

**THIS DOCUMENT IS IMPORTANT and requires your immediate attention. If you are in any doubt about its contents or the action you should take you are recommended to seek your own personal financial advice from your stockbroker or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000.**

**If you have sold or transferred all of your Ordinary Shares in 3i Group plc, please forward this document together with the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.**



## **3i Group plc**

# Notice of Extraordinary General Meeting

Proposed Share Capital Consolidation and Authority for the Company  
to Purchase its Own Shares

**Your attention is drawn to the letter from the Chairman of 3i Group plc which is set out on pages 4 to 6 of this document and which contains a recommendation that you vote in favour of the resolutions to be proposed at the Extraordinary General Meeting referred to below.**

Notice of the Extraordinary General Meeting of 3i Group plc to be held at The Institution of Electrical Engineers, Savoy Place, London WC2R 0BL on Wednesday, 6 July 2005 at 10.45 am (or as soon as possible thereafter upon the conclusion of the Company's Annual General Meeting on that date) is set out on pages 10 and 11 of this document. Shareholders will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. In order to be valid, the Form of Proxy should be returned to the Company's registrars, Lloyds TSB Registrars, FREEPOST SEA 9442, The Causeway, Worthing, West Sussex BN99 6EE as soon as possible but, in any event, so as to arrive no later than 10.45 am on Monday, 4 July 2005. Proxy appointments may also be registered electronically by contacting the [www.sharevote.co.uk](http://www.sharevote.co.uk) website, where full details of the procedure are given. Alternatively, Shareholders holding their Ordinary Shares via CREST may appoint a proxy electronically in accordance with the instructions included as note 2 to the Notice of EGM.

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## Expected Timetable of Principal Events

Ordinary Shares marked ex-entitlement to the Final Dividend	15 June 2005
Record Date for entitlement to the Final Dividend	17 June 2005
Latest time and date for receipt of forms of proxy/making of electronic appointment of proxy for the AGM	10.30 am on 4 July 2005
Latest time and date for receipt of Forms of Proxy/making of electronic appointment of proxy for the EGM	10.45 am on 4 July 2005
Annual General Meeting	10.30 am on 6 July 2005
Extraordinary General Meeting	10.45 am on 6 July 2005 (or as soon as possible thereafter upon the conclusion of the AGM on that date)
Record Date (for entitlement to the Special Dividend and the Share Capital Consolidation)	Close of business on 8 July 2005
Ordinary Shares marked ex-entitlement to the Special Dividend	11 July 2005
Commencement of dealings in New Ordinary Shares	11 July 2005
CREST accounts credited with New Ordinary Shares	11 July 2005
Payment of the Final Dividend	15 July 2005
Despatch of cheques for fractional entitlements and certificates for New Ordinary Shares	By 20 July 2005
Payment of the Special Dividend	22 July 2005

### Notes:

1. References to time in this document are to UK time.
2. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a Regulatory Information Service of the London Stock Exchange.
3. All events in the above timetable following the EGM (other than payment of the Final Dividend) are conditional upon, inter alia, the passing of the Resolutions at the EGM.

# Definitions

The following definitions apply throughout this document, unless the context otherwise requires

“3i” or “Company”	3i Group plc
“Annual General Meeting” or “AGM”	the Annual General Meeting of the Company convened for 6 July 2005 at 10.30 am
“Board” or “Directors”	the Directors of 3i
“CREST”	the electronic share system operated by CRESTCo Limited
“Existing Ordinary Shares”	the existing ordinary shares of 50 pence each in the Company
“Extraordinary General Meeting” or “EGM”	the Extraordinary General Meeting of the Company convened for 6 July 2005, notice of which is set out on pages 10 and 11 of this document
“Final Dividend”	the final dividend of 9.3 pence per Existing Ordinary Share, proposed to be approved by Shareholders at the Annual General Meeting
“Form of Proxy”	the proxy form enclosed with this document for use at the EGM
“Gearing Ratio”	the proportion of consolidated net borrowings of the Group relative to consolidated equity shareholders’ funds
“Group”	3i and its consolidated subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the ordinary shares of 53 $\frac{1}{8}$ pence each in the capital of the Company resulting from the Share Capital Consolidation
“Ordinary Shares”	before the Share Capital Consolidation, Existing Ordinary Shares and after the Share Capital Consolidation, New Ordinary Shares
“Record Date”	the close of business on 8 July 2005 (or such other time and date as the Directors may determine), being the record date for the Special Dividend and the Share Capital Consolidation
“Resolutions”	the resolutions set out in the Notice of Extraordinary General Meeting set out on pages 10 and 11 of this document (and “Resolution” shall be construed accordingly)
“Return of Value”	the Special Dividend and the proposed programme of market purchases of Ordinary Shares, details of which are set out in Part I of this document
“Share Capital Consolidation”	the proposed consolidation and sub-division of share capital resulting in every 17 Existing Ordinary Shares being consolidated into 16 New Ordinary Shares
“Shareholders”	the holders of Ordinary Shares
“Share Schemes”	The 3i Group 1994 Executive Share Option Plan, The 3i Group Discretionary Share Plan, The 3i Group Management Equity Investment Plan, The 3i Group Sharesave Scheme, The 3i Group Share Incentive Plan and The 3i Deferred Share Bonus Plan
“Special Dividend”	the proposed special dividend of 40.7 pence per Existing Ordinary Share which the Directors have resolved to pay as an interim dividend if Resolution 1 is passed and becomes unconditional
“UKLA”	the Financial Services Authority acting in its capacity as the United Kingdom Listing Authority in relation to the Official List for the purposes of the Financial Services and Markets Act 2000

