10 private equity exits in Turkey, both to private buyers and through IPOs, compared to seven in the GCC and 10 in Turkey during in 2015.

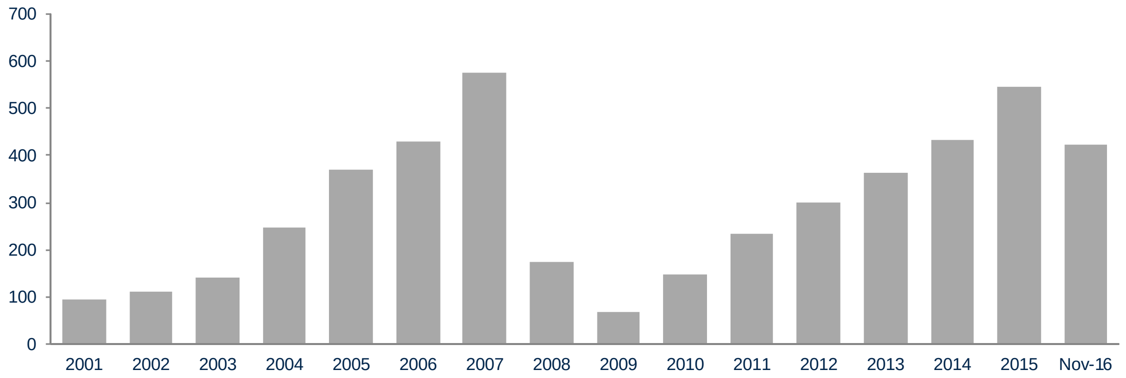
In summary, despite the current oil price trends and volatility in capital markets, the region continues to be buoyed by favorable demographic trends and continued government expenditure in key sectors, helped by relatively low debt levels. Deal flow and IPO activity, though tempered, should both create a healthy environment for strong and well-capitalized firms, such as Investcorp, to find attractive corporate investment opportunities in the region.

Real estate investment – North America

Commercial real estate market fundamentals in the United States remain healthy across most asset classes in a majority of metropolitan areas. However, it is still too soon to know the economic impact of the presidential election. In the near term, a relatively stable US economy continues to drive demand for US property with an increase in leasing activity, market rents and values. While job growth in the US remains solid, the rate of growth has slowed. The US added 2.2 million jobs through December 2016, down from 2.7 million for the same prior year period. However the unemployment rate stands at 4.7% as of December 2016 (versus 5.0% in December 2015). In addition, US consumer confidence remains high. These mostly positive trends continue to have a favorable impact on the office, multifamily, retail, industrial and hospitality sectors.

US real estate transaction volume is down for the year versus the same period last year ($424 billion year-to-date November 2016 vs. $470 billion year-to-date November 2015). However, overall activity is still at elevated levels compared to historical averages. This decrease in transaction volume is mainly due to the fact that 2015 was a record year in volume. In fact, prices have held steady and cap rates remain largely unchanged from a year ago. Further, operating fundamentals remain solid. Even though the Fed recently raised rates, the spread between cap rates and Treasuries is wide enough that the interest rate increase did not result in higher cap rates. Capital flows into the US should continue to remain strong because the US is seen as a safe haven relative to other countries.

Transaction Volume ($b)



Source: Real Capital Analytics, Inc. 2016

US **office market** fundamentals remained healthy through Q3 2016. Office-using employment expanded for the 27th consecutive quarter, adding 125,000 jobs. According to CBRE, office-using employment is now above its pre-recession peak by 8.3%. Vacancy remained flat for the quarter at 13.0% and rent growth year-over-year increased by 6.3%. New supply continues to outpace net absorption, but still remains low compared to previous cycles. Overall, suburban office markets outperformed downtown markets in Q3 2016. New construction has been highly concentrated in the Southern and Western markets. However these markets continue to lead in population growth and office-using job creation.

Despite the rise of e-commerce, US **retail market** fundamentals remained strong through the third quarter of 2016 due to consistent demand and relatively low supply. According to CBRE, net absorption was positive for the 22nd consecutive quarter and year-to-date absorption was 8% higher than the same period in 2015. Demand was strongest in neighborhood, community and smaller shopping centers while demand remained relatively weak at large outdoor shopping malls, lifestyle centers and malls. Retail demand was strongest in Atlanta, Boston, Dallas and Houston, year-to-date in 2016. The availability rate remains flat for the quarter at 7.3% and rent growth increased for an 11th consecutive quarter by 4.1% year-over-year. Retail sales, excluding sales at gasoline stations, increased by 3.5% year-over-year as demand drivers such as employment and personal income remain relatively strong. New supply decreased slightly during Q3 2016, and remains well below average compared to prior years.

Growth in the **industrial market** continued throughout the third quarter of 2016. Per CBRE, demand outpaced new supply for the 26th consecutive quarter. Strong consumer confidence and spending continue to help drive industrial demand. Industrial leasing demand continues to be led by three industries – e-commerce, food and beverage, and third party logistics companies. Demand continued to be broad-based, with strong growth in core distribution markets such as Philadelphia, Dallas/Fort Worth, Chicago and the Inland Empire region of Southern California. The US Industrial availability rate hit a new cycle low of 8.4%. The San Francisco peninsula, Orange County, Los Angeles and Oakland led the way with the lowest availability rates. Low availability rates and strong leasing demand have resulted in strong rent growth across most industrial markets. The average net asking rent grew 1.8% in Q3 2016 and was up 6.9% year-over-year (CBRE). New construction is under way in many markets although supply remains limited.

US market fundamentals in the **'for rent' multifamily market** still remain healthy although they have softened slightly through Q3 2016. According to CBRE, the vacancy rate ticked up in the third quarter to 4.5% due to an increase in supply (mainly in the Class A sector), and rent growth, while still positive, continued to moderate from its 2015 peak. Year-over-year supply increased by 24% during the year ending Q3 2016. This is expected to taper off in 2017. The Class B and C sectors have seen limited new supply and, therefore, fundamentals in this space have remained quite solid. Demand, overall, remains very strong due to favorable demographics and shifting lifestyle preferences favoring renting rather than owning. While urban fundamentals and millennial demand are still solid, suburban markets are also improving, led by baby boomer demand. Markets that saw the biggest increase in supply for the four quarters ended in Q3 2016 were New York, Houston and Washington, DC. Demand in each of these markets remains solid.

The US **hospitality market** grew at a moderate pace in Q3 2016. According to STR, Inc., demand and supply both grew by 1.6% year-over-year in Q3 2016, keeping occupancy levels flat (albeit at record levels). Average daily rate ('ADR') increases were solid at 3.4% resulting in revenue per available room ('RevPAR') growth of 3.3% in Q3 2016. A strong US dollar weakened demand in many gateway cities that rely more heavily on tourism spending; and low oil prices continued to negatively impact demand in energy industry markets such as Houston. However, markets that rely more on domestic travel, such as Philadelphia, Tucson, Sacramento and Phoenix, have grown during 2016. Western cities like San Jose-Santa Cruz, Oakland, Portland, and Los Angeles continued to lead the way in US-lodging performance. Markets that are expected to see the biggest increase in supply for 2016 are New York, Miami, Seattle and Austin.

Real estate investment – Europe

The second half of 2016 was characterized by continued uncertainty in the UK real estate market. The fallout from the Brexit vote continued to be felt in deal volumes in the UK, which were down between 40% and 50%. Investment decisions have been affected by the frequent changes in the Brexit mood, whether there will be a 'hard or soft Brexit', whether financial institutions will have passporting rights in Europe, and whether UK goods and services will have access to the EU single market, whilst controlling its borders.

The intended triggering of Article 50 and the subsequent negotiation with Europe will likely ensure that this uncertainty continues for an extended period of time. In this 'Brexit fog', buyers and sellers of real estate remain cautious, tenants are reluctant to make long term commitments and service companies and the manufacturing sector are delaying capital expenditures. Many owners of real estate have refinanced assets rather than selling, taking advantage of attractive financing costs.

Against this backdrop, UK interest rates have remained low, while inflation has certainly picked up. Sterling has remained in a fairly narrow trading range, at post Brexit levels, but some Brexit announcements have caused large daily swings. The real estate occupational markets remain in relatively strong shape, with manageable supply in most sectors. Leasing volumes have however declined, and rental levels are expected to remain flat. The tech, creative and public sectors are likely to be at the forefront of any significant leasing demand. Pricing for UK real estate has recovered most of the decline from the so-called Brexit discount, with strong interest for UK real estate from foreign buyers, following the depreciation of sterling against the dollar. For long dated income product, a small premium to pre Brexit pricing reflects the hunt for yield by investors. The industrial and logistics sectors continued to perform well in 2016, and this performance should continue in 2017.

For much of the second half of 2016, investors continued to focus on the German and French markets. Frankfurt and Paris were seen as real alternatives for companies leaving London. While real estate fundamentals in Europe remain strong, the macro story is mixed. Germany and France face difficult elections in 2017, with the rise of populism a real threat to the political status quo. Growth remains slow in the major European markets, and long term rates at less than 1% reflect the lack of both growth and inflation. Peripheral Europe has a number of challenges from a banking crisis, and high unemployment. Both equity and debt capital remains available to acquire real estate assets in the UK and Europe. Debt financing is available from a multitude of providers including UK clearing banks, German Pfandbriefe[2] banks and French banks. The spread between real estate asset yields and the cost of leverage continues to be favorable.

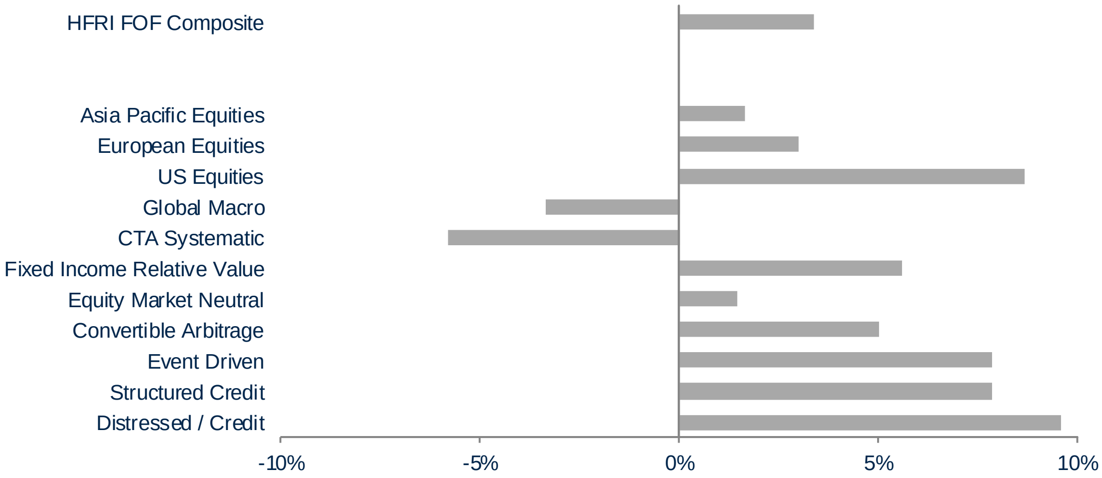
Alternative investment solutions

The second half of 2016 brought a rebound in most hedge fund strategies, delivering +3.4% as measured by the HFRI Fund of Funds Composite index, compared to -2.9% for the second half of 2015. Yet, hedge funds significantly lagged the S&P500, which rallied +7.8% over the same period, finishing the year up 12% including dividends, as a surprising US presidential election outcome brought expectations of a significant policy shift and a steep selloff in interest rates.

2016 was a year of big surprises. Fears of a global growth slowdown led to an energy selloff with oil hitting a low of $26 in February when the S&P500 sold off almost 15%, followed by Brexit in June when the UK voters decided to leave the European Union. The third quarter presented a more normal investment environment as markets started pricing a goldilocks scenario of moderate growth with a very loose monetary policy. However, the Trump victory in the US presidential election in November was a shock to the market and marked a policy regime shift from monetary to fiscal policy, unleashing a massive rally and sector rotation in equites on expectations of big fiscal stimulus ahead.

