



Presentation to the Morgan Stanley European Banks conference

Philip Yea
24 March 2006

Financial calendar



- Pre dose briefing – 30 March
- Announce full year results – 11 May
- Annual General Meeting – 7 July

Note: All financial data in this presentation is based on the full year results to 31 March 2005 unless otherwise stated



- A world leader in private equity and venture capital
- Assets under management of £5.5bn (as at 30 September 2005)
- Network of teams located in 14 countries in Europe, Asia and the US
- Member of the MSCI Europe, FTSE100, Eurotop 300 and DJ Stoxx indices



“Quoted access to private equity returns”

“A valuation opportunity”

- Focus on RoE – target 20%
- High gross return assets
- Net returns supported by gearing
- Ambition to grow assets geographically

3i's business lines



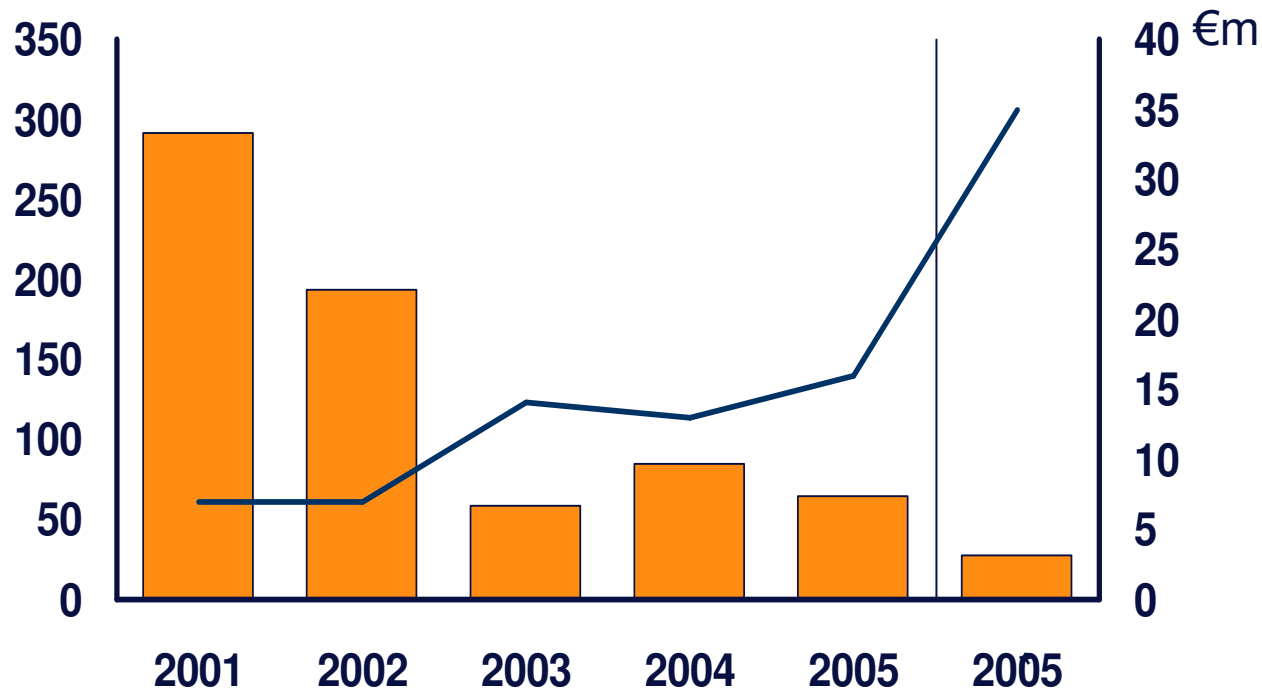
() = % of portfolio at 30.9.05

	UK (50%)	Continental Europe (42%)	USA (6%)	Asia (2%)
Buyouts (38%)	●	●		
Growth Capital (30%)	●	●	●	●
Venture Capital (17%)	●	●	●	○
SMI (15%)	●	●		

