



Annual General Meeting

28 June 2018



Simon Thompson
Chairman



Today's agenda



- Introductory remarks – Simon Thompson
- Review of the year – Simon Borrows
- Q&A – Simon Thompson
- Formal business including Resolutions – Simon Thompson

The Board of Directors and General Counsel





FY2018 was another successful year for 3i, with strong performance across both divisions.

A strong result for the year

Year to 31 March 2018



Group

Total return
on equity

24%

Total dividend
per share

30p

NAV per share

724p

Net cash

£479m

Private Equity

Proprietary capital
invested

£587m

Realisation
proceeds

£1,002m

Infrastructure

Fee and portfolio
income

£81m

3iN special dividend

£143m

Strong returns across the business and good progress on all our strategic objectives

A further improvement in dividends to shareholders



	2015	2016	2017	2018
Base	8.1p	8.1p	16.0p	16.0p
Additional	11.9p	13.9p	10.5p	14.0p
	20.0p	22.0p	26.5p	30.0p

- Base dividend of 16.0 pence (8.0 pence interim and 8.0 pence final)
- Additional dividend of 14.0 pence

Dividend of 22.0 pence to be paid in July 2018, subject to shareholder approval

We are updating our dividend policy from FY2019



- Propose to replace the current base plus additional dividend policy with a simpler policy
- New proposal aims to maintain or grow the dividend year-on-year subject to:
 - maintaining our conservative balance sheet strategy, which excludes structural gearing at the Group level
 - careful consideration of the outlook for investments and realisations and market conditions
- Expect the interim dividend to be 50% of the prior year's total dividend, subject to the same considerations



Simon Borrows



Our post-restructuring track record



	Year to 31 Mar 2018	Year to 31 Mar 2017 ¹	Year to 31 Mar 2016 ¹	Year to 31 Mar 2015 ¹	Year to 31 Mar 2014 ¹	Year to 31 Mar 2013 ¹	Year to 31 Mar 2012 ¹
Total return	£1,425m	£1,592m	£824m	£659m	£478m	£373m	£(656)m
% over opening net asset value	24%	36%	22%	20%	16%	14%	(20)%
Diluted NAV per share	724p	604p	463p	396p	348p	311p	279p
Cash realisations	£1,277m	£1,308m	£718m	£841m	£671m	£606m	£771m
Cash investment	£827m	£638m	£433m	£369m	£276m	£126m	£646m
3i portfolio value	£6,657m	£5,675m	£4,497m	£3,877m	£3,565m	£3,295m	£3,204m
Net cash/(debt)	£479m	£419m	£165m	£49m	£(160)m	£(335)m	£(464)m

**Careful investment and active asset management combined with a lean platform
are generating strong returns**

¹ As reported. Prior year figures not restated to reflect the sale of Debt Management.

Our business model – delivering sustainable returns



1. Invest our proprietary capital in Private Equity

2. Grow portfolio earnings and cash flow

3. Realise a money multiple of >2x in Private Equity

4. Cover costs with fee and portfolio income



Mid to high-teens IRR net of carry over typical 4-5 year holding period

No cost dilution of returns

Objective: deliver a sustainable mid to high teens return across the cycle with no Group leverage