2 The Pfandbriefe class of debt is similar to mortgage-backed securities in the United States.

Performance of hedge fund strategies (July – December 2016)

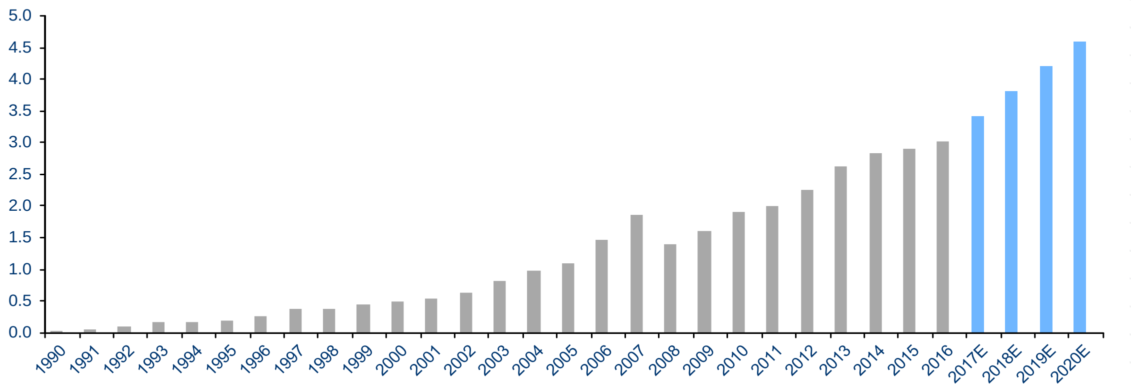


Source: Strategy benchmark returns are sourced from various external providers.

After a challenging first half of 2016, most hedge fund strategies rebounded in the second half as fundamentals factors regained the lead over technical dislocations. The Trump fiscal stimulus plan helped fundamental strategies as risky assets rallied. However, the resulting rally in financials and selloff in rates hurt global macro and other managers who positioned for rates being lower for longer. The US 10-year treasury rate jumped from 1.36% in July to 2.45% at year end, following also the Fed raising rates by 25bp in December. Credit managers led the performance table as the BAML US HY index finished the year up 7.5%.

Despite the subdued performance in 2016, industry assets under management are expected to increase significantly over the next few years according to industry research.

Hedge fund industry assets under management ($t)



Source: Historical hedge fund industry assets under management data (1990 through 2016) is from the HFR® Global Hedge Fund Industry Report – Year End 2016, www.HedgeFundResearch.com. Estimated hedge fund industry assets under management (2017E through 2020E) is the base case estimate from PwC Market Research Centre Analysis based on Prequin, HFR and Lipper data, PwC "Alternative asset management 2020; Fast forward to centre stage," 2015, www.pwc.com/alts2020

Hedge Fund Strategy Outlook

- Investcorp's outlook on equity strategies, including special situations, is modestly positive
- Investcorp is modestly positive on merger arbitrage, particularly in Europe
- Investcorp is modestly positive on equity market neutral funds, while avoiding duration sensitive factor models
- Trumponomics is bringing new trends to the market, playing favorably for global macro funds
- Fixed income relative value should continue to benefit from heightened volatility in government bonds
- Investcorp remains neutral on credit strategies as it sees limited carry and fragile fundamentals in a rising rates environment
- Investcorp is modestly positive on convertible arbitrage

Alternative Risk Premia Outlook

Equity

- Investcorp is constructive on equity value, with a steepening yield curve and bid to cyclicals still ongoing
- Equity momentum and low beta remain at risk as interest rates normalize
- Investcorp is modestly negative on European equity dividends, where carry appears limited at current levels

Fixed Income

- Investcorp is underweight long duration strategies and exited its allocation to US municipals ahead of the US election
- Investcorp has upgraded its outlook for fixed income momentum from an underweight position to a neutral stance

Commodity

- Investcorp is broadly neutral on its commodity strategies and keeps the allocation neutral to moves in energy markets

FX

- Investcorp's view on FX carry, momentum and value is neutral
- Investcorp is modestly positive on FX mean reversion, as liquidity provisions should remain well supported in this environment

Discussion of Results

Net income

Net income includes fee income from client-centric activities and asset-based income from returns generated on balance sheet assets, including unrealized changes in fair value of co-investments in Investcorp's corporate investment ('CI') and real estate ('RE') and realized changes in the fair value of alternative investment solutions ('AIS') products.

Net income of $35.6 million for H1 FY17 was down from net income of $50.9 million for the prior fiscal year ('H1 FY16'), primarily driven by the write-down of a legacy investment in real estate. Fee income and asset-based income were only down 5% compared to H1 FY16, reflecting a stable performance from a core operations perspective. Investcorp's H1 FY17 results represent a return on equity ('ROE') of 6% and fully diluted earnings per share ('EPS') of $0.48 per ordinary share.

Income ($m)	H1 FY17	H1 FY16	% Change B/(W)
Fee income	128.0	134.7	(5%)
Asset-based income	42.3	44.7	(5%)
Writedown of legacy investment	(17.0)	(1.0)	(>100%)
Gross operating income	**153.3**	**178.4**	**(14%)**
Provisions for impairment	-	(7.5)	100%
Interest expense	(28.4)	(31.0)	8%
Operating expenses	(89.3)	(89.0)	(<1%)
Net income	**35.6**	**50.9**	**(30%)**
Basic earnings per ordinary share ($)	0.50	0.74	(32%)
Fully diluted earnings per ordinary share ($)	0.48	0.71	(32%)

Operating performance in terms of fee income remained strong at $128.0 million as compared to $134.7 million in H1 FY16. Asset-based income decreased marginally to $42.3 million from $44.7 million in H1 FY16.

Interest expense decreased by 8% due to a lower cost of funding. Operating expenses remained flat at $89.3 million (H1 FY16: $89.0 million). There were no provisions for impairment made in H1 FY17 (H1 FY16: $7.5 million).

Fee income

Fee income has two components: (i) AUM fees which includes management and administrative fees on aggregate client investments under management in corporate and real estate deals, as well as fees from client investments in AIS; and (ii) deal fees which are generated and earned from transactional activities related to direct investments (CI, RE and special opportunities portfolios ('SOPs')), including their initial acquisition, subsequent placement and eventual exit, plus performance fees for value added during the ownership period.

Summary of fees ($m)	H1 FY17	H1 FY16	% Change B/(W)
AIS fees	5.7	4.9	16%
Other management fees	49.2	43.7	13%
AUM Fees	**54.9**	**48.6**	**13%**
Activity fees	63.1	75.3	(16%)
Performance fees	10.0	10.8	(7%)
Deal fees	**73.1**	**86.1**	**(15%)**
Fee income	**128.0**	**134.7**	**(5%)**

Total fee income in H1 FY17 decreased to $128.0 million (H1 FY16: $134.7 million).

AUM fees were $54.9 million in H1 FY17, 13% higher than H1 FY16. The increase reflects a higher level of client assets under management in RE and AIS and an improvement in the fee yield in AIS resulting from improved performance versus the same period last year.

Deal fees decreased in H1 FY17 to $73.1 million. The decrease reflects the impact of regional and global political and economic factors causing uncertainty and temporarily affecting investor sentiment and the pace of placement in the Gulf. The overhang of uncertainty has also led to an active slowdown of new investments, particularly in real estate.

Asset-based income

Asset-based income is earned on Investcorp's CI, RE and AIS co-investments held on the balance sheet, including invested liquidity. Asset-based income includes unrealized changes in the fair value of CI and RE co-investments and realized changes in the fair value of AIS co-investments.

Gross asset-based income during H1 FY17 decreased marginally by $2.4 million versus H1 FY16 to a net gain of $42.3 million, primarily driven by lower returns in CI asset-based income which decreased from $40.4 million in H1 FY16 to $9.5 million in H1 FY17. The decline in CI returns was mostly offset by an increase in RE, AIS and treasury and other asset-based income.

Asset-based income ($m)	H1 FY17	H1 FY16	% Change B/(W)
Corporate investment	9.5	40.4	(76%)
Alternative investment solutions	9.0	(1.9)	>100%
Real estate investment	14.7	5.5	>100%
Treasury and other asset-based income	9.1	0.6	>100%
Gross asset-based income	**42.3**	**44.7**	**(5%)**

The tables below summarize the primary drivers of asset-based income for CI, AIS and RE.

CI asset-based income KPIs ($m)	H1 FY17	H1 FY16	% Change B/(W)
Asset-based income	9.5	40.4	(76%)
Average co-investments	588.2	650.6	(10%)
Absolute yield	1.6%	6.2%	(4.6%)

CI asset-based income in H1 FY17 was negatively impacted by economic softness in the Gulf & Turkey and in the US retail sector.

AIS asset-based income KPIs ($m)	H1 FY17	H1 FY16	% Change B/(W)
Asset-based income	9.0	(1.9)	>100%
Average co-investments	309.9	442.1	(30%)
Absolute yield	2.9%	(0.4%)	3.3%

AIS returns rebounded from a loss in H1 FY16 to deliver 2.9% in H1 FY17. The positive performance was primarily driven by Investcorp's hedge fund partnership investments and the Emerging Alpha multi-manager portfolio. Special opportunity portfolios generated slightly positive results while alternative risk premia investments generated a loss.

RE asset-based income KPIs ($m)	H1 FY17	H1 FY16	% Change B/(W)
Asset-based income	14.7	5.5	>100%
Average co-investments (incl. underwriting)	358.9	232.9	54%
Absolute yield	4.1%	2.4%	1.7%

RE asset-based income is primarily driven by rental yields. The higher income in H1 FY17 compared to last year reflects the return made on increased amounts of underwritten investments.

Treasury and other asset-based income increased to $9.0 million as a result of increased volume of treasury dealing and hedging activity and more proactive management of balance sheet positions.

The table below shows the average yields on balance sheet co-investments for each of the last five fiscal years by asset class.

Asset yields	H1 FY15	H2 FY15	H1 FY16	H2 FY16	H1 FY17
Corporate investment	0.1%	9.8%	6.2%	10.6%	1.6%
Alternative Investment Solutions	(2.3%)	4.3%	(0.4%)	(5.8%)	2.9%
Real estate investment	2.5%	2.0%	2.4%	3.6%	4.1%
Average co-investment yield	(0.3%)	3.8%	3.3%	3.4%	2.6%

Interest expense

Total interest expense, including commitment fees on undrawn revolving credit facilities, decreased by 8% to $28.4 million in H1 FY17 from $31.0 million. The decrease was due to a lower average cost of funding on outstanding interest-bearing debt in H1 FY17 which decreased to 3.2% (H1 FY16: 4.3%).

The average cost of drawn funding year-on-year also reduced during the period as the mix of funding changed with a higher proportion of funding being driven by short term interest bearing liabilities as shown in the table below.

Interest expense ($m)	H1 FY17	H1 FY16	Change H/(L)
Total interest expense	**28.4**	**31.0**	**(2.6)**
Average short-term interest-bearing liabilities	640.3	412.6	227.7
Average medium- and long-term interest-bearing liabilities	849.3	822.6	26.7
Average interest-bearing liabilities	**1,489.6**	**1,235.2**	**254.4**
Interest expense on funded liabilities[a]	23.8	26.4	(2.6)
Average cost of funding on funded liabilities	**3.2%**	**4.3%**	**(1.1%)**

(a) Does not include commitment fee and other facility costs on undrawn revolvers.

Operating expenses

Operating expenses remained relatively flat at $89.3 million in H1 FY17 as compared to $89.0 million in H1 FY16. Staff compensation, which includes fixed and variable components, only increased marginally by $0.1 million despite an increase in the total number of employees. This reflects a lower amount of variable compensation accrual in line with lower profitability and the impact of the GBP devaluation following Brexit on the dollar value of the firm's GBP payroll. Other expenses, comprising professional fees, travel and business development, administration and infrastructure costs and non-compensation personnel costs such as training and recruitment also remained flat as compared to last year. Total expenses, as a percentage of net revenues, increased to 71% in H1 FY17 from 64% in H1 FY16 in line with the reduction in net revenue in H1 FY17.