Model has changed



Number of new investments & average size of investment

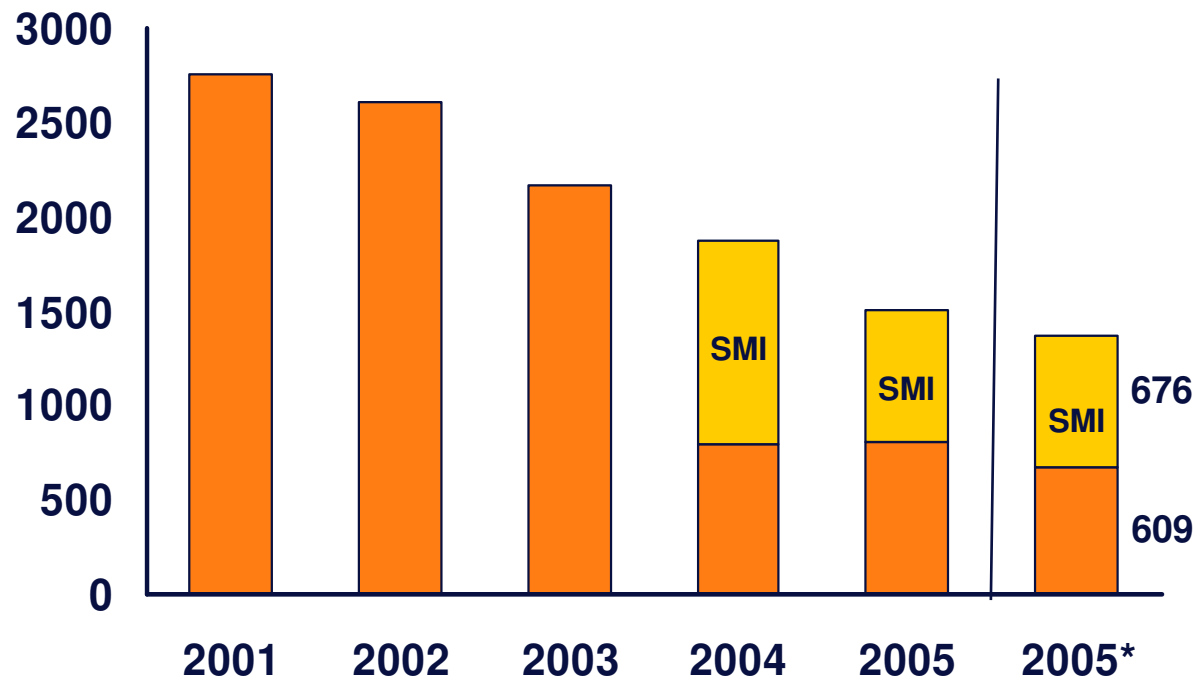


*to 30 September 2005

Model has changed



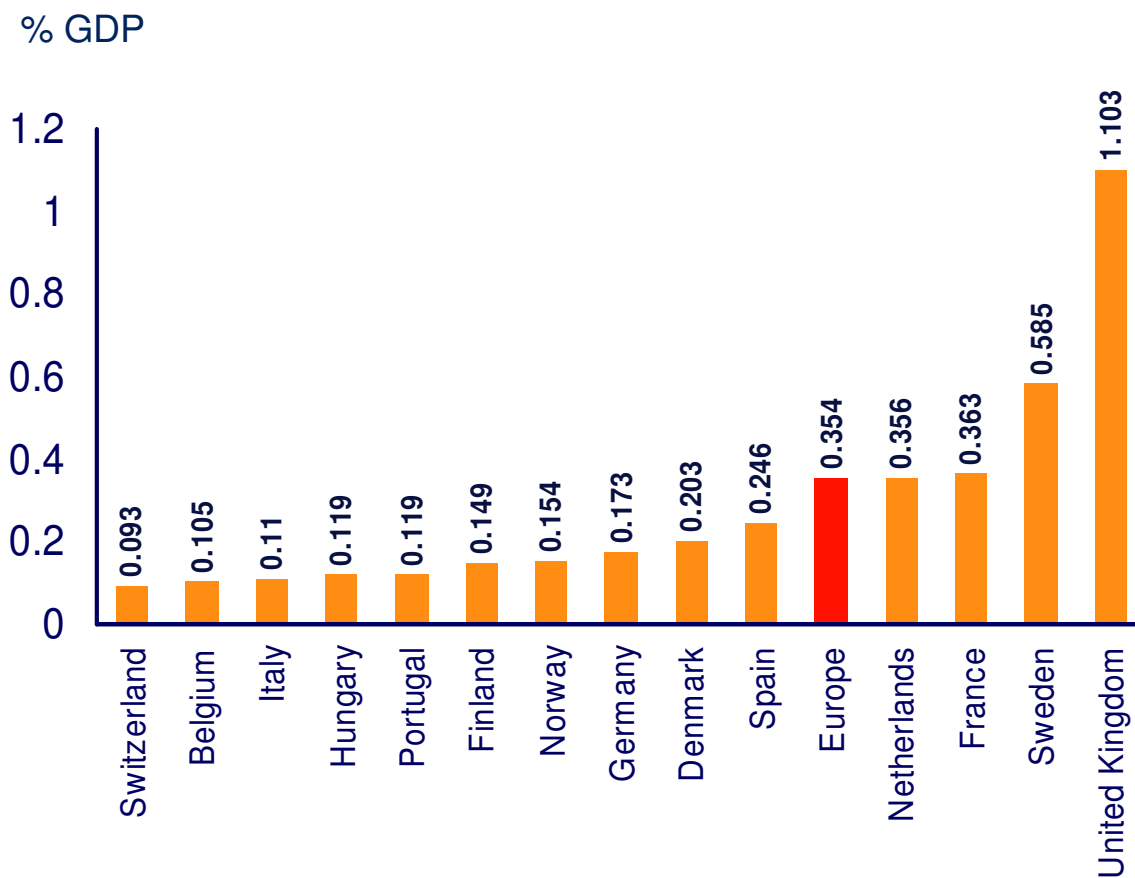
Number of portfolio companies



*to 30 September 2005



The European private equity market



Source: EVCA June 2005

Secular drivers of activity



- Market dynamics (eg single European market)
- Restructuring
- Regulatory factors
- Technological developments and expenditure on IT
- Succession issues (especially in family owned businesses)

Source of returns



- Access to deal flow
- Access to management
- Knowledge and networks