1. Investment – Private Equity

Flexibility to follow developing themes and megatrends



Compliance/
Testing, inspection
and certification



Polarisation/
Value-for-money



Demographics



Technological disruption



Health & Wellness



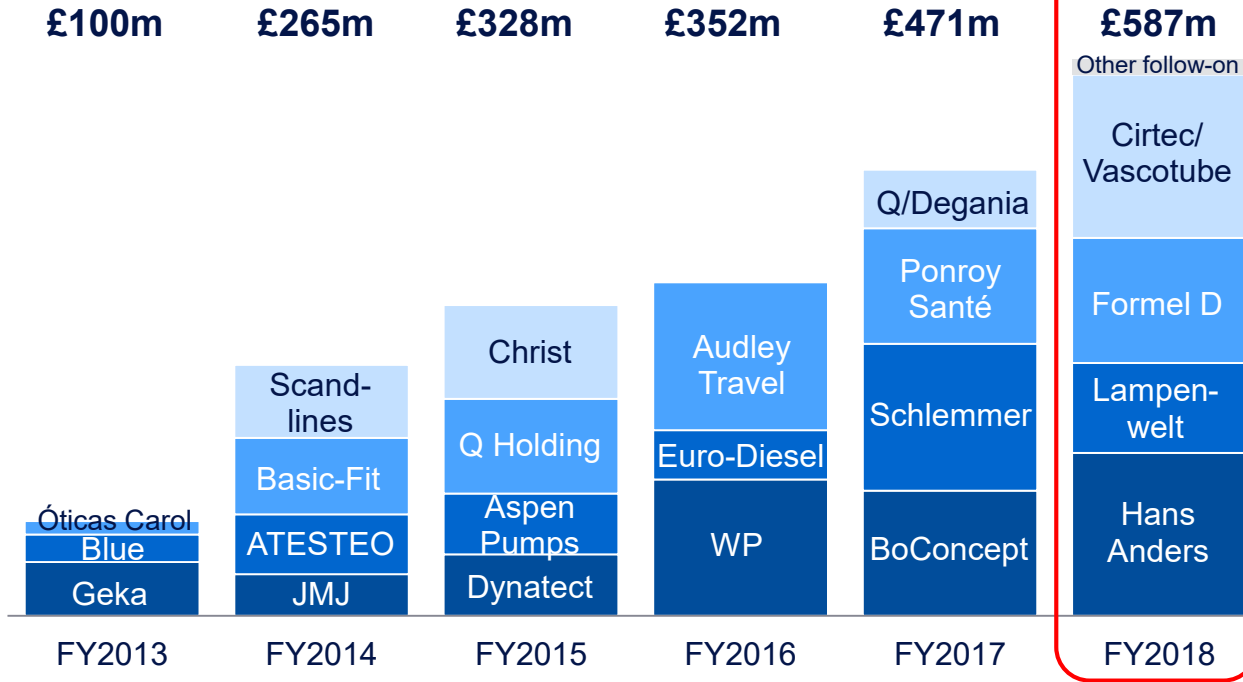
Our investments are supported by developing megatrends

1. Investment – Private Equity

Our approach is producing good results



Proprietary capital invested in each Private Equity vintage



c.£2.1bn invested in FY2013-FY2018

FY2013-FY2016 MM of **2.1x**

Investment of £135m in Royal Sanders completed in April and c.\$150m in ICE announced since year end

FY2013-2016 vintage could deliver money multiples closer to 3x than 2x

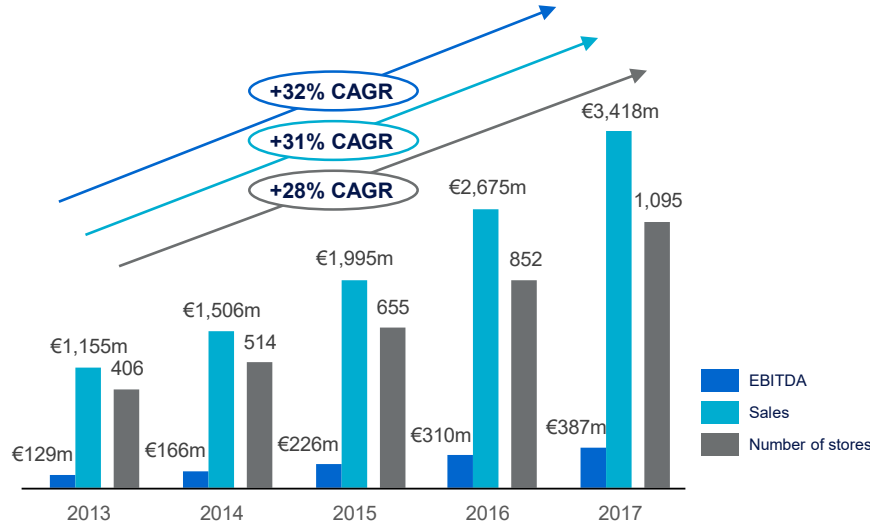
2. Grow portfolio earnings and cash – Private Equity