# Part I – Letter from the Chairman



## 3i Group plc

*(an investment company (as defined in section 266 of the Companies Act 1985 (as amended))  
registered in England and Wales under No. 1142830)*

### Directors:

Baroness Hogg *Chairman*  
Mr O H J Stocken *Deputy Chairman and Senior Independent Director*  
Mr P E Yea *Chief Executive*  
Mr S P Ball *Finance Director*  
Dr P Mihatsch *Non-executive Director*  
Mme C J M Morin-Postel *Non-executive Director*  
Mr R W Perry *Executive Director*  
Mr M J Queen *Executive Director*  
Mr F D Rosenkranz *Non-executive Director*  
Sir Robert Smith *Non-executive Director*  
Mr F G Steingraber *Non-executive Director*

### Registered Office:

91 Waterloo Road  
London SE1 8XP

7 June 2005

*To Shareholders and, for information only, to participants in the Share Schemes.*

Dear Shareholder,

In the preliminary announcement of the results for the year ended 31 March 2005, your Board reported that a good financial performance, a high level of realisations and a strong cash flow had afforded the opportunity to return £500 million of value to Shareholders, comprising a special dividend of 40.7 pence per share amounting to approximately £250 million and a programme of market purchases of Ordinary Shares aggregating to approximately £250 million. This document gives details of these proposals and the business to be transacted at the forthcoming Extraordinary General Meeting of the Company, which has been convened in connection with the proposals.

Your Board is committed to creating further value for Shareholders by generating good returns on investments, maintaining an effective organisation and cost structure and managing capital efficiently so as to optimise your return whilst maintaining prudent financial ratios.

3i intends to increase the amounts it invests, particularly through accelerating investment in growth capital opportunities and expanding its business lines and geographic footprint. At the same time, the Board is committed to improving capital efficiency by returning cash when it is surplus to investment needs.

The strength of the Group's performance over the past two years and, more particularly, the significant positive cash flows generated by realisations effected during the year ended 31 March 2005 have enabled the Group to reduce its level of debt funding. As a result, the Group's Gearing Ratio at 31 March 2005 was 14 per cent, down from 29 per cent (as restated) a year earlier.

The Board believes that maintaining this low level of gearing does not represent the most efficient use of Shareholders' capital at this time and, having taken into account projected future realisation levels together with its firm commitment to continuing investment discipline, has concluded that it is in Shareholders' best interests to make a return of value of £500 million.

The pro forma Gearing Ratio as at 31 March 2005, calculated on the assumptions that on that date the Return of Value had been effected and the Final Dividend had been paid, is 34 per cent. This level of gearing is more consistent with the Board's aim of optimising your return whilst maintaining prudent financial ratios.

The Directors believe that the Group is well positioned to deliver further growth following the Return of Value. The Board's policy is to manage 3i's capital structure actively so as to keep the Gearing Ratio, in normal circumstances and based on currently anticipated costs of borrowing, within a range of 30 per cent to 40 per cent. This range reflects the Board's view of the level of risk in the Group's current investment portfolio.

The Directors further believe that the combination of the Special Dividend and a programme of market purchases of shares is the most efficient and effective way to return value to Shareholders. This combination enables 3i to utilise both its revenue and capital reserves whilst at the same time retaining sufficient revenue reserves to provide flexibility in the payment of future dividends.

The Directors are of the opinion that increasing the Group's gearing will result in an increase in total return per share (or return on equity) across the economic cycle and would be in the best interests of Shareholders generally. They believe that this enhancement in returns will be more significant than any net asset value dilution arising from the purchase of shares at prices in excess of the last published net asset value per share.

The Group will source the funds required to effect the Return of Value from its reserves of cash and other liquid resources and borrowings under existing committed and uncommitted facilities.

