

Corporate governance and responsibility



14 June 2006

- Board evaluation/succession
- Key performance indicators
- Audit committee and risk management
- Portfolio
- Corporate responsibility
- Remuneration
- Proposed return of capital
- Discussion

- Annual review (as a whole and individual)
- External consultant
- Feedback loops
- Process for chairman's review
- Outputs
 - strategy
 - human resources
 - succession

Financial including

- Group measures
 - Total return
 - Gross portfolio return
 - Gearing
 - Asset value growth
- Business line measures
 - Gross portfolio return
 - Portfolio health
 - Long term IRRs by vintage

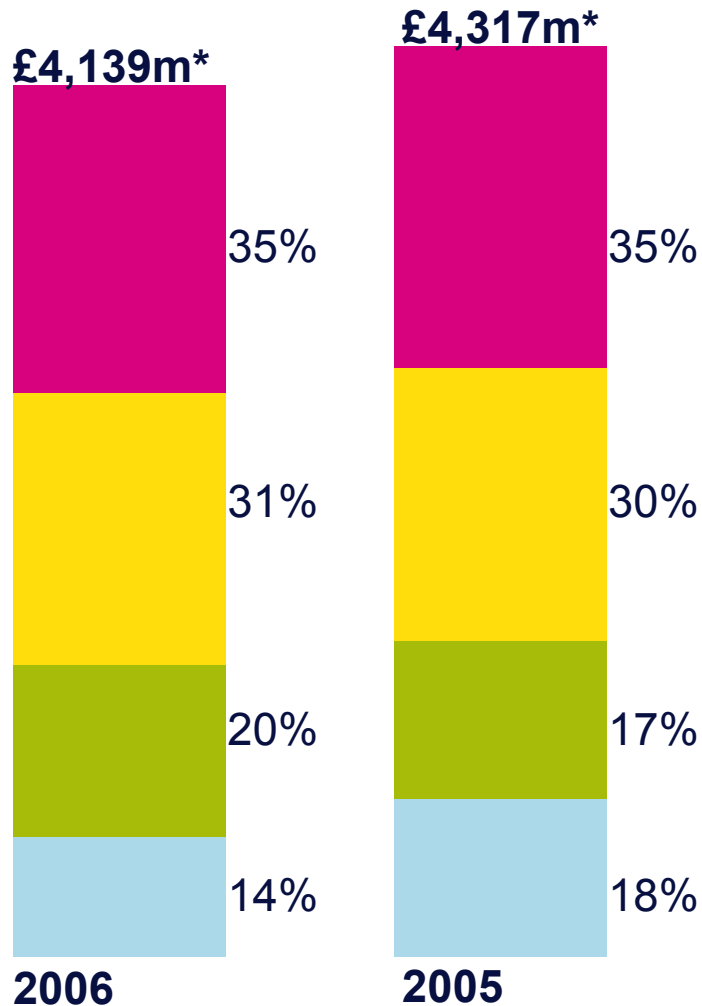
Non-financial including

- Employee engagement
- Environmental performance

Portfolio value and gross returns by business line



Portfolio by value



2006 **2005**
 ■ SMI ■ Venture Capital ■ Growth Capital ■ Buyouts

*Excludes co-investment funds

	2006	2005 (as restated)
Gross portfolio return	24.4%	16.7%
Buyouts	29.4%	20.2%
Growth Capital	26.4%	23.2%
Venture Capital	17.1%	11.1%
SMI	18.2%	6.8%