Implementing organic roll-out strategies: Action continues to grow strongly

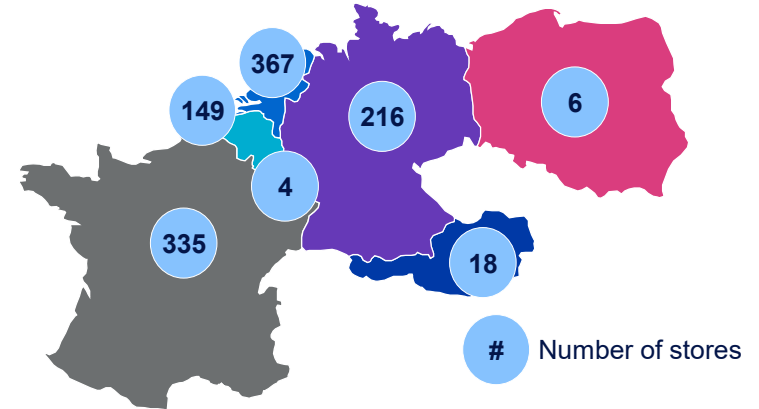


2017 Highlights	+28% revenue growth	+25% EBITDA growth	1,095 stores	243 net new stores added	5 DCs, of which 2 new in 2017	2 DCs under construction

Consistent high growth track record



Rapid expansion in Germany & France; entry into Poland



Investing to become a €10bn turnover business
Targeting more stores in 2018 than in 2017

2. Grow portfolio earnings and cash – Private Equity

Building platform assets: Cirtec's transformational acquisition of Vascotube



Vascotube is a precision nitinol tubing component supplier that serves fast growing medical device end markets



- Transformational acquisition completed four months after investment
 - diversifies product offering and reduces customer concentration
 - provides exposure to high growth minimally invasive procedures, such as TAVR and TMVR
- Target identified before the initial investment in Cirtec
- 3i's German office key to winning the transaction

3. Realise a money multiple of >2x from PE investments

Meeting objective from both recent and legacy investments



Full realisations (proceeds, money multiple)

ATESTEO £278m; 4.8x	Mémora £119m; 1.4x	MKM £70m; 5.9x	Refresco £43m; 2.0x
F+P £33m; 1.8x	Óticas Carol £27m; 1.9x	Dphone £26m; 2.2x	Hobbs £7m; 0.2x

Refinancings (proceeds)

Action £307m	Scandlines £50m	ATESTEO £30m
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FY2018 realisations

£1,002m proceeds from realisations and refinancings

2.4x money multiple on full realisations

Realisation of Scandlines (FY2019) will generate a **total MM of 7.4x** and a MM on the 2013 investment of **5.8x**

Our Private Equity portfolio is now weighted towards our better assets and capable of delivering our overall objectives



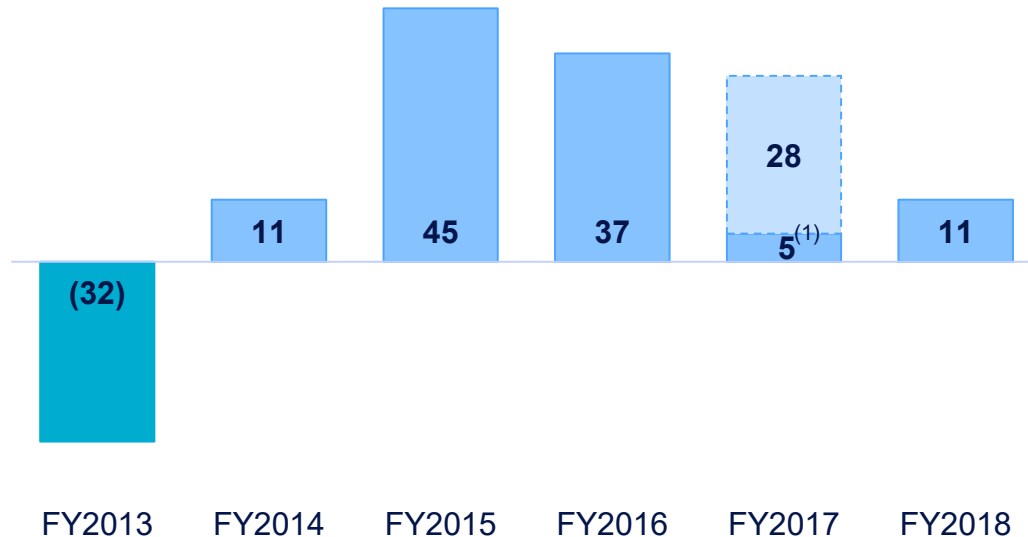
	The buckets	Selected examples	% of value	
			FY2018	FY2017
1	Longer-term hold; value creation	Action, Scandlines, Audley, Q Holding, Ponroy	c.67%	c.64%
2	Strong performers; performing in line with investment case	WP, BoConcept, Cirtec, Lampenwelt	c.21%	c.22%
3	Manage intensively; potential value upside	OneMed, Etanco, Christ, JMJ	c.7%	c.9%
4	Low or nil-valued assets	Indiareit, Navayuga	0.3%	0.4%
5	Quoted assets	Basic-Fit	c.5%	c.5%