**Extraordinary General Meeting** Set out on pages 10 and 11 of this document is the Notice convening the Extraordinary General Meeting of the Company to be held at The Institution of Electrical Engineers, Savoy Place, London WC2R 0BL on Wednesday, 6 July 2005 at 10.45 am (or as soon as possible thereafter upon conclusion of the Annual General Meeting).

Shareholders will be entitled to vote at the Extraordinary General Meeting and will find enclosed a Form of Proxy for use in relation to the Extraordinary General Meeting. To be valid, the Form of Proxy should be completed and returned to Lloyds TSB Registrars, FREEPOST SEA 9442, The Causeway, Worthing, West Sussex BN99 6EE as soon as possible and, in any event, so as to arrive no later than 10.45 am on 4 July 2005. Proxy appointments may also be registered electronically by contacting the [www.sharevote.co.uk](http://www.sharevote.co.uk) website, where full details of the procedure are given. Alternatively, Shareholders holding their Ordinary Shares via CREST may appoint a proxy electronically in accordance with the instructions included as note 2 to the Notice of EGM.

The appointment of a proxy will not preclude you from attending the Extraordinary General Meeting and voting in person should you wish to do so.

## Resolutions

**Resolution 1** The purpose of Resolution 1 in the attached Notice of EGM is to effect a consolidation of the Company's share capital. As all shareholdings in the Company will be consolidated, your percentage holding in the Company will (save for fractional entitlements) be unchanged immediately following the Share Capital Consolidation.

Payment of the Special Dividend of 40.7 pence per Existing Ordinary Share is conditional upon approval by Shareholders of this Resolution and such Resolution becoming unconditional. However, the consolidation will not affect your entitlement to the Special Dividend, since it will take place after the Record Date (expected to be 8 July 2005), which determines this entitlement.

The Special Dividend payment is equivalent to approximately 6 per cent of the market value of each Existing Ordinary Share of the Company at close of business on 6 June 2005 (the latest practicable date before the posting of this document) after having accounted for the payment of the Final Dividend. The Share Capital Consolidation proposed to be effected by Resolution 1 would reduce the number of Ordinary Shares in issue by approximately 6 per cent and therefore would allow, so far as practicable, comparability of the Company's share price before and after payment of the Special Dividend. The Share Capital Consolidation is also intended to maintain a neutral position for holders of options and awards under the Share Schemes, who will not receive the Special Dividend in respect of any options under the Share Schemes.

The Share Capital Consolidation will replace every 17 Existing Ordinary Shares with 16 New Ordinary Shares. If a shareholding is not exactly divisible by 17, the consolidation will generate an entitlement to a fraction of a New Ordinary Share. These entitlements will be aggregated and sold in the market on behalf of Shareholders entitled thereto. It is expected that the net proceeds of any such entitlement will be paid to Shareholders either by cheques (in respect of holdings of certificated Ordinary Shares), which are anticipated to be dispatched by 20 July 2005, or by the crediting of CREST accounts by 20 July 2005, in respect of holdings of uncertificated Ordinary Shares. The value of each Shareholder's fractional entitlements will not exceed the value of one New Ordinary Share.

If Resolution 1 is passed by Shareholders and becomes unconditional, the payment date for the Special Dividend is expected to be 22 July 2005.

Further details of the Special Dividend and the Share Capital Consolidation are included in Part II.

## Part I – Letter from the Chairman (continued)

**Resolution 2** The purpose of Resolution 2 is to renew the authority granted previously to the Company to purchase up to 10 per cent of its ordinary share capital. On this occasion the Company's authority will be used only for the purchase of Ordinary Shares aggregating to approximately £250 million (before expenses).

The authority is limited to 57,800,000 New Ordinary Shares, if Resolution 1 is passed and becomes unconditional, or 61,400,000 Existing Ordinary Shares, if Resolution 1 does not become unconditional and effective. Either figure will represent approximately 10 per cent of the Company's issued ordinary share capital.

The Company will purchase Ordinary Shares at prices which may be above the last published net asset value per Ordinary Share. The maximum price (exclusive of expenses) payable per Ordinary Share under this authority is 5 per cent above the average closing middle market price per Ordinary Share for the five business days immediately preceding the date of any purchase. Any purchase of Ordinary Shares made pursuant to this authority will be made on market.

The Company will make such purchases only where the Directors believe that to do so would result in an increase in total return per Ordinary Share and is in the best interests of Shareholders generally.

These purchases will be made during the period commencing at the close of the EGM and ending on the date of the Company's annual general meeting in 2006. Those Ordinary Shares that are purchased will be cancelled and will not be held as treasury shares.

Details of any Ordinary Shares purchased pursuant to this Resolution will be notified to a Regulatory Information Service of the London Stock Exchange no later than one half hour ahead of the start of dealings on the business day following the purchase. Details will also be included in the Company's Annual Report and Accounts in respect of the financial period in which any such purchase takes place.