Operating expenses ($m)	H1 FY17	H1 FY16	Change H/(L)
Staff compensation	48.5	48.4	0.1
Other personnel costs and charges	5.1	5.8	(0.7)
Other operating expenses	35.7	34.9	0.8
Total operating expenses	**89.3**	**89.0**	**0.3**
Full time employees ('FTE') at end of period	342	319	23
Staff compensation per FTE ('000)	141.8	151.6	(9.8)
Other operating expenses per FTE ('000)	104.3	109.3	(5.0)
Total staff compensation / total operating expenses	54%	54%	0%
Operating expenses / Net revenue[a]	71%	64%	7%

(a) Net revenue represents net income before operating expenses.

Balance sheet

Key balance sheet metrics are shown in the table below.

Balance sheet metrics	Dec-16	Jun-16
Total assets	$2.7 billion	$2.5 billion
Leverage[(a)]	1.7x	1.5x
Net leverage ratio[(b)]	0.5x	0.6x
Shareholders' equity	$1.0 billion	$1.0 billion
Co-investments[(c)] / long-term capital[(d)]	0.6x	0.6x
Capital adequacy ratio	29.9%	30.3%
Residual maturity – medium- and long-term facilities	70 months	75 months

(a) Calculated in accordance with bond covenants.

(b) Calculated in accordance with bank loan covenants and is net of liquidity, underwriting and deferred fees.

(c) Excludes underwriting and is net of revolving facilities secured against alternative investment solutions co-investments.

(d) JPY37 billion debt maturing in 2030 and $50 million debt maturing in 2032, deferred fees and total equity.

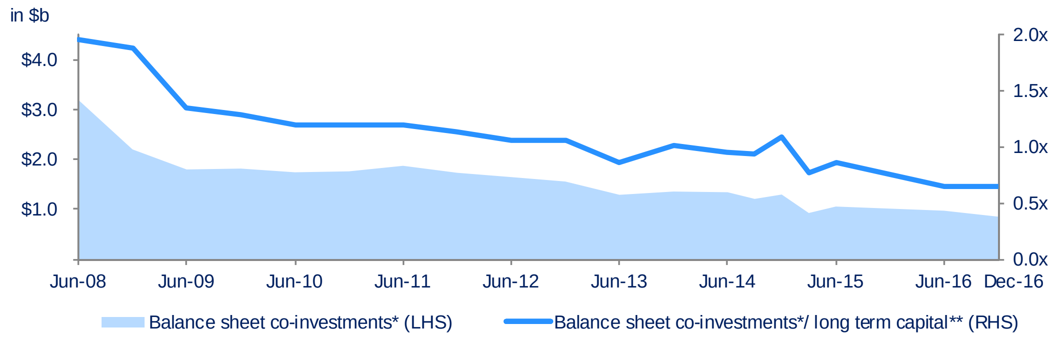
Assets

Assets ($m)	Dec-16	Jun-16	Change H/(L)
Cash and other liquid assets	727	425	302
CI RE and AIS underwriting	522	493	29
AIS co-investments	269	316	(47)
CI and RE co-investments	635	707	(72)
Other (working capital and fixed assets)	540	555	(15)
Total assets	**2,693**	**2,497**	**196**
Co-investment assets (excluding underwriting)	**904**	**1,023**	**(119)**

At December 31, 2016, total assets were $2.7 billion, 8% higher than at June 30, 2016, primarily due to an increase in cash and other liquid assets. The decrease in CI and RE co-investments reflects realizations net of new acquisitions and a lower carrying value, in USD terms, of CI co-investments in Europe due to exchange rate movements[3]. As at December 31, 2016, gross co-investments in AIS were $269 million of which $19 million was utilized to secure amounts drawn under a bi-lateral revolving facility.

3 Investcorp hedges its non-USD denominated CI co-investments on the balance sheet against exchange rate movements. The weakening Euro and Pounds Sterling have therefore had no material P&L impact. The offset to the decline in carrying value of CI co-investments resulting from the weakening currencies is reflected in changes in the fair value of derivatives.

Co-investments are funded entirely by a combination of long-term and permanent sources of capital



* Excludes underwriting and is net of the amount of a bilateral revolving facility (which is secured against AIS co-investments when drawn)

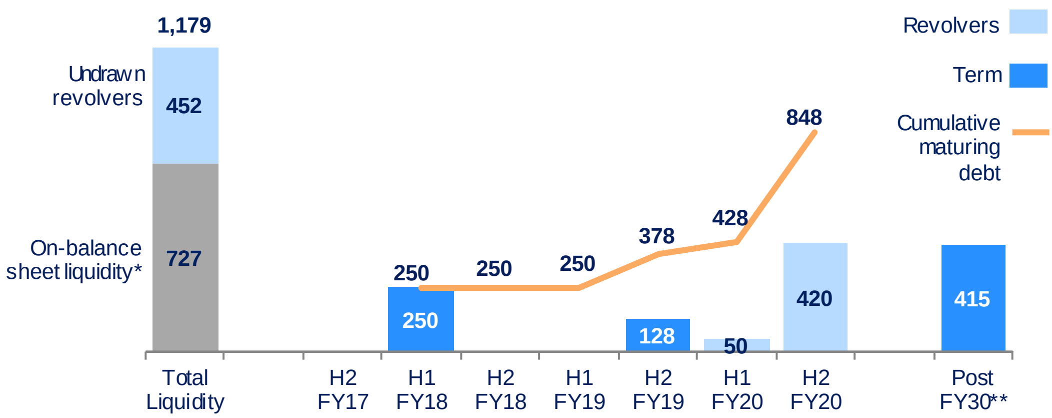
** Long-term capital consists of JPY 37 billion debt maturing in 2030, $50 million debt maturing in 2032, total equity and deferred fees

Investcorp focuses on maintaining a co-investment to long-term capital ratio of 1.0x or lower, such that the entire balance sheet co-investment portfolio is fully funded through permanent or quasi-permanent capital and does not rely on medium-term debt financing. As at December 31, 2016 the aggregate level of co-investments net of a $50 million[4] revolving credit facility secured against AIS co-investments remained fully covered by permanent and long-term sources of capital.

Liquidity

Accessible liquidity, comprising undrawn committed revolving facilities plus balance sheet cash and other liquid assets was $1,179 million (June 30, 2016: $854 million) and more than covers all outstanding medium-term debt maturing over the next three years.

Liquidity cover ($m)



* Includes funded total return swaps with a financial counterparty, where the economic returns under the swaps are linked to Investcorp's $250 million 8.25% notes due 2017

** JPY 37 billion ($365 million at current exchange rates) debt maturing in 2030 and $50 million maturing in 2032

4 The secured revolving facility has a contractual size of $175 million. As of December 31, 2016, based on the amount of eligible collateral, the effective available facility size was $50 million.

Liabilities

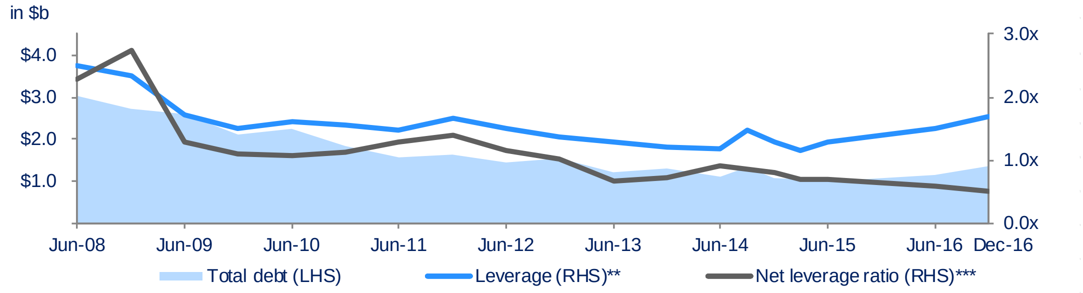
Total liabilities increased by $0.2 billion to $1.7 billion at December 31, 2016.

Liabilities ($m)	Dec-16	Jun-16	Change H/(L)
Term and institutional accounts	429	124	305
Call accounts	151	130	21
Medium-term debt	376	403	(27)
Long-term debt	393	479	(86)
Total debt	**1,349**	**1,136**	**213**
Deferred fees	88	93	(5)
Other liabilities[(a)]	257	251	6
Total liabilities	**1,694**	**1,480**	**213**

(a) Payables and accrued expenses, negative fair value of derivatives less prepaid transaction costs of borrowings.

The increase in liabilities was driven by an increase in term and institutional accounts relating to the payment of cash proceeds from investment realizations into clients' accounts. The increase in short-term debt was partially offset by a decrease in medium-term and long-term debt. The small decrease in medium-term debt was primarily due to currency translation adjustments on the Swiss Franc bonds and repayment of drawn revolvers which remain available for future drawdown as needed for funding new deal underwriting and working capital requirements. The decrease in long-term debt, the majority of which is denominated in Japanese Yen, was primarily due to the depreciation of the Yen against the US Dollar. Currency translation risks are fully hedged, and hence there is no material impact on net income from this or other exchange rate movements.

Financial leverage



* Total debt is defined as call accounts, term and institutional accounts, medium and long-term debt
** Calculated in accordance with bond covenants. Liabilities are net of transitory balances
*** Calculated in accordance with bank loan covenants, net of liquidity, underwriting and deferred fees

Leverage, as defined for financial covenants principally in Investcorp's outstanding bond and note issues, is calculated after deducting any transitory liabilities from the aggregate level of liabilities on the balance sheet, and has remained low in line with Investcorp's medium-term objectives to maintain comfortable covenant headroom.

Net leverage, as defined in the $420 million revolving credit facility due 2020, is calculated by deducting cash, underwriting balances and deferred fees (arising from the introduction of IFRS 15) from liabilities.

Credit ratings

Investcorp held its annual rating review with both Moody's and Fitch in October. Moody's confirmed the Ba2 rating and the negative outlook consistent with their moderately negative view of the Region and with their rating guidelines on reviewing outlooks over a 12-18 months' time horizon. Fitch upgraded the outlook to positive on the back of the strengthened shareholder's base with the inclusion of the equity investment from Mubadala. Both agencies view the acquisition of the 3i Debt Management business positively on account of synergies and increased product and geographical diversification.

Agency	Rating grade	Comment
Moody's Investor Service	Ba2 / Negative outlook	Credit Opinion published in Nov 2016
Fitch Ratings	BB / Positive outlook	Ratings Navigator published Dec 2016 Outlook changed in Nov 2016

Equity

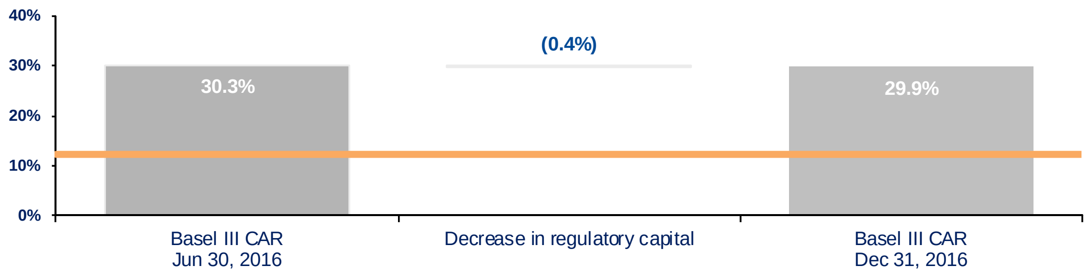
Equity ($m)	Dec-16	Jun-16	Change H/(L)
Ordinary shareholders' equity	783	750	33
Preference share capital	223	223	-
Proposed appropriations	-	45	(45)
Fair value and revaluation adjustments	6	(1)	7
Net book equity	**1,000**	**1,017**	**(17)**

Net equity at December 31, 2016 was $1.0 billion. The small decrease from June 30, 2016 is due to the payment of proposed appropriations from FY16 being greater than earnings in H1 FY17.