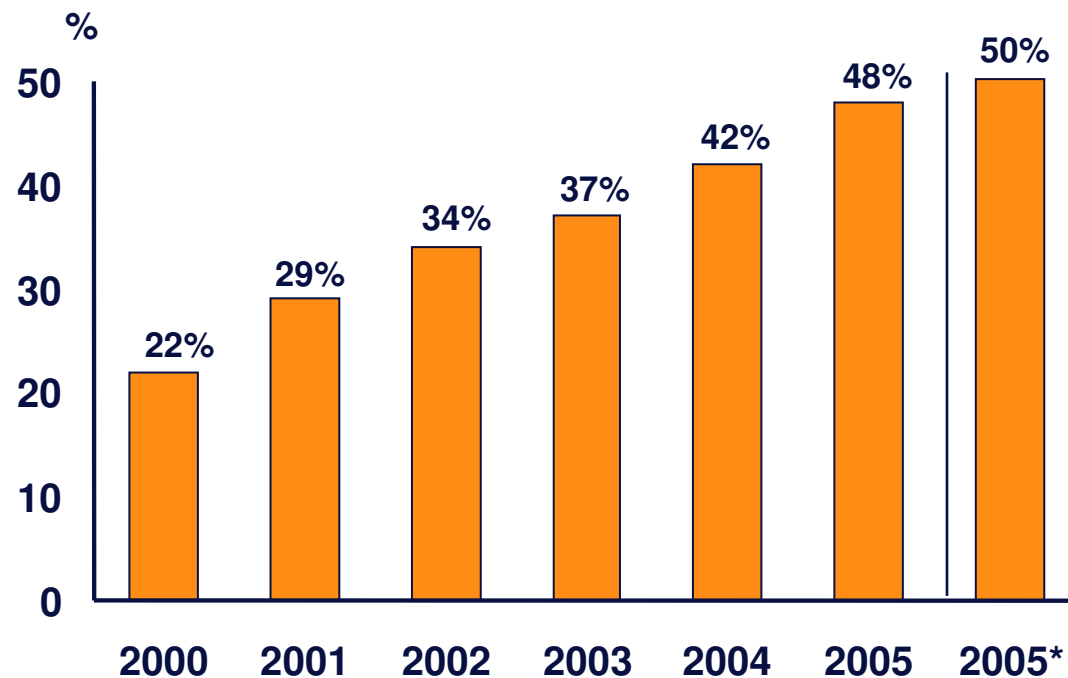
3i shall be the private equity firm of choice

- Operating on a **world-wide scale**
- Producing **consistent market beating returns**
- Acknowledged for our **partnership style**
- **Winning** through our unparalleled **resources**

Operating on a world-wide scale



International portfolio by value



Direct

- India
- China
- US, Growth

Indirect

- Russia
- Israel
- Central Europe
- Japan
- China

*to 30 September 2005

Producing market beating returns



Goals	Cash to cash % returns pa	Cycle volatility	Vintage year volatility
Buyouts	20%	+/- 5	+/- 10
Growth Capital	20%	+/- 3	+/- 7
Venture Capital	35%	+/- 10	+/- 20