**Resolution 3** The purpose of Resolution 3 is to change Article 67 of the Company's Articles of Association.

Article 67 currently refers specifically, in respect of voting on a poll, to the 50 pence nominal value of the Existing Ordinary Shares. This will become inappropriate should Shareholders approve the Share Capital Consolidation, after which the Ordinary Shares will have a nominal value of 53 $\frac{1}{8}$  pence each.

If Resolution 3 is approved, Article 67 will refer, following the Share Capital Consolidation, to Shareholders having, on a poll, one vote per New Ordinary Share, rather than referring to an amount. This amendment will not change the equal ranking of the Ordinary Shares when voting upon a poll in any way.

**Recommendation** Your Directors believe that all the proposals to be considered at the Extraordinary General Meeting are in the best interests of the Company and of Shareholders as a whole.

Accordingly, the Directors unanimously recommend you to vote in favour of the proposed resolutions at the Extraordinary General Meeting.

Yours sincerely



**Baroness Hogg**  
Chairman

# Part II – Further Details of the Special Dividend and the Share Capital Consolidation

**Share Capital Consolidation** The effect of the Share Capital Consolidation will be that Shareholders on the register of members at the Record Date, which is expected to be close of business on 8 July 2005, will, on the implementation of the Share Capital Consolidation, exchange:

## **17 Existing Ordinary Shares for 16 New Ordinary Shares**

and so in proportion for any other number of Existing Ordinary Shares then held. The proportion of the issued share capital of the Company held by each Shareholder immediately following the Share Capital Consolidation will, save for fractional entitlements, be unchanged. Apart from having a different nominal value, each New Ordinary Share will carry the same rights as an Existing Ordinary Share. Accordingly, each issued New Ordinary Share will continue to rank equally with other New Ordinary Shares as to dividend and for voting purposes.

**Fractions** Shareholders whose holdings of Existing Ordinary Shares are not exactly divisible by 17 on the Record Date will receive cash in respect of fractional entitlements to New Ordinary Shares following the Share Capital Consolidation. Shareholders who hold one Existing Ordinary Share will only receive cash. All fractional entitlements will be aggregated and are expected to be sold in the market on 11 July 2005. Cheques in respect of the proceeds of sale of fractional entitlements attributable to holdings of certificated Existing Ordinary Shares are expected to be despatched by 20 July 2005 and amounts in respect of the proceeds of sale of fractional entitlements attributable to holdings of uncertificated Existing Ordinary Shares are expected to be credited to CREST accounts by the same date.

**Conditions** The payment of the Special Dividend and the Share Capital Consolidation are conditional upon Resolution 1 set out in the notice of Extraordinary General Meeting being passed and becoming unconditional. This Resolution is itself conditional upon the New Ordinary Shares being admitted to the Official List of the UKLA and being admitted to trading on the London Stock Exchange.

**Suspension of Dividend Re-Investment Plan** The Company hereby gives notice that the Company's Dividend Re-Investment Plan will be suspended in accordance with its provisions such that the Special Dividend will not be eligible for re-investment under that plan.

# Part III – United Kingdom Taxation

The following comments are intended as a general guide only and are based on facts and circumstances current at the date of this document and on current UK legislation and HM Revenue & Customs practice as at the date of this document, both of which are subject to change at any time, possibly with retrospective effect. These comments deal only with the position of holders of Existing Ordinary Shares who are resident or, in the case of individuals, ordinarily resident in the United Kingdom for UK tax purposes, who are the absolute beneficial owners of their Existing Ordinary Shares and who hold their Existing Ordinary Shares as an investment and not in connection with any employment. These comments do not deal with certain types of Shareholder, such as persons who hold or acquire shares in the course of a trade, collective investment schemes and insurance companies. Different considerations may apply where a tax avoidance motive or purpose is involved.

Any person who is in any doubt about his or her tax position, or who is resident or otherwise subject to taxation in a territory outside the United Kingdom, should consult an appropriate independent tax adviser without delay.

**(a) Special Dividend** No tax is required to be withheld at source from the proposed Special Dividend.

The tax treatment of the Special Dividend in Shareholders' hands will be the same as that of any other dividend paid by the Company. Accordingly, where the Special Dividend is paid to an individual who holds Existing Ordinary Shares, that individual will be entitled to a tax credit equal to one-ninth of such dividend. The individual will be taxable on the aggregate of the Special Dividend and the related tax credit, which will be regarded as the top slice of the individual's income. The tax credit will, however, be treated as discharging the individual's liability to income tax in respect of the Special Dividend, unless and except to the extent that the Special Dividend and the related tax credit when treated as the top slice of income fall above the threshold for the higher rate of income tax. In the latter case the individual will, to that extent, pay tax on the aggregate of the Special Dividend and the related tax credit, the amount of tax being determined by applying the dividend upper rate (which is 32.5 per cent) to the aggregate of the Special Dividend and the tax credit and then deducting the tax credit from that sum.

