



3i Group plc Notice of Annual General Meeting 2005



Letter from the Chairman

Dear Shareholder

I have pleasure in sending to you your copy of the Annual Report and Accounts of 3i Group plc ("the Company") for the year to 31 March 2005, together with this booklet containing the Notice of Annual General Meeting and a map showing the location of the Meeting. The Meeting will be held at The Institution of Electrical Engineers, Savoy Place, London WC2R 0BL on Wednesday 6 July 2005 at 10.30am.

The Directors are recommending a final dividend of 9.3p per share. Subject to approval at the Annual General Meeting on 6 July 2005, this dividend will be paid to shareholders on 15 July 2005.

This year, 13 resolutions are proposed for consideration at the Annual General Meeting. All of these are ordinary resolutions. The purpose and reasons for each of the resolutions are explained in the Notes to the Notice of Meeting. I hope that you will find these Notes helpful.

It may be useful for you to note for your diary that the Extraordinary General Meeting we plan to hold to deal with matters relating to the proposed return of capital to shareholders, as referred to in the Report, will be held at the same place immediately following the Annual General Meeting. We will of course be sending a notice of this Extraordinary General Meeting to you in due course.

In the Report you will find detailed information on 3i's performance during the year, the key elements of 3i's strategy, detailed information about our buy-out, growth capital and venture capital businesses, and our view of the outlook. In addition to the Operating and Financial Review, and our Corporate Responsibility Report, we have included some illustrative examples of our portfolio. I hope this information will give you a useful overview of the Company and its marketplace.

If you have access to the internet, our investor relations website at www.3igroup.com includes financial news and other information about 3i which we hope will be of interest to shareholders. At www.3i.com you can now also find information about companies in which we are invested.

Please do not hesitate to write to me or to our Group Communications Director, at 91 Waterloo Road, London SE1 8XP, if you have any comments or questions. Or you can e-mail us at ir@3igroup.com.

Yours sincerely



Baroness Hogg
11 May 2005

Notice of Annual General Meeting

Notice is hereby given that the thirty-second Annual 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 10.30 am to transact the business set out below.

In accordance with the Listing Rules of the UK Listing Authority, Resolution 2 (Remuneration report), Resolution 11 (Directors' fees) and Resolutions 12 and 13 ("Political" expenditure) are special business. The remaining resolutions are ordinary business.

To consider and, if thought fit, pass the following as ordinary resolutions:

- 1 To receive and consider the Company's Accounts for the year ended 31 March 2005 and the Directors' report and Auditors' report thereon.
- 2 To approve the Directors' remuneration report for the year ended 31 March 2005.
- 3 To declare a final dividend of 9.3p per share, payable to those shareholders whose names appear on the Register of Members at close of business on 17 June 2005.
- 4 To reappoint Mr S P Ball as a Director of the Company.
- 5 To reappoint Dr P Mihatsch as a Director of the Company.
- 6 To reappoint Sir Robert Smith as a Director of the Company.
- 7 To reappoint Mr F G Steingraber as a Director of the Company.
- 8 To reappoint Mr O H J Stocken as a Director of the Company.
- 9 To reappoint Ernst & Young LLP as Auditors of the Company to hold office until the conclusion of the next General Meeting at which Accounts are laid before the Members.
- 10 To authorise the Board to fix the Auditors' remuneration.
- 11 THAT the limit on the aggregate of all fees paid to Directors pursuant to Article 97 of the Company's Articles of Association (excluding amounts payable under any other provision of the Articles) be increased from £600,000 to £800,000 per annum.
- 12 THAT, in accordance with section 347C of the Companies Act 1985 ("the 1985 Act"), the Company be and it is hereby authorised to make Donations to EU political organisations not exceeding £12,000 in total and incur EU political expenditure not exceeding £12,000 in total, in each case in the period ending on the earlier of 5 October 2006 and the conclusion of the Annual General Meeting of the Company to be held in 2006. For the purposes of this Resolution, the terms "Donations", "EU political organisations" and "EU political expenditure" have the meanings ascribed thereto in Part XA of the 1985 Act.
- 13 THAT, in accordance with section 347C of the Companies Act 1985 ("the 1985 Act"), 3i plc, a wholly owned subsidiary of the Company, be and it is hereby authorised to make Donations to EU political organisations not exceeding £12,000 in total and incur EU political expenditure not exceeding £12,000 in total, in each case in the period ending on the earlier of 5 October 2006 and the conclusion of the Annual General Meeting of the Company to be held in 2006. For the purposes of this Resolution, the terms "Donations", "EU political organisations" and "EU political expenditure" have the meanings ascribed thereto in Part XA of the 1985 Act.

By order of the Board

A W W Brierley
Secretary

11 May 2005

Notes

The Annual General Meeting is a meeting of Members (that is to say, shareholders) which the Company must hold each year.