Capital adequacy

Investcorp's capital adequacy ratio ('CAR') at December 31, 2016 was 29.9% (June 30, 2016: 30.3%), reflecting a slight decrease in regulatory capital. The CAR is comfortably in excess of the Central Bank of Bahrain's ('CBB') regulatory minimum requirement of 12.5%.

Regulatory capital adequacy ratio (CAR)



The CBB has designated Investcorp as a Domestic Systemically Important Bank ('DSiB'). As a result of this designation, Investcorp will be subject to an increased frequency of prudential meetings and inspections by the CBB. Subject to a separate future assessment, the CBB may also require DSiBs to maintain a higher minimum regulatory capital threshold.

Shareholder base

At December 31, 2016, Investcorp remains a management-controlled company, with management, in concert with strategic shareholders, controlling the voting of 59.0% of Investcorp's ordinary shares. The remaining 41.0% is split between owners holding 40.3% in ordinary shares on the Bahrain Bourse, and 0.7% of beneficial ownership through unlisted GDRs.

Portfolio Activity

Corporate investment

Investcorp targets the acquisition of attractive corporate investment opportunities in North America, Europe, the Gulf region, and Turkey. In addition, it continues to support its existing portfolio companies to increase their market share and expand their operational footprint through selected add-on acquisitions. The Firm seeks corporate investments that it believes offer its investors an attractive return profile, driven by proactive value creation initiatives, including revenue growth through expansion in new territories, business efficiency improvements and the strengthening of management teams.

The aggregate capital deployed in corporate investments during H1 FY17 was $353 million. $348 million was deployed across four new corporate investments and $5 million was invested for the new Investcorp Technology Fund IV as the fund's first acquisition. In addition, Investcorp completed the acquisition of Al Borg Medical Laboratories which was signed in June 2016 and included in FY16 equity deployment but was only publicly announced upon completion of the acquisition in November 2016.

New acquisitions

Nebulas

A leading IT security solutions company in the United Kingdom.

Date of Investment	**July 2016**
Industry Sector	**Technology – security**
Headquarters	**London, UK**

Arrowhead

A market leading supplier/distributor of mission critical aftermarket parts primarily for off-highway vehicles.

Date of Investment	**October 2016**
Industry Sector	**Distribution**
Headquarters	**Minnesota, US**

Al Borg Medical Laboratories

A leading private laboratory network in the GCC.

Date of Investment	**November 2016**
Industry Sector	**Consumer services – healthcare**
Headquarters	**Jeddah, Saudi Arabia**

Calligo

A fast-growing provider of cloud solutions.

Date of Investment	**November 2016**
Industry Sector	**Technology – big data**
Headquarters	**St Helier, Jersey**

AlixPartners

A leading global business advisory firm.

Date of Investment	**November 2016**
Industry Sector	**Industrial services – business services**
Headquarters	**New York, US**

Agromillora

The leading global developer of high yielding plants and trees.

Date of Investment	**December 2016**
Industry Sector	**Consumer products**
Headquarters	**Barcelona, Spain**

In July, Investcorp and portfolio company SecureLink acquired **Nebulas**, the UK's largest independent cybersecurity service provider. Founded in 2001, Nebulas provides a broad range of IT security products and services to predominantly mid to large enterprises in the UK. Combined with the acquisition of Scandinavia's Coresec in June, SecureLink and Nebulas will operate across six countries in Europe, employ over 530 members of staff and generate more than €210 million in revenue.

In October, Investcorp completed an investment in **Arrowhead**, a market leading supplier and distributor of mission critical, aftermarket parts primarily for off-highway vehicles. The company is headquartered in Minnesota and offers a clear and compelling value proposition to its 6,800+ customer base through a wide and high-quality offering of more than 78,000 parts with very competitive pricing compared to original equipment manufacturer ('OEM') parts and industry leading product development and sourcing capabilities. Investcorp is pleased to partner with the majority owner, the Riverside Company, as well as Arrowhead's management team. Investcorp's expertise and track record in the distribution and the auto aftermarket segment was a significant factor in creating this proprietary investment opportunity. In the future, Investcorp plans to support the company's acquisition thesis with incremental equity capital as attractive opportunities come along. In December, Arrowhead acquired Stens, a distributor of aftermarket replacement parts to the outdoor power equipment, golf, and industrial end markets. Based in Indiana, Stens' offerings include non-discretionary, high-wear parts, including engine components, blades, chains, belts, and electrical components for use in mowers, chainsaws, snow blowers, trimmers, and other applications.

In November, Investcorp announced that an entity managed by it had invested a minority stake in the leading private medical laboratory chain in the GCC, **Al Borg Medical Laboratories** ('Al Borg'). Established in 1999 in Jeddah, Al Borg has 54 laboratories across eight countries in the GCC and Africa, with a clear leadership position in Saudi Arabia. Employing over 900 personnel, Al Borg offers a wide range of routine and specialty medical laboratory testing services to hospitals, clinics, corporates and individuals. The company has a leading market position, possesses the highest levels of industry accreditations and is a trusted brand name.

In November, Investcorp reached an agreement to invest in **Calligo Limited** ('Calligo'), a fast-growing provider of cloud solutions focused on serving the global mid-tier enterprise segment. Founded in 2012, with the aim of leveraging jurisdictions across the globe that offer a robust data protection framework, Calligo provides a trusted cloud platform for hosting mid-tier enterprises, their data and applications. Calligo services hundreds of clients all over the world from its locations in Jersey, Guernsey, Switzerland, Singapore and Bermuda. The investment by Investcorp is expected to accelerate Calligo's international expansion with new office locations in North America and the UK. Calligo is well positioned in the fast growing public cloud Infrastructure-as–a-Service ('IaaS') market which grew 51% in 2015 and is expected to more than triple in size by 2020. Mid-size enterprises represent the fastest growing, most underserved business segment with a cloud adoption rate of only 5%. In the first nine months of 2016, Calligo grew its revenues by approximately 100% year-on-year. Calligo offers unparalleled application performance guarantees, commercial flexibility and a personalised support service from its globally located cloud platforms.

In November, Investcorp announced an agreement to acquire **AlixPartners**, alongside other investors. The acquisition was subsequently closed and funded in January 2017. AlixPartners is a leading global business advisory firm specializing in creating value and restoring performance. The investor consortium includes Caisse de dépôt et placement du Québec, Public Sector Pension Investment Board, and the founder and current shareholder, Jay Alix. In a testament to the strength of the franchise and its future growth prospects, AlixPartners' Managing Directors will retain significant ownership in the firm. Founded in 1981, AlixPartners works with clients to help protect and enhance performance and create sustainable value in high-impact situations. The firm's expertise covers a wide range of businesses and industries, and offers a unique, results-oriented approach to help corporate boards and management, law firms, investment banks, and investors respond to critical business issues. Over its 35-year history, the firm has grown to approximately $1 billion in revenue, more than 1,600 professionals, and 25 offices across four continents.

In November, Investcorp completed the acquisition of a majority stake in **Agromillora Group** ('Agromillora'). Founded in 1986 in Barcelona, Agromillora is the leading global developer of high yielding plants and trees, with a key focus on permanent crops, including stone fruits, citrus, nuts, berries, olive trees and grape plants. Agromillora's growth in recent years has been driven by its consistent innovation and strong research & development capabilities as well as by international expansion in North and Latin America, Australia and the Middle East. Today, the company has 11 production facilities (greenhouses) in nine countries, reaching a market of more than 300 nurseries and 1,500 growers in more than 25 different countries, and employs over 1,200 employees worldwide. The founders and management team of the company will maintain a minority stake in the company as part of the transaction.

Recent realizations

Total corporate investment realization proceeds and other distributions to Investcorp and its clients were $894 million in H1 FY17.

Polyconcept

The world's leading value-added supplier of promotional products.

Date of Investment	**June 2005**
Date of Realization	**August 2016**
Investors	**Deal-by-deal**
Industry Sector	**Industrial products**

Tyrrells

A leading manufacturer of premium hand-cooked potato crisps and other snacks.

Date of Investment	**August 2013**
Date of Realization	**September 2016**
Investors	**Deal-by-deal**
Industry Sector	**Consumer products – retail**

Optiv

The largest holistic pure-play cyber security solutions provider in North America.

Date of Investment	**November 2012***
Date of Realization	**December 2016****
Investors	**Deal-by-deal**
Industry Sector	**Technology – IT services**

** Original investment in FishNet.*

*** Investcorp, in conjunction with its partners at Blackstone and Sverica, announced the sale of Optiv to KKR in December 2016. The transaction is subject to standard regulatory approval; Investcorp will have completed a full exit upon closing.*

In July, Investcorp agreed to sell **Polyconcept** to an affiliate of Charlesbank Capital Partners, LLC, a middle-market private equity firm. Investcorp worked closely with senior management to transform the business into the global leader that it is today, supporting a series of strategic acquisitions and realizing success through expanding into new markets, launching new product categories, building out a key digital presence and implementing significant operational enhancements. Polyconcept is now the leading value-added supplier in the $30 billion promotional products industry. Sourcing products from hundreds of manufacturers, the company then customizes them on behalf of its 35,000 reseller customers and ships the products to end-consumers (typically businesses) located in the United States, Europe and across the world.

In September, Investcorp announced the successful completion of the sale of portfolio company **Tyrrells** to Amplify Snack Brands. Based in Herefordshire, UK, Tyrrells is a premium manufacturer of hand-cooked potato and vegetable crisps as well as other snacks such as popcorn. Investcorp acquired Tyrrells in August 2013 and has overseen an extensive transformation of the Company in which sales and EBITDA more than doubled and employee numbers grew by over 70% globally. International markets now account for close to 40% of sales compared to 20% three years ago.

Other corporate investment activity and news

July 2016:	In July, CI North America portfolio company **PRO Unlimited** was named the world's second largest managed service provider ('MSP'). According to the 2016 MSP Market Developments Report published by Staffing Industry Analysts ('SIA'), PRO Unlimited demonstrates extensive global reach with services in 87 countries, 49 with full billing, and support of 26 languages.
August 2016:	In August, CI MENA portfolio company **Leejam (Fitness Time)** was ranked in International Health, Racquet & Sports Club Association's global top 20 rankings, making it the first company in the Middle East, Africa or Southeast Asia to be featured within the list. Investcorp acquired a 25% stake in Leejam in September 2013.
August 2016	The sale of **CSIdentity**, a Technology Fund II investment, to Experian was completed in August. CSIdentity is a market leading provider of enterprise level identity theft protection technology solutions to businesses and government agencies.
September 2016:	In September, portfolio company **TelePacific** received regulatory approval to close the acquisition of **DSCI** that was announced in March. The addition of DSCI, a leading provider of managed services in the Northeast of the US, is a significant milestone in TelePacific's successful transformation from a market-leading regional business telecommunications provider to a major player in the rapidly consolidating and evolving managed services universe. TelePacific will now have more than 50% of its business in the managed services segment and a complete set of products that can be deployed nationwide.
September 2016:	In September, CI Europe portfolio company **Georg Jensen** won a prestigious award in Danish design for their Urkiola line, designed by Spanish architect and designer Patricia Urquiola. Georg Jensen's management team attended the award event together with Danish Crown Princess Mary, the Firm's business partners, press and competitors.
November 2016:	In November, CI Europe portfolio company **Dainese** announced that it will introduce SEA-GUARD, an innovative life jacket that the Emirates Team New Zealand crew will be wearing during the 2017 America's Cup races in Bermuda. The SEA-GUARD is fully ergonomic and designed to combine both protective and floating functions; Dainese is currently collecting data to equip the SEA-GUARD with their D-air protection system.
December 2016:	In December, CI North America portfolio company **PRO Unlimited,** via an amendment to its existing debt facility, paid a dividend to its shareholders. The newly revised facility will support the company's continued strong growth, while also at a reduced interest

rate. This represents the second dividend recapitalization of the company since Investcorp's acquisition in October 2014.