So, for example, an individual holding Existing Ordinary Shares who is entitled to the Special Dividend in respect of 1,000 Existing Ordinary Shares would receive a Special Dividend of £407 carrying a tax credit of £45.22 (one-ninth of £407). To the extent that the aggregate of the Special Dividend and the related tax credit when treated as the top slice of income falls above the threshold for the higher rate of income tax, the income tax payable on the Special Dividend by the individual will be 32.5 per cent of £452.22 (i.e. the Special Dividend of £407 plus the tax credit of £45.22), namely £146.97, less the tax credit of £45.22, leaving a net charge of £101.75 (the equivalent of 25 per cent of the amount of the Special Dividend).

A holder of Existing Ordinary Shares who is not liable to tax on the Special Dividend will not be entitled to claim payment of the tax credit in respect of the dividend.

UK exempt approved pension funds and UK charities will not normally be liable to income tax or corporation tax on the Special Dividend.

A holder of Existing Ordinary Shares which is a trustee of a discretionary or accumulation trust which is resident for tax purposes in the United Kingdom and which receives the Special Dividend will be taxable on the first £500 of the total of the Special Dividend and the related tax credit at the dividend ordinary rate, which is 10 per cent, and on the remainder of that sum at the dividend trust rate, which is 32.5 per cent, and will be entitled to deduct the tax credit from the tax so payable.

Subject to the application of certain special rules for some insurance companies, a corporate holder of Existing Ordinary Shares that is resident for tax purposes in the United Kingdom and that receives the Special Dividend will not be taxable on the receipt of that Special Dividend.

**(b) Share Capital Consolidation** The Share Capital Consolidation will not be treated as a disposal of the Existing Ordinary Shares for the purposes of UK tax on chargeable gains. Instead, the New Ordinary Shares will be treated as the same asset as the Existing Ordinary Shares and as having been acquired at the same time and for the same consideration as the Existing Ordinary Shares.

If and to the extent that a holder of Existing Ordinary Shares receives cash in respect of any fractional entitlement arising from the Share Capital Consolidation, then, for the purposes of UK tax on chargeable gains, he should not be treated as making a part disposal of his original holding of Existing Ordinary Shares or of his entitlement to New Ordinary Shares. Instead, the base cost of such Shareholder in the New Ordinary Shares to which he or she is entitled should be reduced by an amount equal to the amount of cash the Shareholder receives in respect of any such fractional entitlement.

**(c) Stamp Duty and Stamp Duty Reserve Tax ("SDRT")** No SDRT or stamp duty will be payable in respect of the Share Capital Consolidation. Stamp duty will be payable by the Company on a repurchase of New Ordinary Shares at the rate of 0.5 per cent of the purchase price of such New Ordinary Shares.

**(d) Investment Trust Status** The Board has been advised that implementation of the Return of Value and Share Capital Consolidation will not prejudice or otherwise affect the ability of the Company to continue to comply with the provisions of section 842 of the Income and Corporation Taxes Act 1988 in any of the Company's accounting periods.

**(e) Miscellaneous** Under the provisions of section 703 of the Income and Corporation Taxes Act 1988 ("ICTA") HM Revenue & Customs can, in certain circumstances, counteract tax advantages in relation to certain transactions. No clearance has been or will be sought under section 707 ICTA that HM Revenue & Customs will not seek to apply those provisions in relation to the Return of Value and holders of Existing Ordinary Shares are advised to take independent advice on the potential application of section 703 ICTA in the light of their own particular circumstances.

# Part IV – Additional Information

**1. Dealings and Settlement** Applications will be made to the UKLA for the New Ordinary Shares to be admitted to the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading. Subject to the Share Capital Consolidation (Resolution 1 in the Notice of EGM) being approved by Shareholders, it is expected that dealings in the New Ordinary Shares will commence on 11 July 2005. Share certificates in respect of the New Ordinary Shares are expected to be posted to those Shareholders who hold their shares in certificated form, at their own risk, by 20 July 2005. These will replace existing share certificates, which should then be destroyed, as they will no longer be valid. Pending the receipt of new certificates, transfers of New Ordinary Shares held in certificated form will be certified against the register of members of the Company. Shareholders who hold their entitlement to Existing Ordinary Shares in uncertificated form through CREST will also hold their New Ordinary Shares in uncertificated form and are expected to have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares on 11 July 2005.