35 portfolio companies and one quoted stake at 31 March 2018

4. Cover costs with fee and portfolio income to reduce potential dilution of capital returns



Operating cash profit (£m)



Growing fee and portfolio income

- Managed Infrastructure Acquisitions Fund
- European Operational Projects Fund
- US Infrastructure platform
- Regular cash dividends from Scandlines
- Focus on other portfolio income where appropriate

(1) Operating cash profit from continuing operations (excluding Debt Management) in FY2017 was £5m.

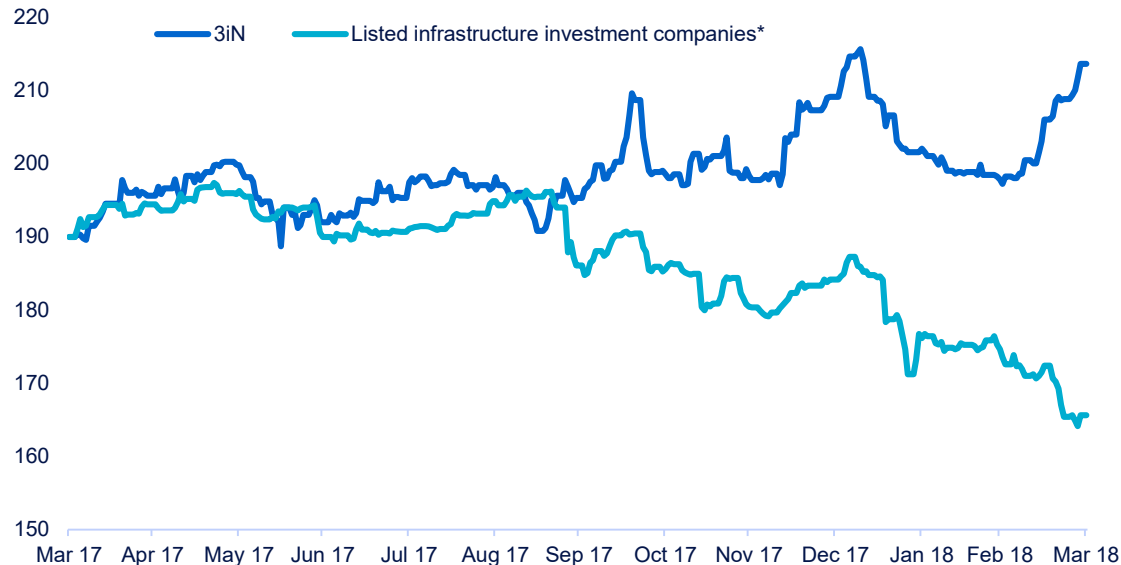
4. Cover costs with fee and portfolio income

3iN continues to develop well and to pay significant dividends to 3i



3iN relative share price performance – FY2018

(rebased to 3iN, pence per share)