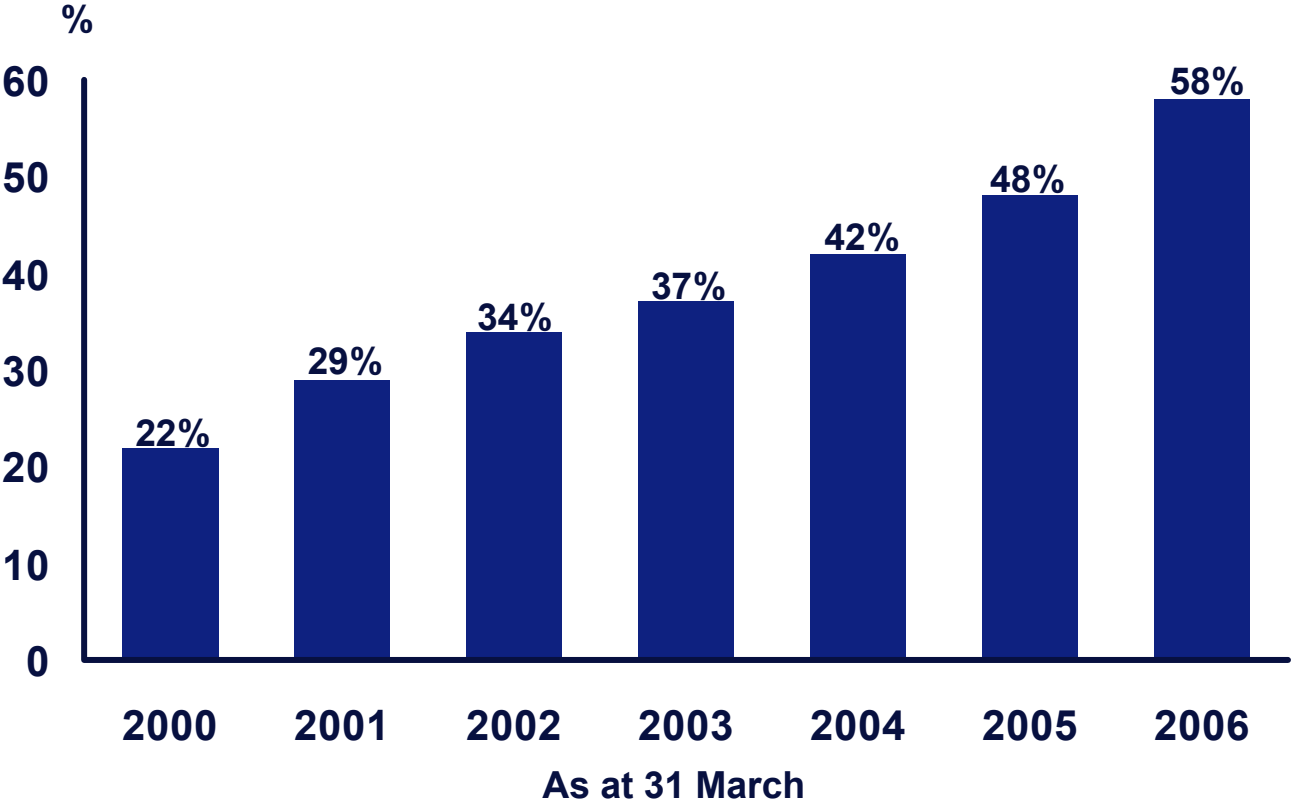


Risk categories

- External
- Strategic
- Investment
- Treasury and funding
- Operational



International portfolio value as percentage of total

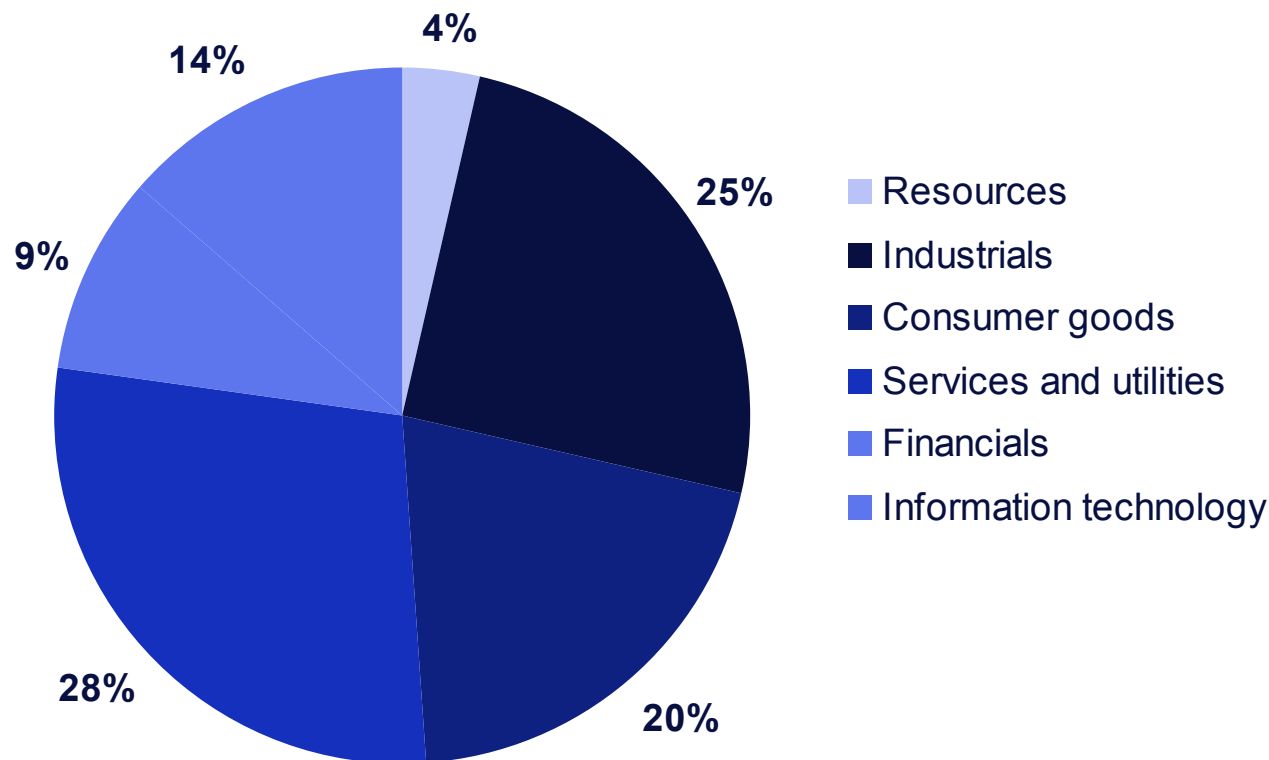


Portfolio at 31 March 2006



Analysis by FTSE classification

3i portfolio value £4,139m

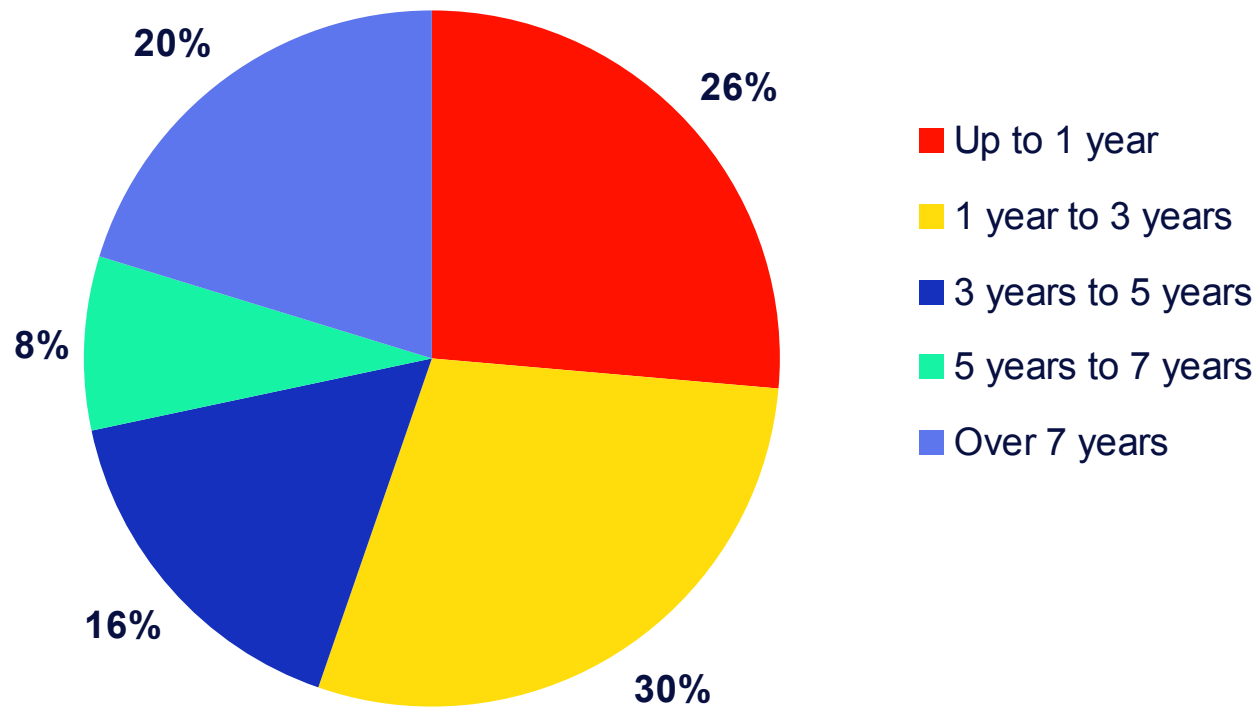


Investment £m	3i value £m
17	145
208	1,040
235	841
481	1,173
84	379
85	561

Note: In January 2006 there was a reclassification of industry sectors by the FTSE

Analysis by age of investment

3i portfolio value £4,139m



As a corporate

- Core values
- Group Standards and Controls
- Responsible employer
- Behaviour
- Whistle blowing
- Training and awareness

As an investor

- Investment policies and procedures
 - Environmental
 - Ethical
 - Social
- Two key phases
 - Pre-investment
 - Portfolio management



“3i’s sustainability performance is clearly positioned among the best in the industry”

- Introduction of co-investment
 - requirement for access to carried interest
 - all senior investment executives
- Pensions – scheme closed to new entrants
- More information on remuneration in annual report

- Quantum – £700m
- Method – bonus issue of listed B shares
- Share consolidation
- Balancing current gearing and future cashflow expectations
- Timing – subject to shareholder approval, shares expected to be listed in July