**2. Outstanding Warrants and Options** The total number of options to subscribe for Ordinary Shares outstanding at 6 June 2005, the latest practicable date prior to publication of this document, was 25,215,107. They represented approximately 4.1 per cent of the issued share capital of the Company at that time and will represent approximately 4.6 per cent of the issued share capital of the Company, if the Share Capital Consolidation does not take place, but the full authority to buy back Ordinary Shares in Resolution 2 is utilised. If the Share Capital Consolidation is effected and the authority conferred by Resolution 2 is utilised in full, the total number of outstanding options to subscribe for Ordinary Shares will represent approximately 4.8 per cent of the issued share capital of the Company. There are no warrants to subscribe for equity shares in the Company outstanding.

**3. Documents Available for Inspection** Copies of the Company's present Memorandum and Articles of Association, together with the proposed new Articles of Association of the Company indicating where they would be amended, were Resolutions 1 and 3 to be approved by Shareholders, will be available for inspection at the offices of Slaughter and May, One Bunhill Row, London EC1 8YY during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) from the date of this document until the close of the EGM and will be available for inspection at the Institution of Electrical Engineers, Savoy Place, London WC2R 0BL from 15 minutes prior to the AGM until the conclusion of the EGM.

# Notice of Extraordinary General Meeting



## 3i Group plc

*(an investment company (as defined in section 266 of the Companies Act 1985 (as amended))  
registered in England and Wales under No. 1142830)*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of 3i Group plc (the “Company”) will be held at The Institution of Electrical Engineers, Savoy Place, London WC2R 0BL on Wednesday, 6 July 2005 at 10.45 am (or as soon as possible thereafter upon the conclusion of the Company’s Annual General Meeting on that date) for the following purposes:

1 To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

THAT, conditional upon the admission of the New Ordinary Shares (as defined below) to the Official List of the UK Listing Authority and their admission to trading on the London Stock Exchange becoming effective by 11 July 2005 (or such later date as the Directors of the Company may decide):

- (A) the share capital represented by all of the ordinary shares of 50 pence each in the capital of the Company which at the close of business on 8 July 2005 (or such other time and date as the Directors of the Company may determine) (the “Consolidation Record Time”) are shown in the books of the Company as authorised but unissued be consolidated into share capital of the Company with a nominal value equal to the product of 50 pence and such number of ordinary shares and the share capital represented by that consolidation be sub-divided into new ordinary shares of 53 $\frac{1}{8}$  pence each (the “Unissued New Ordinary Shares”), provided that where such sub-division results in a fraction of an Unissued New Ordinary Share such fraction shall, together with the minimum number of Unissued New Ordinary Shares as are required (after this Resolution has become wholly unconditional and effective) to be cancelled in order that the nominal value in pounds sterling of the Company’s authorised share capital is a whole number, be cancelled pursuant to section 121(2)(e) of the Companies Act 1985 (the “Act”); and
- (B) the share capital represented by each holding of ordinary shares of 50 pence each in the capital of the Company (taken together the “Existing Ordinary Shares”) as shown in the register of members at the Consolidation Record Time be consolidated into share capital of the Company with a nominal value equal to the product of 50 pence and the number of Existing Ordinary Shares comprised in such holding and the share capital represented by each such consolidation be sub-divided into ordinary shares of 53 $\frac{1}{8}$  pence each (the “New Ordinary Shares”) provided that:
- (i) where such consolidation and sub-division results in a member being entitled to a fraction of a New Ordinary Share, such fraction shall be aggregated with other such fractions into New Ordinary Shares (the “Fractional Entitlement Shares”); and
- (ii) the Directors of the Company be and are hereby authorised to sell (or appoint another person to sell), on behalf of all the relevant members, all the Fractional Entitlement Shares, at the best price reasonably obtainable, and to distribute the proceeds of sale (net of expenses) in due proportion among the relevant members entitled thereto (any fraction of a penny which would otherwise be payable being rounded down to the nearest penny if less than half a penny and rounded up if more than or equal to a half penny) and that any person authorised by the Directors of the Company be and is hereby authorised to execute any instrument of transfer in respect of such shares on behalf of the relevant Shareholders.

2 To consider, and if thought fit, to pass the following Resolution as a Special Resolution:

THAT the Company be generally and unconditionally authorised, in accordance with Article 7 of the Company’s Articles of Association, to make market purchases (as defined in section 163(3) of the Companies Act 1985) of its ordinary shares PROVIDED THAT:

- (A) the Company does not purchase under this authority more than 57,800,000 ordinary shares of 53 $\frac{1}{8}$  pence each in the capital of the Company or, if Resolution 1 in the Notice of Extraordinary General Meeting convened for 6 July 2005 does not become effective and unconditional by 11 July 2005 (or such later date as the Directors of the Company may decide), 61,400,000 ordinary shares of 50 pence each in the capital of the Company;
- (B) the Company does not pay for each such ordinary share less than the nominal amount of such ordinary share at the time of purchase; and

(C) the Company does not pay for each such ordinary share more than 105 per cent of the average of the closing mid-market prices of the ordinary shares for the five business days immediately preceding the date on which the Company agrees to buy the share concerned, based on the share prices published in the Daily Official List of the London Stock Exchange.