Strong performance in FY2018

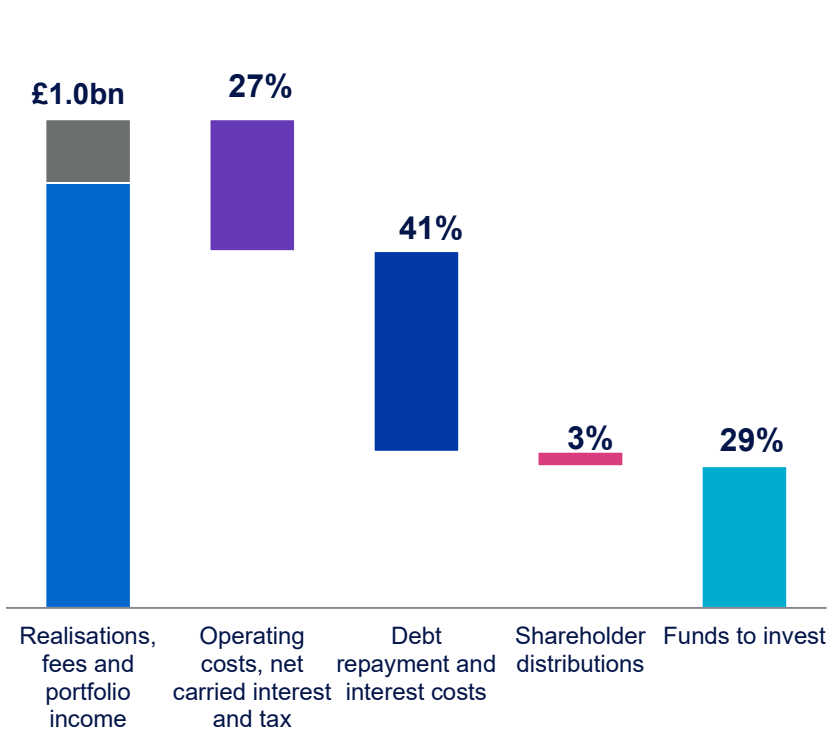
- 3iN total return of 29%
- Ordinary dividend to 3i of £27m
- Elenia and AWG sales generated proceeds of £1.1bn
- Special dividend to 3i of £143m (treated as realisation proceeds)

* Basket includes HICL, INPP, JLIF and BBGI
Source: Bloomberg

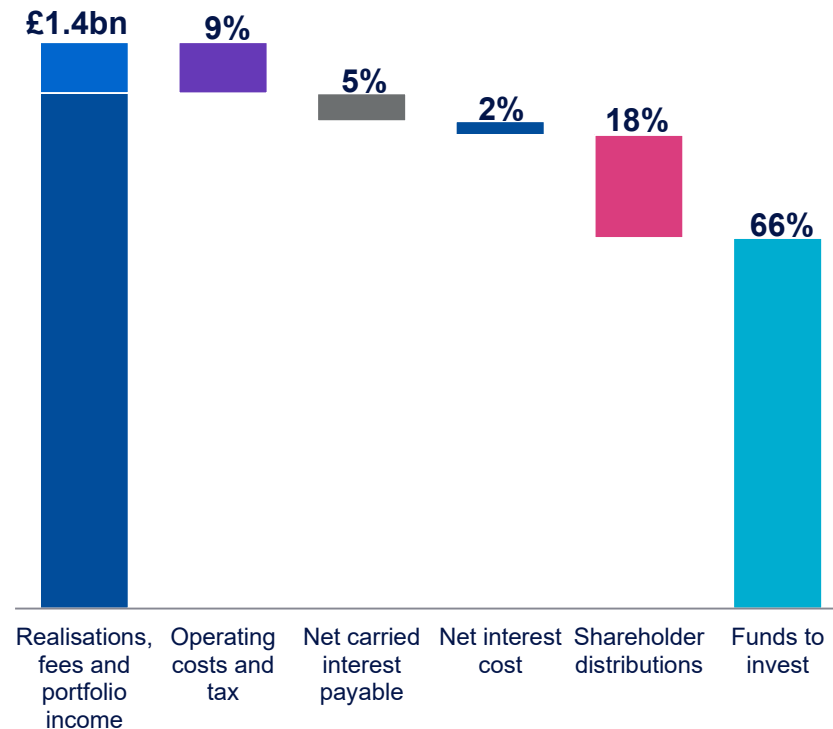
We continue to improve our capital efficiency and allocation