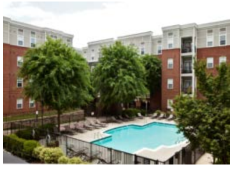
Real estate

New acquisitions

The aggregate equity deployed in new real estate investments in H1 FY17 was $158 million.

2016 Residential Properties Portfolio

Shari'ah compliant equity ownership interests in a student housing portfolio in Tampa, Florida (4050 Lofts*), a student housing portfolio in Indianapolis, Indiana (The Avenue*), three student housing communities and three apartment complexes in Raleigh, North Carolina (Raleigh Student Housing Portfolio* and Raleigh Multifamily Portfolio), an apartment complex in Phoenix, Arizona (Villa Blanco*) and an apartment complex in Nashville, Tennessee (Arbors of Brentwood).



*signed and purchased in FY16

Number of properties	**10**

Boston & Denver Commercial Portfolio

Shari'ah compliant equity ownership interests in four office and laboratory buildings in Cambridge, Massachusetts (Blackstone Science Square), four industrial/warehouse buildings in Boston, Massachusetts (Boston Metro Industrial Portfolio), two office buildings in Denver, Colorado (Centerpoint I & II*), seven office/flex buildings in Centennial, Colorado (Arapahoe Business Park*) and three office/flex buildings in Englewood, Colorado (345 Inverness*).

*signed and purchased in FY16

Number of properties	**20**

Two additional apartment properties were acquired during H1 FY17 and will form part of a multifamily portfolio that will be placed in H2 FY17.

Recent realizations

Total real estate realization proceeds and other distributions to Investcorp and its clients were $203 million in H1 FY17.

Three portfolios were fully realized in the first half of FY17 with the sale of the Park Tower property from **Diversified X** (the other two properties, Bethesda Health Center and Ashford Apartments, were sold in 2013), the sale of Bala Sands and Bay Pointe properties from **Southeast Multifamily** (the other two properties, Citrus Park and Pineville, were sold in April 2016) and the sale of Eagle Crest, University Estates and University Village properties from **2013 Residential** (the other properties, Chicago Multifamily, were sold in January 2016).

A complete list of real estate properties realized in H1 FY17 can be found below.

Flagler Center*

The industrial portion of the 1.35 million-square foot portfolio.

Date of Investment	**August 2014**
Date of Partial Realization	**August 2016**
Portfolio Name	**2014 Office & Industrial Properties**
Location	**Jacksonville, Florida**

**The remaining portion of the Flagler Center portfolio consists of over 1.0 million square feet in nine office and flex buildings.*

Park Tower

A 119,287-square foot office building.

Date of Investment	**October 2011**
Date of Realization	**August 2016**
Portfolio Name	**Diversified X**
Location	**Long Beach, California**

Duke Bridges III

A 160,263-square foot office building.

Date of Investment	**September 2012**
Date of Realization	**August 2016**
Portfolio Name	**2012 Office Properties**
Location	**Dallas, Texas**

Bala Sands

A 298-unit multifamily property.

Date of Investment	**November 2013**
Date of Realization	**September 2016**
Portfolio Name	**Southeast Multifamily**
Location	**Orlando, Florida**

Arundel Mills Mezzanine Loan

A 250-key dual-branded hotel property.

Date of Investment	**December 2011**
Date of Realization	**September 2016**
Portfolio Name	**Southland and Arundel Mezz Portfolio**
Location	**Arundel Mills, Maryland**

Eagle Crest

A 624-unit multifamily property.

Date of Investment	**October 2013**
Date of Realization	**September 2016**
Portfolio Name	**2013 Residential**
Location	**Las Vegas, Nevada**

Bay Pointe

A 368-unit multifamily property.

Date of Investment	**November 2013**
Date of Realization	**October 2016**
Portfolio Name	**Southeast Multifamily**
Location	**Tampa, Florida**

University Village

A 348-unit student housing apartment complex.

Date of Investment	**August 2013**
Date of Realization	**November 2016**
Portfolio Name	**2013 Residential**
Location	**Austin, Texas**

University Estates

A 498-unit student housing apartment complex.

Date of Investment	**July 2013**
Date of Realization	**November 2016**
Portfolio Name	**2013 Residential**
Location	**Austin, Texas**

The Shops at Tech Ridge

A 332,845-square foot shopping center.

Date of Investment	**February 2011**
Date of Realization	**December 2016**
Portfolio Name	**Commercial VI**
Location	**Austin, Texas**

Alternative Investment Solutions

Nut Tree Capital Management ('Nut Tree'), the most recent investment manager to which we have provided seed capital, launched on February 1, 2016 with $100 million. Since then, its assets under management have grown to $342 million as of January 1, 2017. Nut Tree focuses on mid-market distressed credit, stressed/event-driven credit and value equities, and has delivered net performance of 23.7%.[5]

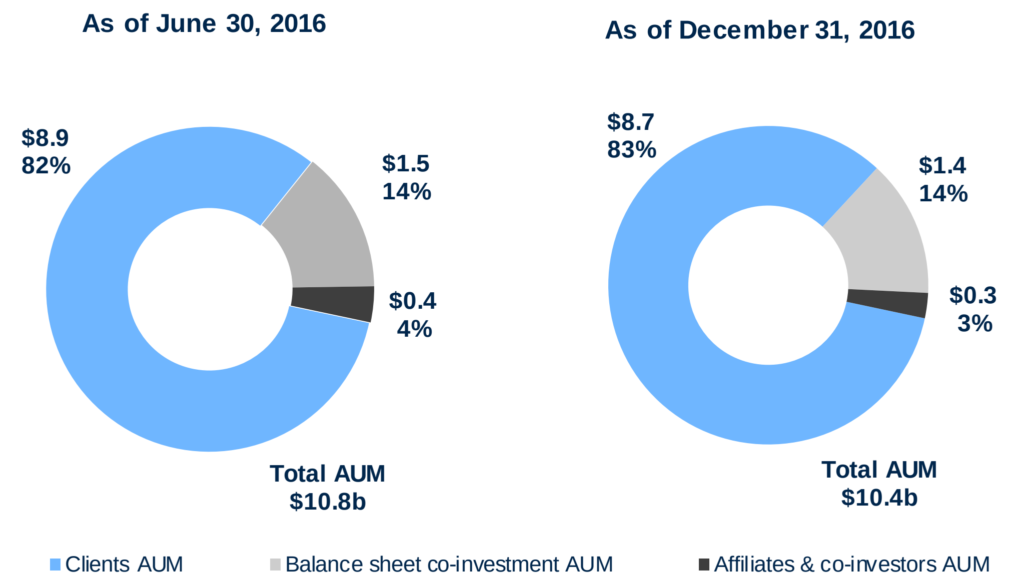
[5] Net performance is based on returns (net of all fees and expenses and reflecting the reinvestment of dividends or other earnings) and assumes a maximum management fee of 1.75% and incentive fee of 20%. Information presented may not take into account (i) variations in fees, investment restrictions or other differences between various investors and (ii) the impact of any contractual arrangements with investors. As a result, the information presented may not reflect actual performance for any specific investor. Performance returns and calculations based on those returns are unaudited and subject to change.

AUM & Fundraising

Assets under management ('AUM')[6]

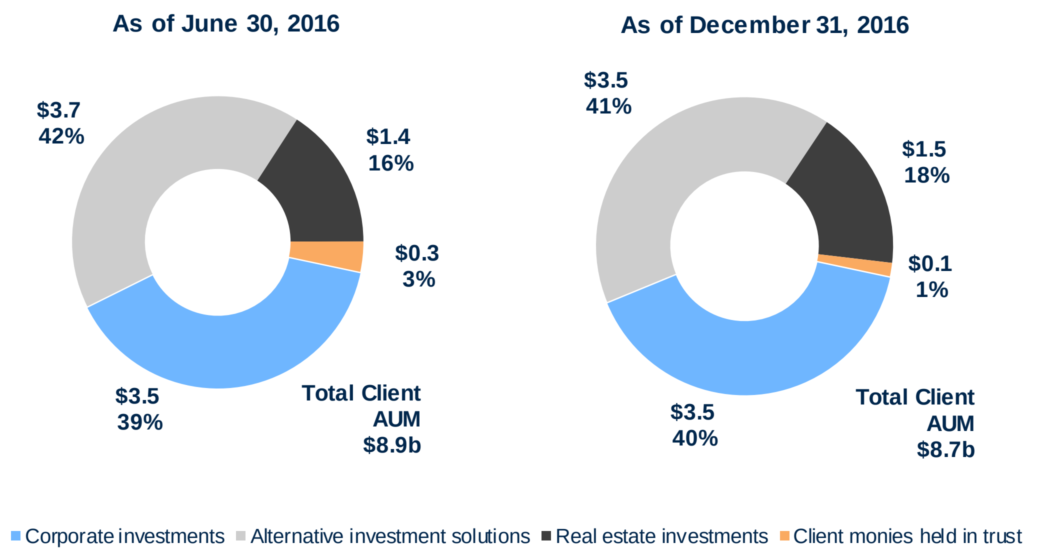
Please refer to the table in Note 2 of the Consolidated Financial Statements of Investcorp Bank B.S.C., which summarizes total assets under management in each of the reporting segments.

Total assets under management ($b)



Total AUM decreased slightly to $10.4 billion at December 31, 2016 from $10.8 billion at June 30, 2016.

Total client assets under management ($b)



6 Includes $2.3 billion (June 30, 2016: $2.5 billion) of hedge fund partnerships (including exposure in multi-manager solutions), managed by third party managers and assets subject to a non-discretionary advisory mandate, where Investcorp receives fees calculated on the basis of AUM.

Total client AUM decreased by 2.3% to $8.7 billion at December 31, 2016 from $8.9 billion at June 30, 2016.

The two most dominant asset classes in client AUM continue to be AIS (41%) and corporate investments (40%). Corporate investment client AUM is flat at $3.5 billion. This reflects new fundraising activity largely offset by exits during the period, which included Optiv, Polyconcept and Tyrrells. Client AUM in AIS decreased by 4% as redemptions net of performance of $544 million more than offset new subscriptions of $380 million during the period.

Key AUM metrics (by asset class)

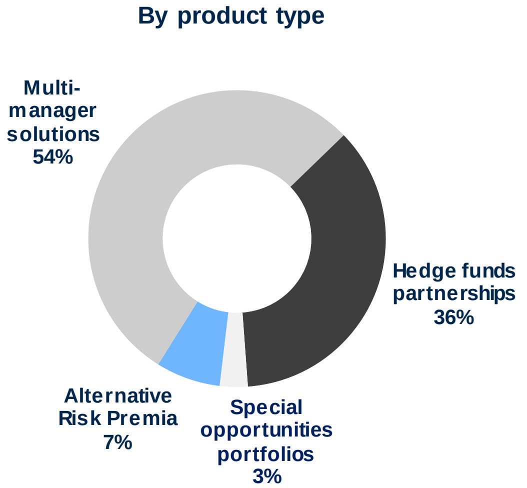
Corporate investment ($m)	Dec-16	Jun-16	% Change B/(W)
Client AUM			
Closed-end committed funds	178	-	>100%
Closed-end invested funds	775	821	(6%)
Deal-by-deal investments	2,558	2,671	(4%)
Total client AUM – at period end	**3,511**	**3,492**	**1%**
Average client AUM	3,502	3,583	(2%)

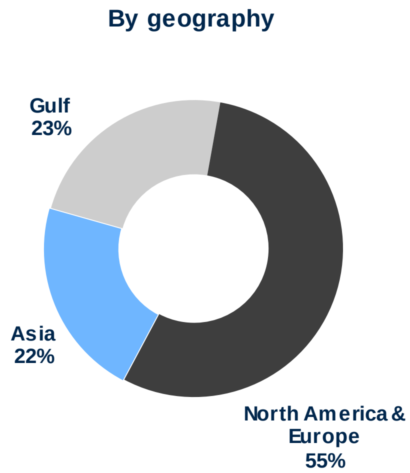
Real estate investment ($m)	Dec-16	Jun-16	% Change B/(W)
Client AUM			
Closed-end funds (Mezzanine/debt)	33	33	-
Deal-by-deal investments	1,488	1,373	8%
Total client AUM – at period end	**1,521**	**1,406**	**8%**
Average client AUM	1,464	1,347	9%

Alternative investment solutions ($m)	Dec-16	Jun-16	% Change B/(W)
Client AUM			
Multi-manager solutions	1,896	1,947	(3%)
Hedge funds partnerships	1,271	1,441	(12%)
Special opportunities portfolios	107	97	10%
Alternative Risk Premia	247	200	24%
Total client AUM – at period end	**3,521**	**3,685**	**(4%)**
Average total client AUM	3,603	3,639	(2%)

At December 31, 2016, AIS AUM in total was $3.8 billion, of which $3.5 billion represented client assets and $0.3 billion represented Investcorp's balance sheet co-investment.