This authority shall continue for the period ending on the date of the Annual General Meeting of the Company to be held in 2006 or, if earlier, 5 October 2006 provided that if the Company has agreed, before this authority expires, to purchase ordinary shares where the purchase will or may be executed after this authority expires (either wholly or in part), the Company may complete such purchase as if this authority had not expired.

3 To consider, and if thought fit, to pass the following Resolution as a Special Resolution:

THAT, conditional upon Resolution 1 set out in the Notice of Extraordinary General Meeting convened for 6 July 2005 being passed and becoming unconditional, the Articles of Association of the Company be amended by deleting the text of Article 67 and by replacing it with the following:

“Subject to any special terms as to voting upon which any shares may be issued or may at the relevant time be held and to any other provisions of these articles, on a show of hands every member who is present in person at a general meeting of the Company shall have one vote. Proxies cannot vote on a show of hands. On a poll every member who is present in person or by proxy shall, subject to any special terms as to voting upon which any shares may be issued or may at the relevant time be held and to any other provisions of these articles, have one vote for every ordinary share of which he is the holder.”

By order of the Board

**A W W Brierley**  
Secretary  
7 June 2005

**Registered Office:**  
91 Waterloo Road,  
London SE1 8XP

Notes:

- 1 A member entitled to attend and vote at the Extraordinary General Meeting may appoint one or more proxies to attend and, on a poll, to vote instead of the member. A proxy need not be a member. The appointment of a proxy will not preclude a member from attending and voting in person at the Extraordinary General Meeting, if desired.
- 2 A Form of Proxy is enclosed for the use of members who are unable to attend the Extraordinary General Meeting. To be effective this should be lodged (together, where applicable, with any power of attorney or other authority under which it is executed) with the Company's registrars, Lloyds TSB Registrars, FREEPOST SEA 9442, The Causeway, Worthing, West Sussex BN99 6EE at least 48 hours before the appointed time of the Extraordinary General Meeting (that is to say, no later than 10.45 am on 4 July 2005), or before the time fixed for any adjournment of the meeting. Proxy appointments and voting directions may also be registered electronically by contacting the [www.sharevote.co.uk](http://www.sharevote.co.uk) website, where full details of the procedure are given. To be valid, such a registration must equally be received at least 48 hours before the appointed time of the Extraordinary General Meeting or before the time fixed for any adjournment of the meeting. Members appointing proxies through [www.sharevote.co.uk](http://www.sharevote.co.uk) should read the terms and conditions of use carefully. The facility to appoint proxies through the [www.sharevote.co.uk](http://www.sharevote.co.uk) system is available to shareholders and those who use this facility will not be disadvantaged. Alternatively proxies may be lodged using the CREST proxy voting service. CREST members who wish to appoint a proxy or proxies may do so by utilising the CREST electronic proxy appointment service in accordance with the procedures described in the CREST manual. To be valid such an appointment must also be received at least 48 hours before the time fixed for the Extraordinary General Meeting or before the time fixed for any adjournment of the meeting. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications, must contain the information required for such instructions, as described in the CREST Manual, and, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Company's agent (ID 7RA01) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) at which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. Where members return more than one proxy appointment, either in paper form or by electronic communication, the proxy received last by the Company's registrars before the latest time for receipt of proxies will take precedence, regardless of the dates on which the member made the relevant appointment. If the Company's registrars are unable to determine which was last delivered, none of them shall be treated as valid.
- 3 In order to attend or vote at the Extraordinary General Meeting, a member must be entered on the Company's Register of Members at 6.00 pm on 4 July 2005, or in the event that the meeting is adjourned, as at such time falling 48 hours before the time of any adjourned meeting. A member will only be entitled to attend and vote in respect of those shares registered in the name of the member at that time. This time has been specified pursuant to regulation 41 of the Uncertificated Securities Regulations 2001. Changes to entries on the Company's Register of Members after that time will be disregarded in determining the right of any person to attend or vote at the Extraordinary General Meeting or at any adjournment of the meeting, as the case may be.
- 4 A copy of the full terms of the proposed new Articles of Association of the Company (indicating where they would be amended) is available for inspection at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) from today until the close of the Extraordinary General Meeting and will be available for inspection at the Institution of Electrical Engineers, Savoy Place, London WC2R 0BL from 15 minutes prior to the Company's Annual General Meeting on 6 July 2005 until the conclusion of the Extraordinary General Meeting on that date.