Average over FY2010-FY2012

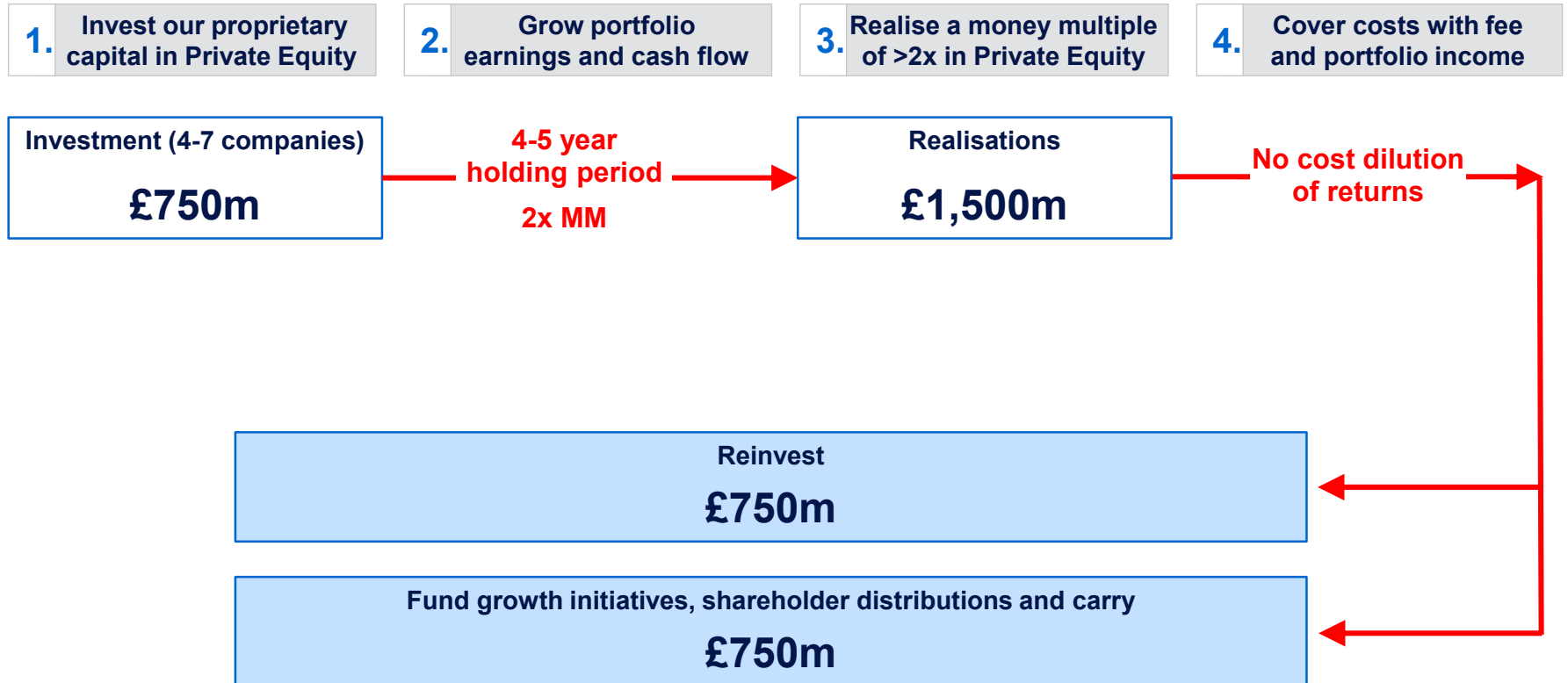


Year to 31 March 2018



Our business model – delivering sustainable returns

Mid to high teens return net of carry through the cycle, higher if we exceed our 2x MM objective



Our proprietary capital strategy

Highly successful investments drive Group outperformance



Net investment return¹ from annual vintages (£m)

Total annual investment (£750m)

Average investment size (£150m)