Alternative investment solutions client assets under management





As at December 31, 2016, 77% of client assets in AIS were from US, European and Asian institutional investors with the balance held by Gulf private and institutional investors. During the first half of the fiscal year, multi-manger solutions and hedge fund partnerships experienced outflows while special opportunities portfolios and alternative risk premia experienced net inflows. At December 31, 2016, substantially all of AIS client assets under management were managed for a range of institutional clients including pension funds, insurance companies, endowments and foundations, and funds of hedge funds.

Fundraising

Investcorp's history, commitment and track record in the GCC region means it is trusted by Gulf investors to provide them with unique and non-traditional investment opportunities and services that are suitable for their risk return preferences. Investcorp is committed to ensuring its clients receive a 'best in class' service both regionally and internationally as it continues to strive to deliver strong, optimal and well-balanced investment returns.

Total deal-by-deal fundraising in the Gulf in H1 FY17 was lower at $453 million as compared to $482 million raised in H1 FY16. This decline reflects the adverse impact on investor sentiment as a result of tighter liquidity conditions and the one-off effect of recent unforeseen global geopolitical events as investors temporarily adopt a wait-and-see attitude.

Corporate investment placement was $213 million. This included placement of an additional offering in SecureLink following the recent add-on acquisitions of Nebulas and Coresec, and new offerings in Al Borg, Arrowhead and Agromillora.

Real estate placement, across two new portfolios, one single-property club deal and residual amounts in 2015 Office and Industrial Properties, a portfolio substantially placed in FY16, was $239 million.

Total new subscriptions for AIS products during the first half of the fiscal year amounted to $380 million. An additional $300 million mandate was signed but will only be funded in H2 FY17. Redemptions net of performance over the same period were $544 million resulting in a net decrease in client AUM of $164 million.

Investcorp's fourth technology fund, established to invest in European lower middle market tech-enabled companies, was launched in September 2016 with a first close in November. The fund builds on the successes of the first three funds that have seen Investcorp develop a strong reputation as a leading technology investor. A total of $178 million was raised from Gulf-based investors in H1 FY16.

Investcorp continued to provide its hallmark high touch service to its Gulf clients by providing broad coverage and ongoing communication across the markets in the Gulf.

In November 2016, Investcorp hosted its annual two-day investors' conference in Abu Dhabi. The conference, with over 300 investors present from across the six GCC countries, was held under the patronage of His Highness Sheikh Mohammed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces. His Highness Sheikh Hamed bin Zayed Al Nahyan, Chief of the Abu Dhabi Crown Prince's Court, His Highness Sheikh Nahayan Mabarak Al-Nahayan, UAE Minister of Culture and Knowledge Development, and His Highness Sheikh Hamdan bin Mubarak Al Nahyan, Minister of Higher Education and Scientific Research, were in attendance at the opening of the Conference. The opening saw a keynote speech by Her Excellency Reem Al Hashimy, UAE Minister of State for International Cooperation and Director General of Dubai Expo 2020 Bureau. Investcorp's Co–CEOs Mohammed Al-Shroogi and Rishi Kapoor outlined the roadmap for the future of the Firm and Executive Chairman Mohammed Al Ardhi provided closing remarks. Addressing the room of 300 investors, Mr. Al Ardhi highlighted Investcorp's achievements over the past 12 months including the agreement to purchase the credit management business of 3i Group plc which will result in a doubling of AUM to $21 billion once the deal closes in Q1 FY17. He also emphasized the company's growth ambition – 'we are going to use this momentum as a springboard to the next step of the Investcorp journey.' Delegates at the Conference also heard from John Greenwood, Chief Economist of Invesco Ltd., who provided an overview of the global economy in the wake of Brexit and the US election. Meanwhile, Gordon Hewitt, Professor of Business Administration at Ross School of Business, discussed competitive innovation and a changing world.

Corporate Investment Portfolio Listing

As of December 31, 2016, Investcorp's aggregate balance sheet co-investment was $550 million across 37[7] companies. The below sections provide an overview of these portfolio companies.

CI North America

As of December 31, 2016, Investcorp's aggregate balance sheet co-investment in North America was $249 million across 13 companies.

Portfolio Company Name	**AlixPartners**
Acquired	**November 2016***
Industry Sector	**Industrial services – business services**
Headquarters	**New York, US**

AlixPartners is a leading global business advisory firm that specializes in creating value and restoring performance of businesses around the world. Headquartered in New York City and founded in 1981 by Jay Alix to handle the turnaround of Electrical Specialties Company, it pioneered providing consulting services to companies in or near bankruptcy. Over time, AlixPartners has expanded its capabilities and now currently offers five different types of services across a wide range of industries and geographies: Enterprise Improvement, Financial Advisory Services, Information Management, Leadership & Organizational Effectiveness and Turnaround & Restructuring. The company has eight locations in the US and 18 other locations around the globe including South America, Europe, the Middle East and Asia. AlixPartners has over 1,400 employees, approximately 1,000 of whom are professionals, and over 160 Managing Directors.

**Date of signing. Acquisition closed in January 2017.*

www.alixpartners.com

Portfolio Company Name	**Arrowhead**
Acquired	**October 2016**
Industry Sector	**Distribution**
Headquarters	**Minnesota, US**

Arrowhead is a market leading supplier/distributor of mission critical aftermarket parts primarily for off-highway vehicles. Arrowhead offers the broadest selection of non-discretionary, replacement vehicle products and services a diverse set of end markets including Utility/Powersports/Motorcycle, Agriculture, Industrial, Outdoor Power Equipment, Marine, Auto and Heavy Duty.

In December 2016, Arrowhead acquired Stens, a distributor of aftermarket replacement parts to the outdoor power equipment, golf, and industrial end markets. Based in Indiana, Stens' offerings include non-discretionary, high-wear parts, including engine components, blades, chains, belts, and electrical components for use in mowers, chainsaws, snow blowers, trimmers, and other applications.

www.arrowheadep.com

7 Dainese and POC counted as one company.

Portfolio Company Name	**The Wrench Group**
Acquired	**March 2016**
Industry Sector	**Consumer services**
Headquarters	**Georgia, US**

Wrench is a provider of home equipment and replacement services: heating, ventilation and air conditioning ('HVAC'), plumbing, water quality, electrical and home automation. The company provides services to residential customers across four of the fastest-growing metropolitan areas in the United States (Atlanta, Georgia; Dallas, Texas; Houston, Texas; and Phoenix, Arizona).

www.wrenchgroup.com

Portfolio Company Name	**Nobel Learning Communities**
Acquired	**January 2015**
Industry Sector	**Consumer services**
Headquarters	**Pennsylvania, US**

Founded in 1984, Nobel Learning operates a network of schools for private education in the US, from preschool through high school, with a commitment to outstanding education. The company also has an accredited online private school that offers college preparatory programs to students from countries worldwide. Nobel Learning is one of the largest private education operators in the US.

www.nobellearning.com

Portfolio Company Name	**PRO Unlimited**
Acquired	**October 2014**
Industry Sector	**Industrial services – business services**
Headquarters	**Florida, US**

Founded in 1991, PRO Unlimited delivers a full range of services to address procurement, management and compliance issues related to contingent workers, including independent contractors, consultants, temporary workers and freelancers. PRO Unlimited operates in over 50 countries and provides services to some of the world's largest and most prestigious companies through its integrated, vendor-neutral software and services platform.

www.prounlimited.com

Portfolio Company Name	totes»ISOTONER
Acquired	April 2014
Industry Sector	Consumer products – specialty retail
Headquarters	Ohio, US

Founded in 1923 and headquartered in Cincinnati, Ohio, totes»ISOTONER is the world's leading designer, marketer and distributor of functional accessories in the rain, cold weather and footwear categories. The company's broad product portfolio includes umbrellas, gloves, hats, slippers and sandals. In 1997, Totes and ISOTONER merged to form the totes»ISOTONER Corporation. The company offers quality products from two of the most recognized apparel brand names in the US and has a growing international presence in Europe and Asia.

www.totes-isotoner.com

Portfolio Company Name	Paper Source
Acquired	September 2013
Industry Sector	Consumer products – specialty retail
Headquarters	Illinois, US

Paper Source is a multi-channel retailer offering a premium selection of uniquely designed and curated gifts, stationery and crafting supplies. The company operates 119 stores, which average 2,800 square feet of selling space. The company goes to market through retail stores, direct-to-consumer and wholesale channels. Paper Source offers over 8,300 Stock Keeping Units ('SKUs') across five main categories: gifts and toys, stationery, crafting, fine paper and gift wrap, and single greeting cards.

www.paper-source.com

Portfolio Company Name	Sur La Table
Acquired	July 2011
Industry Sector	Consumer products – specialty retail
Headquarters	Washington, US

Sur La Table is a specialty retailer of culinary merchandise and a leading provider of non-degree culinary courses in North America. Offering a broad selection of the best culinary brands and an assortment of innovative kitchenware products, Sur La Table currently operates 133 stores across the US with a widely distributed catalog and a premium online platform. The company provides items for cooking and entertaining and has a knowledgeable staff that provides high level service in its stores. Since acquisition, Sur La Table has almost doubled the number of cooking class locations, serving well over 100,000 customers annually. Sur La Table has built a multi-channel business in which each channel is profitable on a standalone basis.

www.surlatable.com

Portfolio Company Name	**Wazee Digital**
Acquired	**March 2011**
Industry Sector	**Technology – internet / mobility**
Headquarters	**Colorado, US**

Wazee Digital (formerly T3 Media) is a leading provider of cloud-based video management services to premium video content rights holders. The company operates through two primary lines of business, Licensing and Platform Services. In the Licensing business, Wazee Digital represents major video content rights owners and employs an active sales force to license footage in exchange for a percentage of the royalty payments received. In the Platform Services business, Wazee Digital ingests, digitizes and hosts video content on behalf of content rights owners. Wazee Digital provides content rights owners with virtual access and distribution capabilities in exchange for an annual subscription fee. The two business lines are complementary with many customers utilizing both offerings.

www.wazeedigital.com

Portfolio Company Name	**OpSec Security Group**
Acquired	**March 2010**
Industry Sector	**Technology – security**
Headquarters	**Colorado, US**

OpSec Security Group is the global leader in providing anti-counterfeiting technologies, as well as solutions and services for physical and online brand protection, to over 300 brand owners and over 50 governments worldwide. The company operates manufacturing facilities and laboratories in the US and the UK, and has sales operations in the Americas, Europe and Asia.

www.opsecsecurity.com

Portfolio Company Name	**Randall-Reilly**
Acquired	**February 2008**
Industry Sector	**Industrial services – business services**
Headquarters	**Alabama, US**

Randall-Reilly is a leading diversified business-to-business media and data company focused on the trucking, infrastructure-oriented construction and industrial end markets in the US. Its products include B2B trade publications, live events and trade shows, recruitment products and indoor advertising displays. In addition, its Equipment Data Associates ('EDA') business is an industry-leading collector and aggregator of industrial equipment purchase data that provides subscription-based sales lead generation and market intelligence products to the industrial equipment markets.

www.randallreilly.com

Portfolio Company Name	kgb
Acquired	April 2006
Industry Sector	Technology – big data
Headquarters	New York, US

kgb (formerly InfoNXX) is the world's largest independent provider of directory assistance and enhanced information services. kgb delivers solutions to wireless and landline carriers, corporations and educational institutions in North America, handling the majority of the '411' calls in the US that are delivered through a mobile phone. Furthermore, in the UK, kgb's 'The Number' 118 has become Britain's leading directory assistance service for consumers and businesses. The company also has operations in France, Germany, Ireland, Switzerland, Austria and Italy.

www.kgb.com

Portfolio Company Name	TelePacific
Acquired	April 2000
Industry Sector	Telecom
Headquarters	California, US

TelePacific is a leading provider of network and communications services headquartered in Los Angeles. In business since 1998, the Company provides services on TelePacific owned switches and network infrastructure, including local and long distance voice, dedicated internet access, private networking, and data transport services as well as bundled voice and internet solutions. Since its acquisition of TelWest, the company has continued its growth plan for the Texas business through implementation of its product suite and operating practices.