A member entitled to attend and vote at the 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 meeting, if desired. To be effective, instruments appointing a proxy should be lodged with the Company's Registrars (Lloyds TSB Registrars, The Causeway, Worthing, BN99 6ZJ) at least 48 hours before the appointed time of the Meeting (that is to say, no later than 10.30 am on 4 July 2005). Proxy appointments and voting directions may be registered electronically by contacting the www.sharevote.co.uk website, where full details of the procedure are given. To be valid, such a registration must be received at least 48 hours before the appointed time of the meeting (that is to say, no later than 10.30 am on 4 July 2005). Members using electronic communications should read the terms and conditions of use carefully. Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged. Alternatively proxies may be lodged using the CREST proxy voting service (see the note on page 4 headed "Electronic proxy appointment through CREST").

Where members return more than one proxy appointment, either in paper form or by electronic communication, the proxy received last by the Company's Registrar before the latest time for the receipt of proxies will take precedence, regardless of the dates on which the members 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.

In order to attend or vote at the Meeting, a member must be entered on the Company's Register of Members at 6.00 pm on 4 July 2005. A member will only be entitled to 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 rights of any person to attend or vote at the Meeting.

Please note that the Annual General Meeting is a private meeting for shareholders, proxies and duly authorised representatives. Non-shareholders, including spouses and partners, are not entitled to admission to the Meeting. Any disabled shareholder may, however, be accompanied and the person accompanying them need not be a shareholder.

Copies of the executive Directors' employment contracts and the non-executive Directors' letters of appointment are available for inspection at the Company's Registered Office during normal business hours on each business day and will be at the place of the Annual General Meeting for one hour before, and until the conclusion of, the Meeting.

At this year's Annual General Meeting, there are 13 resolutions which the Members are asked to approve. An explanation of these resolutions is given below.

Resolution 1 (Report and Accounts) The Directors must lay the Company's Accounts, the Directors' report and the Auditors' report before the Members at a General Meeting. This is a legal requirement after the Directors have approved the Accounts and the Directors' report, and the Auditors have prepared their report.

Resolution 2 (Remuneration report) Listed companies are required to prepare a Directors' remuneration report and put a resolution to approve the report to the shareholders at the Annual General Meeting. Shareholders are being asked to approve the Directors' remuneration report, a copy of which is set out on pages 40 to 47 of the 2005 Report and Accounts.

Resolution 3 (Declaration of dividend) The Board may, in accordance with the Company's Articles of Association, authorise the payment of interim dividends. This authority was exercised for the interim dividend of 5.3p per share paid on 5 January 2005.

Any final dividend must be approved by Members. The amount to be declared as a final dividend may not exceed the amount recommended by the Directors. The Directors are recommending that the Members declare a final dividend of 9.3p per share in respect of the year ended 31 March 2005. If approved, the final dividend will be paid on 15 July 2005 to shareholders who were on the Register of Members at close of business on 17 June 2005.

Resolutions 4 to 8 inclusive (Reappointment of Directors) Under the Company's Articles of Association, any Director appointed by the Board during the year and before the date of the relevant Annual General Meeting must retire. There are three Directors to whom this applies, Mr S P Ball, Dr P Mihatsch and Sir Robert Smith. In addition, a proportion of the Directors must retire by rotation at the Annual General Meeting each year and each Director must seek reappointment at least every three years. There are three Directors to whom these provisions apply, Mr R W Perry, Mr F G Steingraber and Mr O H J Stocken.

Mr Ball, Dr Mihatsch, Sir Robert Smith, Mr Steingraber and Mr Stocken are eligible for, and seek, reappointment. On 20 December 2004 the Company announced that Mr Perry would be retiring from the Board at the Annual General Meeting and accordingly Mr Perry does not seek reappointment.

Biographical details of the five Directors seeking reappointment are set out on pages 32 and 33 of the 2005 Report and Accounts. Mr Ball is an executive Director. Dr Mihatsch, Sir Robert Smith, Mr Steingraber and Mr Stocken are non-executive Directors. The Board is satisfied that, on their respective appointments and to date, these non-executive Directors were, and are, independent for the purposes of the Combined Code. The Board confirms that, following the formal Board performance evaluation process carried out during the year to 31 March 2005, it considers the Directors seeking reappointment to be highly effective and committed.

Mr Ball was appointed to the Board with effect from 7 February 2005 and assumed responsibility as Finance Director on 1 April 2005. Mr Ball has held a range of finance director roles in the financial services industry.

Dr Mihatsch and Sir Robert Smith were appointed to the Board with effect from 7 September 2004. Dr Mihatsch is an industrialist in the technology sector with broad European experience. Sir Robert Smith has had a distinguished career with long experience of the financial services industry and audit matters.

Mr Steingraber was appointed to the Board in 2002. He brings to the Board experience of both European and US markets and of developing international business.

Mr Stocken was appointed to the Board in 1999 and has been Deputy Chairman and Senior Independent Director since 2002. He has wide experience of the financial services industry, and of corporate governance and financial matters.

Resolutions 9 and 10 (Reappointment and Remuneration of Auditors) At each Meeting at which Accounts are laid before the Members, the Company is required to appoint Auditors to serve until the next such Meeting. The Company's present Auditors, Ernst & Young LLP, have confirmed that they are willing to continue in office for a further year. Resolution 9 proposes that Ernst & Young LLP be reappointed. Resolution 10 gives authority to the Board to determine the Auditors' remuneration. The remuneration will then be disclosed in the next Accounts of the Company.