MM	NIR ² (%)	NIR ² (£m)
2.0x	16%	605
2.5x	22%	935
3.0x	28%	1,265
3.5x	33%	1,595

- (1) Net investment return is gross return net of carry
- (2) Assuming a four year hold period
- (3) Basic-Fit IPO; 3i reduced its stake from 44.4% to 23.7%
- (4) Purchase of Allianz stake
- (5) MM as at Mar-18

Outperformance of FY2014 investments

BASIC-FIT

Cost: £81m
 Entry: Dec-13
 Exit: Jun-16³
 Value remaining: £270m
 MM: 4.4x
 IRR: 48%

ATESTEO

Cost: £74m
 Entry: Oct-13
 Exit: Feb-18
 MM: 4.8x
 IRR: 51%

Scandlines

Cost: £77m
 Entry: Dec-13⁴
 Exit: Q1 FY19
 Value remaining: £803m
 MM: 5.8x
 IRR: 67%

2013-16 MM⁵: 2.1x

Recent investments

HOLDING COMPANY
a wholly owned subsidiary

Cost: £162m
 Entry: Dec-14

AUDLEY

Cost: £156m
 Entry: Dec-15

GRUPE
 PONROY
 SANTÉ

Cost: £131m
 Entry: Jan-17

lampenwelt.de

Cost: £95m
 Entry: May-17

Cirtec
MEDICAL

Cost: £172m
 Entry: Aug-17



The Resolutions





- 15 ordinary resolutions
- 4 special resolutions
- Normal annual business

AGM poll card

The Board recommends you vote FOR resolutions 1 to 19

Resolutions	For	Against	Abstain
1 To receive and consider the Company's Accounts for the year to 31 March 2018 and the Directors' and Auditor's reports.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 To approve the Directors' remuneration report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 To declare a dividend.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 To reappoint Mr J P Asquith as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 To reappoint Mrs C J Banzky as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 To reappoint Mr S A Borrows as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 To reappoint Mr S W Daintith as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 To reappoint Mr P Grosch as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 To reappoint Mr D A M Hutchison as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 To reappoint Mr S R Thompson as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolutions	For	Against	Abstain
11 To reappoint Mrs J S Wilson as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 To reappoint Ernst & Young LLP as Auditor.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 To authorise the Board to fix the Auditor's remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 To renew the authority to incur political expenditure.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 To renew the authority to allot shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 To renew the section 561 authority.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 To give additional authority under section 561.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 To renew the authority to purchase own ordinary shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 To resolve that General Meetings (other than AGMs) may be called on not less than 14 clear days' notice.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolutions 1 - 3



1. That the Company's accounts and the reports of the Directors and the Auditor for the year to 31 March 2018 be and are hereby approved
2. That the Directors' remuneration report for the year to 31 March 2018 be and is hereby approved
3. To declare a dividend of 22p per ordinary share for the year to 31 March 2018, payable to shareholders whose names appear on the Register of Members at close of business on 15 June 2018



4. That Mr J P Asquith be and he is hereby reappointed as a Director of the Company
5. That Mrs C J Banzky be and she is hereby reappointed as a Director of the Company
6. That Mr S A Borrows be and he is hereby reappointed as a Director of the Company
7. That Mr S W Daintith and he is hereby reappointed as a Director of the Company



8. That Mr P Grosch be and he is hereby reappointed as a Director of the Company
9. That Mr D A M Hutchison be and he is hereby reappointed as a Director of the Company
10. That Mr S R Thompson be and he is hereby reappointed as a Director of the Company
11. That Mrs J S Wilson be and she is hereby reappointed as a Director of the Company

Resolutions 12 - 15



12. That Ernst & Young LLP be and they are hereby reappointed as Auditor of the Company to hold office until the conclusion of the next General meeting at which Accounts are laid before the members
13. That the Board be and it is hereby authorised to fix the Auditor's remuneration
14. To renew the authority to incur political expenditure
15. To renew the authority to allot shares



16. To renew the Section 561 authority
17. To give additional authority under Section 561
18. To renew the Company's authority to purchase its own ordinary shares
19. That a General Meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice

