

# ICM rounds up \$100m to aid takeovers

**By Christopher Parkes in Los Angeles**

Financial Times Updated: 6:40 p.m. ET Nov. 1, 2005 International Creative Management, a leading talent and literary agency, has rounded up more than \$100m in fresh capital that it plans to use in part to expand by acquisition, Jeffrey Berg, chairman, said on Tuesday.

Mr. Berg, who is also chief executive, said he was especially interested in expanding in France, Germany and Spain as well as the US.

Sanctuary Group, a troubled London-based business prominent in popular music, had been brought to his attention, and ICM would "probably take a look at it", he said.

"Dislocations" in the entertainment industry, such as this year's cinema box office slump, had persuaded him it was time to become "more proactive in the market".

Although the business is strongly represented in London, overseas operations account for less than 10 per cent of revenues.

The closely-held company will be backed by Rizvi Traverse Management of Connecticut and Merrill Lynch's Asset Based Finance Group. The current management will retain full operational control. The deal represents Rizvi's first investment in Hollywood.

Mr. Berg, 58, has increased his personal investment in the company - "I'm doubling down, in Las Vegas parlance", he said - and remains its largest individual shareholder.

"The money wanted to know I was staying," he said, noting that he had signed a long-term extension to his contract. His aim was to expand all four main divisions - film, television, publishing and music - and expand in non-traditional areas such as film financing and marketing.

He said the main businesses were now large enough to accommodate significant acquisitions without excessive disruption. Although film accounted for most of ICM's gross revenues, television provided the largest net profits, and publishing offered the highest margins, Mr. Berg said.

ICM employs about 500 people, including 150 agents, and ranks third in the agency industry behind Creative Artists Agency and William Morris.

Sanctuary Group, which represents the likes of Sir Elton John and Axl Rose recently cut 25 per cent of its workforce after a series of profit warnings and the collapse this summer of talks with potential buy-out partners.