Notes (continued)

Resolution 11 (Directors' fees) Resolution 11 is to increase the current limit on Directors' fees from £600,000 to £800,000. The maximum limit on the Directors' fees which may be paid by the Company was last increased in 2000. Since that time the Company's business has become increasingly international, the responsibilities of non-executive Directors have become more significant and the requirements of corporate governance have changed the balance of the Board between non-executive and executive Directors. Although there is no immediate intention to make use of this increase the Directors believe it is appropriate to increase this limit to provide flexibility for the future and enable the Company to appoint sufficient non-executive Directors of an appropriate calibre. Directors' fees are currently only paid to non-executive Directors. Executive Directors receive salaries and benefits under their contracts of employment and do not receive Directors' fees.

Resolutions 12 and 13 (Renewal of "Political" expenditure authority) The Company has no intention of changing its current policy of not making donations to political parties or campaigns. Resolutions 12 and 13 concern the Political Parties, Elections and Referendums Act 2000 ("the Act") which came into effect on 16 February 2001 and which now forms part of the Companies Act 1985. The Act requires that any donations to political organisations or political expenditure by a company in excess of an aggregate of £5,000 must be authorised by the company's shareholders. These resolutions are intended to authorise normal expenditure which, as a result of the wide definitions under the Act, may be construed as political expenditure or a donation to a political organisation. For example, some normal public relations and marketing expenditure could fall within these definitions. These resolutions do not purport to authorise any particular donation or expenditure but are in general terms as required by the Act. Resolution 12 is to approve expenditure and donations by the Company and Resolution 13 is to approve expenditure and donations by its wholly owned subsidiary, 3i plc. Any donations or expenditure in excess of £200, falling within the ambit of the Act, will be disclosed in the next Annual Report in compliance with the Act.

Recommendation The Directors believe that the proposals set out in the Notice of Meeting are in the interests of the Company. Accordingly, they (other than, in the case of Resolution 11, the non-executive Directors who are interested in that Resolution) unanimously recommend that Members vote in favour of each resolution.

Electronic proxy appointment through CREST 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 be received at least 48 hours before the time of the Meeting (that is to say, no later than 10.30 am on 4 July 2005).

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.

How to find the Annual General Meeting 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 Annual General Meeting 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.

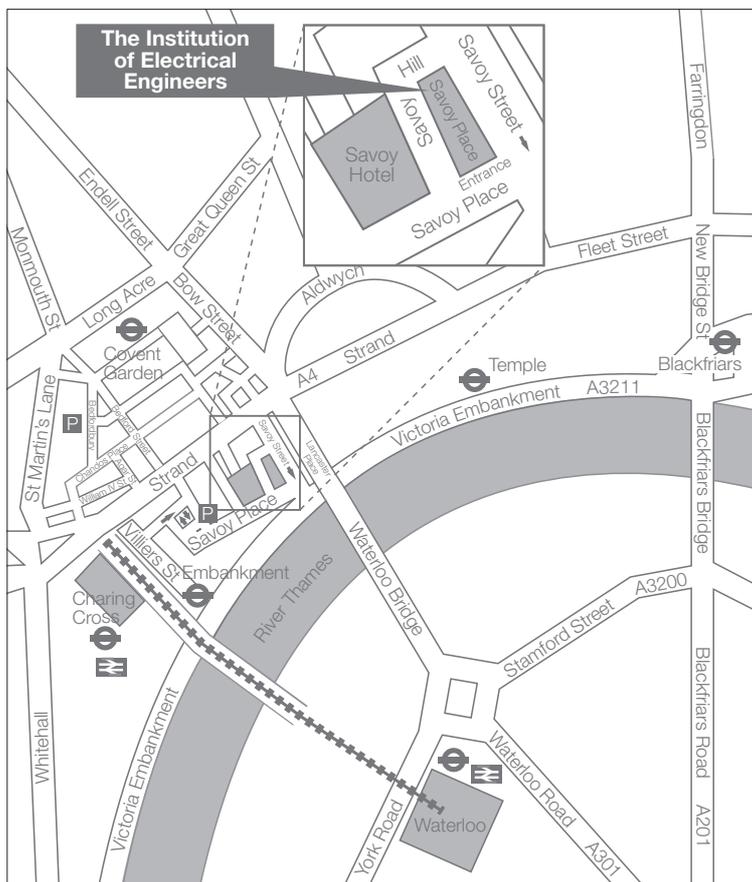
From Waterloo: either walk from Waterloo Road across Waterloo Bridge to the Strand, then turn left from the Strand into Savoy Street, and at the bottom of Savoy Street turn right into Savoy Place; or take a bus from Waterloo Road over Waterloo Bridge towards the Strand and Aldwych, alighting at Lancaster 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

 Parking

 One way

 Train

3i Group plc

91 Waterloo Road

London SE1 8XP

UK

Telephone +44 (0)20 7928 3131

Fax +44 (0)20 7928 0058

Website www.3igroup.com