In September 2016, TelePacific acquired DSCI, a hosted communications provider in the United States. The transaction transformed TelePacific into a managed services platform enabling the company to offer a full suite of products to its customers.

www.telepacific.com

CI Europe

As of December 31, 2016, Investcorp's aggregate balance sheet co-investment in Europe was $139 million across 10[8] companies.

Portfolio Company Name	Calligo
Acquired	November 2016
Industry Sector	Technology – big data
Headquarters	St Helier, Jersey

Calligo is a fast-growing provider of cloud solutions focused on serving the global mid-tier enterprise segment. Founded in 2012, with the aim of leveraging jurisdictions across the globe that offer a robust data protection framework, Calligo provides a trusted cloud platform for hosting mid-tier enterprises, their data and applications. The company's proprietary cloud platform offers the highest levels of data privacy along with application performance guarantees, commercial flexibility and a personalised support service. Calligo services hundreds of clients all over the world from its locations in Jersey, Guernsey, Switzerland, Singapore and Bermuda.

www.calligo.cloud

Portfolio Company Name	Agromillora
Acquired	December 2016
Industry Sector	Consumer products
Headquarters	Barcelona, Spain

Founded in 1986 in Barcelona, Agromillora is the leading global developer of high yielding plants and trees, with a key focus on permanent crops, including stone fruits, citrus, nuts, berries, olive trees and grape plants. The company pioneered the production and marketing of trees for high yielding olive orchards with the disruptive technology of super-high-density planting and has since been promoting similar agronomic improvements for a complete portfolio of high quality plants. Today, the company has 11 production facilities (greenhouses) in nine countries, reaching a market of more than 300 nurseries and 1,500 growers in more than 25 different countries, and employs over 1,200 employees worldwide.

www.agromillora.com

8 Dainese and POC counted as one company.

Portfolio Company Name	**Corneliani**
Acquired	**June 2016**
Industry Sector	**Consumer products – specialty retail**
Headquarters	**Mantova, Italy**

Founded in 1958, Corneliani is a luxury clothing brand. Best known for its men's suits and chic casualwear, it is one of the oldest independent Italian luxury brands. Corneliani employs approximately 1,100 people and benefits from a global sales presence in 68 countries through 10 directly operated stores, approximately 850 multibrand stores, more than 75 franchise stores and about 50 store-in-stores, including Harrods, Harvey Nichols, Saks Fifth Avenue and Bloomingdale's.

www.corneliani.com

Portfolio Company Name	**SecureLink**
Acquired	**December 2015**
Industry Sector	**Technology – security**
Headquarters	**Wommelgem, Belgium** **Sliedrecht, Netherlands**

Founded in 2003, SecureLink is a leading cybersecurity infrastructure and managed services provider, offering integrated security solutions for corporates and institutions in the upper mid-market. The Company provides advanced security solutions as well as managed security services ('MSS'), helping its customers to handle complex security challenges and requirements, mitigating risk exposure and delivering a reliable, secure infrastructure that offers peace of mind to customers.

In June and July 2016, Investcorp together with SecureLink acquired Coresec and Nebulas. Established in 2003, Coresec offers integrated cyber security solutions and managed services to corporates and institutions. Coresec's security experts provide relevant security advice and hands-on assistance to its diverse client base across Scandinavia and the Netherlands. Coresec employs more than 250 employees across seven offices and multiple 24/7 manned Network & Security Operation Centres. In the United Kingdom, Nebulas is a leading IT security solutions company. Founded in 2001 in London and employing 50 staff, Nebulas provides a broad range of IT security products and services to predominantly mid to large enterprises in the United Kingdom.

www.securelink.net

Portfolio Company Name	**POC**
Acquired	**October 2015**
Industry Sector	**Consumer products**
Headquarters	**Stockholm, Sweden**

Established in 2005, POC is the leading manufacturer of premium skiing and cycling helmets, apparel and accessories. Acquired by Dainese in October 2015, POC, like Dainese, is a pioneer in innovative safety concepts for sportswear to provide athletes and consumers with the highest standard of personal protection. POC's line of products includes helmets, body armor, goggles, eyewear, gloves and gear, which are currently sold across 25 countries worldwide. Through technical collaboration with partners such as Volvo, POC is pioneering innovative safety concepts and has won more than 40 prestigious international safety, design, innovation and business awards.

www.pocsports.com

Portfolio Company Name	**Dainese**
Acquired	**December 2014**
Industry Sector	**Consumer products**
Headquarters	**Vicenza, Italy**

Founded in 1972, Dainese is the most recognized and respected brand for safety and quality in the motorcycle and other dynamic sports market. Originally known for its competitive motorcycling racing wear, Dainese has subsequently diversified its product range and today provides protective gear for road and racing use alike, as well as for use in winter sports, biking and horse riding. In addition, through the AGV brand name, Dainese is one of the leading protective helmet manufacturers for the motorcycle market. Through its Dainese Technology Centre (‘D-Tec’), an R&D technical centre for the study of protective technology, the Company strives to ensure it remains at the forefront of innovation.

www.dainese.com

Portfolio Company Name	**SPGPrints**
Acquired	**June 2014**
Industry Sector	**Industrial products**
Headquarters	**Boxmeer, The Netherlands**

Based in Holland, SPGPrints is a leading global manufacturer of consumables for printed textiles and labels. The product offering primarily consists of consumables used in the printing process (rotary screens, lacquers, digital inks and digital engraving) complemented by a full range of printing systems/equipment and after sales spare-parts, installation and maintenance services. SPGPrints is represented in more than 100 countries worldwide and commands a leading market position in each of its segments.

www.spgprints.com

Portfolio Company Name	**Georg Jensen**
Acquired	**November 2012**
Industry Sector	**Consumer products – specialty retail**
Headquarters	**Copenhagen, Denmark**

Georg Jensen designs, manufactures and distributes luxury products ranging from jewelry and Scandinavian designed homeware to high-end silverware. The company, headquartered in Copenhagen, Denmark, and founded in 1904, has expanded internationally and now derives the majority of its revenue outside of Scandinavia. With a history that spans more than 110 years, the Georg Jensen brand has a deep heritage in silversmithing and represents quality craftsmanship and timeless designs. The brand is also endorsed by the Queen of Denmark.

www.georgjensen.com

Portfolio Company Name	**Esmalglass**
Acquired	**July 2012**
Industry Sector	**Industrial products**
Headquarters	**Villarreal, Spain**

Esmalglass Itaca ('Esmalglass') is one of the leading global producers serving the global ceramics intermediate products industry. Established in 1978 in Villarreal, Spain, Esmalglass produces ceramic glazes, ceramic colors and inkjet inks (an innovative and rapidly growing technology to decorate tile surfaces). The company has a strong market position in all segments of its target markets and services more than 1,000 customers in 50 countries worldwide. The company generates more than half of its sales from emerging market economies including Brazil, the Middle East and China. Its global activities are supported by four manufacturing plants in Spain, Vietnam and Brazil and mixing plants in Portugal, Italy, Russia and Indonesia.

www.esmalglass-itaca.com

Portfolio Company Name	**eviivo**
Acquired	**March 2011**
Industry Sector	**Technology – internet / mobility**
Headquarters	**London, UK**

eviivo is the UK's leading software provider for small and medium-sized accommodation businesses to manage their online and offline bookings, allocate rooms, and allow for flexible pricing, and invoicing and processing payments. The company partners with approximately 6,000 independent businesses in the UK, Germany and the Mediterranean region (France, Italy, Spain, Greece, Tunisia, Morocco and Turkey), and includes B&Bs, guest accommodations, inns, farmhouses, cottages, restaurants with rooms and smaller boutique hotels.

www.eviivo.com

Portfolio Company Name	CEME
Acquired	July 2008
Industry Sector	Industrial products
Headquarters	Milan, Italy

CEME is a leading manufacturer of fluid control components for consumer applications such as espresso machines and steam ironing systems. CEME's product range includes solenoid pumps and valves, as well as electromechanical pumps for a broad range of industrial applications. The company's primary client base consists of well-established western European manufacturers including Nespresso, Saeco, De'Longhi, Philips and SEB. At the same time, CEME is diversifying its customer base by focusing on developing its distribution network in China and the Far East. CEME products are the global industry reference in coffee machines (solenoid pumps) and steam ironing systems (solenoid valves).

www.cemegroup.com

CI MENA

As of December 31, 2016, Investcorp's aggregate balance sheet co-investment in MENA was $112 million across 14 companies.

Portfolio Company Name	Al Borg Medical Laboratories
Acquired	November 2016
Industry Sector	Consumer products – healthcare
Headquarters	Jeddah, Saudi Arabia

Established in 1999 in Jeddah, Al Borg has 54 laboratories across eight countries in the GCC and Africa, with a clear leadership position in Saudi Arabia. As the leading private medical laboratory chain in the GCC, Al Borg employs over 900 personnel and offers a wide range of routine and specialty medical laboratory testing services to hospitals, clinics, corporates and individuals.

www.alborglaboratories.com

Portfolio Company Name	Bindawood Holding
Acquired	December 2015
Industry Sector	Consumer products – grocery retail
Headquarters	Jeddah, Saudi Arabia

Established in 1984, with 30 years of operations and a network of 47 stores across Saudi Arabia, the Bindawood group is one of the largest chains of supermarkets and hypermarkets in Saudi Arabia. The company is predominately focused in the Western regions of Jeddah, Makkah and Madinah, with a growing presence in the Central and Eastern regions.

www.bindawood.com / www.danubeco.com

Portfolio Company Name	**NDTCCS**
Acquired	**July 2015**
Industry Sector	**Industrial services**
Headquarters	**Dammam, Saudi Arabia**

Established in 1975, NDT Corrosion Control Services Co. LLC ('NDTCCS') is the largest non-destructive testing ('NDT') service provider in Saudi Arabia employing over 700 technicians in Saudi Arabia and the UAE. NDT is an essential service which involves the evaluation and testing of pipes, pressure vessels, oil platforms and other key industrial components to identify faults, cracks or defects without causing damage. NDTCCS provides conventional and advanced NDT services for a range of industrial sectors including oil and gas, petrochemicals, mining, nuclear and utilities.

www.ndtcorrosion.com

Portfolio Company Name	**Arvento**
Acquired	**March 2015**
Industry Sector	**Technology – internet / mobility**
Headquarters	**Istanbul, Turkey**