# How to find the AGM and EGM venue

## The Institution of Electrical Engineers

Savoy Place  
London WC2R 0BL  
Telephone +44 (0)20 7240 1871  
Fax +44 (0)20 7344 5707

If you have any queries or concerns regarding finding the venue, please telephone 3i on +44 (0)20 7975 3228 for assistance.

**By train** The nearest train stations are at Charing Cross and Waterloo.

From Charing Cross: turn right along the Strand and keep walking until you reach the Savoy Hotel on your right. The first road on your right, after the Savoy Hotel, is Savoy Street. Turn right down Savoy Street. At the bottom of Savoy Street turn right into Savoy Place. The Institution is the first building on your right.

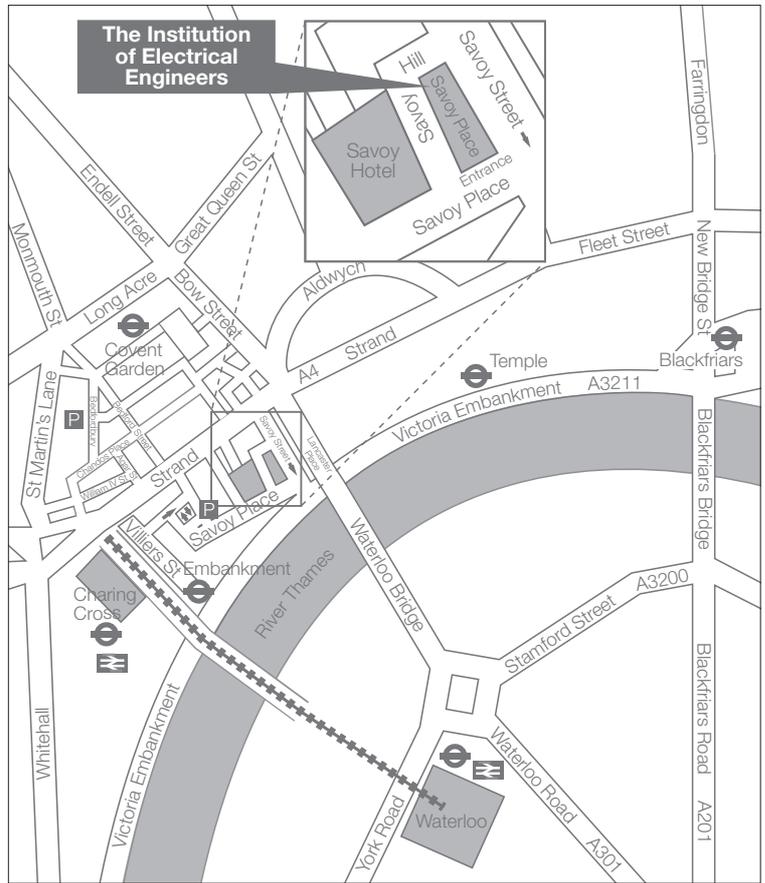
From Waterloo: either walk from Waterloo Road across Waterloo Bridge to the Strand, then turn left from the Strand into Savoy Street, and at the bottom of Savoy Street turn right into Savoy Place; or take a bus from Waterloo Road over Waterloo Bridge towards the Strand and Aldwych, alighting at Lancaster Place just after crossing the river. Then turn left along the Strand, take the first left down Savoy Street. At the bottom of Savoy Street turn right into Savoy Place. The Institution is the first building on your right.

**By underground** The nearest underground stations are Charing Cross and Embankment. Charing Cross is served by the Bakerloo and Northern lines. Embankment is served by the Bakerloo, Circle, District and Northern lines.

From Charing Cross: follow the directions given above.

From Embankment: follow the "Way out" sign for Embankment Pier which will direct you down four steps to the Embankment. At the bottom of the steps, turn left and walk along the Embankment. The river should be on your right and Victoria Embankment Gardens should be on your left. Keep walking, passing the Obelisk on your right on the opposite side of the road, until you reach the bridge (Waterloo Bridge). Just before the bridge, stop and turn to your left. A few yards in front of you, on the corner of Savoy Place and Savoy Street, you will find The Institution of Electrical Engineers.

**Parking** The nearest car park is the Savoy Adelphi Garage (tel +44 (0)20 7836 4838) in Savoy Place. Please note, it is signposted simply as "Adelphi Parking". There is also an NCP car park (tel +44 (0)20 7300 5500) in Bedfordbury, just off St Martin's Lane, at the Charing Cross end of The Strand.



### Key

⊖ Underground

P Parking

➔ One way

🚉 Train