Acknowledged for our partnership style



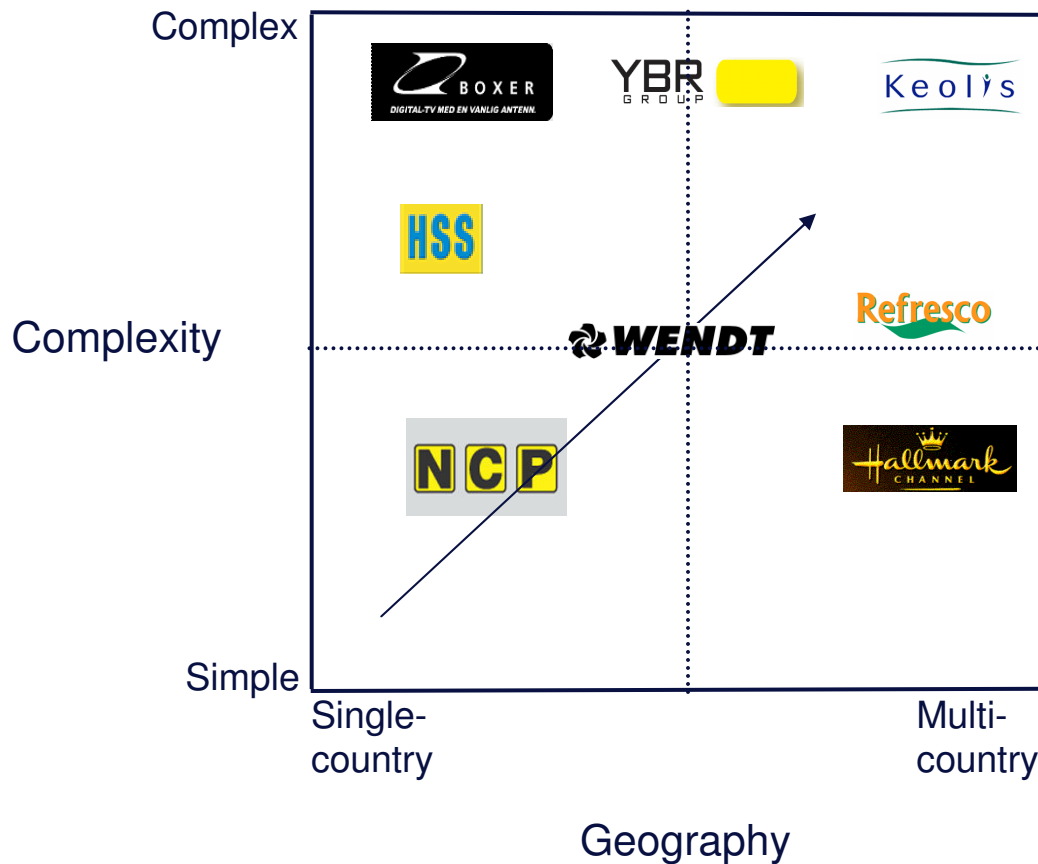
External

- Network of industrialists and advisers = knowledge
- Minority positions = differentiate

Internal

- Knowledge-based company = single culture
- Multi-asset class, multi-geography, multi-sector

Winning through unparalleled resources





- Mid-market dynamics
- Strong liquidity
- Highly competitive
- Over-leveraged
- Secondary buyouts



- International disciplines
- Proprietary angles vital
- Stay out of mainstream auctions
- Cautious buyer, active seller
- Create your own value

And returns...



	03/4 12m	04/5 12m	05/6 6m
Buyouts	25%	22%	13%
Growth Capital	23%	24%	13%
Venture Capital	5%	11%	8%
SMI	17%	7%	12%
Gross portfolio return	19%	18%	12%
Net portfolio return	15%	13%	11%
Total return	18.8%	15.9%	12.1%

Net cash flow



	03/04 12m	04/05 12m	05/06 6m
Cash invested	(756)	(719)	(724)
Net realisation proceeds	913	1,287	1,025
Net investment cash flow	157	562	301
Operating expenses and other	(157)	(228)	(97)
Net cash inflow from operating activities	0	334	204
Special dividend	-	-	(245)
Share buy-back programme	-	-	(151)
Net cash (outflow)/inflow	0	334	(192)

Developments in the past 12 months



- Creating opportunities
 - Geography
 - Asset class
- Attracting talent
- 'Improving' capital efficiency
- Delivering investment focus

Closing remarks



- Market remains favourable
- Business in good shape
- An agenda for geographic/asset growth

“Quoted access to private equity returns”



For further information visit our website www.3igroup.com