Established in 2005, Arvento Mobile Systems ('Arvento') is a provider of telematics solutions, delivered as a software-as-a-service, which provide fleet operators with visibility into vehicle location, fuel usage, speed and mileage and other insights into their mobile workforce, enabling them to reduce their operating costs and increase their revenues. The company designs, develops and sells its own range of hardware products and software applications. The business has established itself as the market leader in Turkey as well as one of the leading players in the Kingdom of Saudi Arabia and the UAE. It is a multiple award winner for its technology and its rapid growth. According to independent research published by ABI Research, Arvento is recognized as the world's fifth biggest telematics business.

www.arvento.com

Portfolio Company Name	**Namet**
Acquired	**December 2013**
Industry Sector	**Consumer products**
Headquarters	**Istanbul, Turkey**

Established in 1998 and acquired in 2005 by the Kayar family, Namet Gida Sanayi ve Ticaret A.S. ('Namet') is the largest integrated producer of fresh cut and packaged processed red meat products in Turkey. The company operates two farms in Urfa and Samsun with 30,000 livestock capacity supplying nearly 30% of the company's production needs; an important competitive advantage in quality and inventory management. The company processes and sells unpacked and packed fresh cut meat (e.g. cut, diced and minced meat), delicatessen products (e.g. sujuk, pastrami, salami, sausages), frozen products (e.g. burger patties) and further processed products (e.g. meatballs, burgers, doner/shawarma and other marinated products). Products are sold under the Namet and Maret (acquired in September 2014) brands or as private label products to the retail and B2B (hotels/restaurants/catering) channels.

www.namet.com.tr

Portfolio Company Name	AYTB
Acquired	October 2013
Industry Sector	Industrial services
Headquarters	Jubail, Saudi Arabia

AYTB Al Yusr Industrial Contracting Company W.L.L. ('AYTB') was founded in 1979 in Jubail and over its 37-year history has made a significant contribution to the industrial growth of Saudi Arabia. The company supports the petrochemical and oil and gas sectors and supplies technical and logistical support, in addition to maintenance, construction, industrial cleaning as well as facility management, catering and accommodation services. AYTB's clients include many of the region's leading petrochemical and oil and gas companies, including SABIC and Saudi Aramco. The company employs over 6,000 people across its operations in Saudi Arabia and Qatar.

www.aytb.com

Portfolio Company Name	Leejam
Acquired	July 2013
Industry Sector	Consumer services
Headquarters	Riyadh, Saudi Arabia

Leejam is the leading fitness chain operator in Saudi Arabia, operating under the 'Fitness Time' brand. Established in 2007 and headquartered in Riyadh, Leejam operates over 100 fitness clubs and has over 180,000 active members. Employing over 2,700 personnel, Leejam offers fitness clubs across three main segments targeting affluent (Fitness Time Plus), regular (Fitness Time) and budget (Fitness Time Pro) customers. The company offers a wide range of facilities, including cardiovascular and weight training activities, in addition to swimming pools, and sports facilities catering for football, basketball, volleyball, tennis, squash and billiards, positioning Fitness Time as a 'social club' rather than simply a 'fitness gym'.

www.fitnesstime.com.sa

Portfolio Company Name	Theeb Rent a Car Co.
Acquired	June 2013
Industry Sector	Consumer services
Headquarters	Riyadh, Saudi Arabia

Theeb Rent a Car Co. ('Theeb') is the leading car rental company in Saudi Arabia primarily serving the 'individual' customer segment with short-term rental services and also recently started offering long-term leasing to the 'corporate' customer segment. Established in 1991 and headquartered in Riyadh, Theeb operates a fleet size of over 14,000 vehicles with a wide network of 45 branches, including 14 at international and regional airports across Saudi Arabia. Over the years Theeb has built a strong local brand and membership program with over 140,000 members.

www.theeb.com.sa

Portfolio Company Name	**Hydrasun**
Acquired	**March 2013**
Industry Sector	**Industrial services**
Headquarters	**Aberdeen, Scotland**

Founded in 1976 in Aberdeen, Scotland, Hydrasun Group Holdings Ltd. ('Hydrasun') has international operational bases in the UK, the Netherlands, the Caspian Sea, West Africa and the Gulf Coast of the US. Hydrasun is engaged in the integration, manufacture and testing of hydraulic equipment and fluid connectors for the offshore oil and gas sector. Its products and services are mainly used across the offshore oil and gas sector with further application in the petrochemical sector. The company employs around 420 personnel and has state-of-the-art engineering, production, manufacturing, training and warehousing facilities. Clients include British Petroleum, Shell, General Electric and Aggreko.

www.hydrasun.com

Portfolio Company Name	**Automak**
Acquired	**October 2012**
Industry Sector	**Industrial services**
Headquarters	**Kuwait**

Founded in 2002 by Al Kharafi Projects Co. W.L.L. and Mr. Ghazi Omar, Automak Automotive Company ('Automak') is one of the few major players in the vehicles rental and fleet leasing business in Kuwait. Automak operates a fleet of in excess of 7,500 vehicles leased on a long-term basis (24-36 months) primarily to key companies in the oil, public and corporate sectors in Kuwait and on a short-term basis in the spot rental market. Automak also provides a wide spectrum of services and products including quick service and distribution of spare parts, tires and lube oil.

www.automak.com

Portfolio Company Name	**Orka**
Acquired	**September 2012**
Industry Sector	**Consumer products – specialty retail**
Headquarters	**Istanbul, Turkey**

ORKA Holding ('Orka') is one of the largest menswear retailers in Turkey with 181 directly operated stores (162 in Turkey and 19 around the world). Founded in 1986 by Süleyman Orakçıoglu, Orka has become a respected provider of menswear in Turkey and in the region through its brands Damat, Tween and D'S Damat. All three of the Orka brands operate in menswear, presenting a sophisticated fit range – suited to a broad customer base. The strength of each brand lies in its ability to meet the needs of its particular market, with differences in their offerings. Orka targets the classic/high-end segment with the Damat brand as well as the contemporary/mid to high-end segment with the Tween brand. Orka also has a more affordable brand (D'S Damat) targeting the classic and contemporary mid segment. Damat is the #1 apparel brand in Turkey with an estimated 97% brand awareness.

www.orkagroup.com

Portfolio Company Name	Tiryaki
Acquired	September 2010
Industry Sector	Consumer products – trading and logistics
Headquarters	Istanbul, Turkey

Tiryaki Agro ('Tiryaki') is the leading trader and supply chain manager of agro commodities in Turkey. Founded in Gaziantep, Turkey, in 1965 by the Tiryakioglu family, the company has expanded over two generations to become one of the most successful family businesses in Turkey with sales operations across the globe. Tiryaki's business is in the sourcing, processing, storage and trading of conventional and organic grains (wheat, corn and barley), pulses (lentils, chickpeas, peas, beans, rice and bulgur), oil seeds (sunflower, sesame, canola and soybean), feed stuff and nuts (pistachios, almonds, walnuts and peanuts) across Europe, Africa, the Middle East, the CIS, America and Asia. The company has a team of approximately 632 professionals, has processing and storage facilities in Turkey and serves a broad customer base including food processors, retailers, governmental agencies and other agro wholesalers.

www.tiryaki.com.tr

Portfolio Company Name	Gulf Cryo
Acquired	November 2009
Industry Sector	Industrial products
Headquarters	Kuwait and UAE

Established in 1953, Gulf Cryo is a leading manufacturer, distributor and service provider of industrial gases in the Middle East. Gulf Cryo manufactures industrial, medical and specialty gases for a wide range of industries and applications such as metal fabrication, welding, cutting, oil and gas, healthcare, and food and beverage. Gases include oxygen, nitrogen, argon, and CO_2, and are delivered by pipeline, in bulk or in cylinders. Gulf Cryo is dual-headquartered in the UAE and Kuwait with operations in Kuwait, the UAE, Saudi Arabia, Qatar, Oman, Jordan, Egypt, Turkey and Iraq.

www.gulfcryo.com

Portfolio Company Name	**L’azurde**
Acquired	**March 2009**
Industry Sector	**Consumer products**
Headquarters	**Riyadh, Saudi Arabia**

L’azurde is a family owned business established in 1980 in Saudi Arabia and currently has two large state-of-the-art industrial plants in Riyadh and Cairo. L'azurde is the Arab world's leading designer, manufacturer and distributor of gold jewelry for the premium mass market, and one of the largest gold jewelry manufacturers globally. The company has high quality products and designs, a diversified regional distribution network, strong manufacturing capabilities, and significant economies of scale advantages with approximately 1,000 wholesale relationships that span the MENA region. The MENA region is one of the largest jewelry markets in the world, in part due to a strong cultural attraction to gold jewelry.

In June 2016, L’azurde successfully priced its IPO on the Saudi Stock Exchange (Tawadul) at SR37 per share. Investcorp, through its Gulf Opportunity Fund I, will continue to retain a 38.85% stake in the company and representatives of the Investcorp Gulf Opportunity Fund I will remain on the Board.

www.lazurde.com

Real Estate Portfolio Listing

Investcorp co-investment by year ($m)	Properties # vs. current *	Sector	Geographic location	Carrying value end of Dec-16	Carrying value end of Jun-16
Diversified VI	3 / 1	Retail	SE		
Diversified VII	4 / 1	Industrial	E		
Hotel	9 / 4	Hotel	SE / SW / MW		
Vintage FY07				**10.5**	**10.9**
Gallivant - Times Square **	1 / 1	Hotel	E		
Diversified VIII	5 / 1	Hotel	MW		
Weststate	1 / 1	Opportunistic	W		
Vintage FY08				**6.2**	**21.2**
Commercial VI	3 / 1	Office	E		
Vintage FY11				**4.5**	**4.9**
Diversified X	3 / 0				
Southland & Arundel Mill Mezz	n.a. ***	Retail	SE		
Vintage FY12				**0.2**	**0.5**
2012 Office	4 / 3	Office	E		
2013 Office	16 / 16	Office	SW / MW		
2013 Office II	5 / 5	Office	SE / W / SW		
Vintage FY13				**3.6**	**4.1**
2013 US Residential	6 / 0				
2013 US Commercial / 2014 Office	9 / 9	Office / Retail / Medical	W / MW / E		
Southeast Multifamily	4 / 0				
2014 Diversified	4 / 4	Office / Retail / Residential	SW / SE		
Houston Multifamily	3 / 3	Residential	SW		
Vintage FY14				**13.0**	**17.3**
Canal Center	4 / 4	Office	E		
2014 Office and Industrial	24 / 21	Office / Industrial	E / SE / W		
2015 Residential Portfolio	4 / 4	Residential	SE / W / E		
Atlanta Multifamily Portfolio	2 / 2	Residential	SE		
Vintage FY15				**7.9**	**8.0**
2015 Residential II Portfolio	8 / 8	Residential	W / MW / SW / SE		
2015 Office & Industrial Portfolio	79 / 79	Office / Industrial	SE / W / E		
Boca Raton & Minneapolis Residential	5 / 5	Residential	SE / MW		
733 Tenth Street	1 / 1	Office	E		
Vintage FY16				**10.0**	**9.7**
2016 Residential Portfolio	10 / 10	Residential	SW / MW / SE / E		
Boston & Denver Commercial Portfolio	20 / 20	Office	E / W		
901 Fifth Street	1 / 1	Office	W		
Vintage FY17				**12.4**	**8.8**
Others				**16.9**	**19.0**
Sub-total	**238 / 205**			**85.0**	**104.4**
New portfolio under construction	2 / 2			**1.1**	**N.A.**
Total including new portfolio under construction	240 / 207			**86.1**	**104.4**

* Portfolios which have been realized in this current reporting period, reflecting a current property count of 0 (zero), are retained in this chart as they contribute to the carrying value of the previous period.

** Previously known as Tryp by Wyndham. Includes support funding made after the initial acquisition date.

*** Mezzanine investments.

W=West, E=East, SW =Southwest, SE=Southeast, MW=Midwest