The world is yours
Annual General Meeting
7 July 2004
Baroness Hogg
Chairman
The Board of Directors
Dr John Forrest
Christine Morin-Postel
Rod Perry
Danny Rosenkranz
Brian Larcombe
Oliver Stocken
Michael Queen
Martin Gagen
Fred Steingraber
Philip Yea

- A wide range of experience in industry and private equity
- Formerly with Investcorp
- Before that Finance Director of Diageo
- Proposed appointment widely welcomed by shareholders and analysts
“3i delivers a strong overall performance.”
Share price since flotation

Source: Datastream
3i European Barometer Index
Investing in 3i - corporate responsibility

“3i is clearly positioned among the best in the financial services industry.”

“It is a real achievement to be one of the Companies that Count.”
The world is yours
Brian Larcombe
Chief Executive
Performance highlights – year to 31 March 2004

- Strategy delivering
- Significant pick up in investment activity
- Good flow of realisation profits
- An overall return of 18.1%
Total return by investment product

<table>
<thead>
<tr>
<th>Product</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-market buy-outs</td>
<td>22.6%</td>
</tr>
<tr>
<td>Smaller buy-outs</td>
<td>22.1%</td>
</tr>
<tr>
<td>Growth capital</td>
<td>26.8%</td>
</tr>
<tr>
<td>Venture capital</td>
<td>(6.0)%</td>
</tr>
</tbody>
</table>

* % total return on opening shareholders’ funds attributed to each product
3i’s venture capital business is focused on the healthcare, software, communications and electronics, semiconductors and advanced technologies (“ESAT”) sectors.

Portfolio value £533m

12%

Our growth capital business is focused on high growth companies, expanding organically or through acquisition.

Portfolio value £1,487m

35%

3i’s buy-out business is focused on the mid and smaller buy-out markets in Europe and Asia Pacific.

Portfolio value £2,306m

53%
Directories

- Thomson Directories
- De Telefoongids
- Fonecta
- Herold
- MEDIATEL
Annual General Meeting 7 July 2004

Yellow Brick Road

Mediatel: €31m
De Telefoongids: €65m
Fonecta: €44m

Yellow Brick Road
Cash back to 3i and funds

44% of company with EBITDA of €150m
Debt €1bn

€224m
Investing in 3i - our people
Investing in 3i - our network

- Preferred deal flow
- Investment assessment
- Added value
- Enhanced exits

Strategy

- Developing the business internationally
- Building a balanced investment business
- Using the network as our key competitive advantage
- Investing in growth companies
Closing remarks

“3i is in great shape and is strongly positioned to grow value significantly in the years ahead.”
The world is yours
Michael Queen
Finance Director
Financial highlights

- Total return £531m
- Total return on opening shareholders’ funds 18.1%
- Net asset value per share 553p
- Final dividend 8.9p
- Realised profits on disposal £228m
- New investment* £979m

* New investment includes co-investment funds
Total return – key drivers

- Strong realisation profits £228m
- Good portfolio value growth £336m
- Income slightly lower £234m
## Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>2003 £m</th>
<th>2004 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment assets</td>
<td>3,939</td>
<td>4,326</td>
</tr>
<tr>
<td>Other net assets</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td><strong>Net borrowings</strong></td>
<td>1,013</td>
<td>936</td>
</tr>
<tr>
<td><strong>Shareholders’ funds</strong></td>
<td>2,936</td>
<td>3,395</td>
</tr>
<tr>
<td><strong>Gearing</strong></td>
<td>35%</td>
<td>28%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2003 £m</th>
<th>2004 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>3,949</td>
<td>4,331</td>
</tr>
</tbody>
</table>
Net cash flow - long term trend

£m


Cash inflow
Cash outflow
Net cash flow
Dividend history

<table>
<thead>
<tr>
<th>Year</th>
<th>Interim</th>
<th>Final</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>9.2</td>
<td>0.3</td>
</tr>
<tr>
<td>1998</td>
<td>10.3</td>
<td>0.3</td>
</tr>
<tr>
<td>1999</td>
<td>11.3</td>
<td>0.8</td>
</tr>
<tr>
<td>2000</td>
<td>12.2</td>
<td>0.8</td>
</tr>
<tr>
<td>2001</td>
<td>13.0</td>
<td>0.8</td>
</tr>
<tr>
<td>2002</td>
<td>13.0</td>
<td>0.8</td>
</tr>
<tr>
<td>2003</td>
<td>13.5</td>
<td>0.8</td>
</tr>
<tr>
<td>2004</td>
<td>14.0</td>
<td>0.8</td>
</tr>
</tbody>
</table>
Financial summary

- Significant improvement in total return
- Net investor in the second half
- Strong balance sheet
- Excellent liquidity
The world is yours
Nigel Jones
Ernst & Young
The Resolutions
Resolution 1

“THAT the Company’s Accounts for the year ended 31 March 2004 and the Directors’ report and Auditors’ report thereon be and they are hereby received and considered”

Proxy votes lodged for this Resolution:
98.73% For, 0.54% Discretionary, 0.27% Abstain and 0.46% Against
Resolution 2

“THAT the Directors’ Remuneration report for the year ended 31 March 2004 be and it is hereby approved”

Proxy votes lodged for this Resolution:
87.88% For, 0.54% Discretionary, 6.25% Abstain and 5.33% Against
Resolution 3

“THAT a final dividend of 8.9 pence per share net be and it is hereby declared, payable to those shareholders whose names appeared on the Register of Members at close of business on 18 June 2004”

Proxy votes lodged for this Resolution:
99.45% For, 0.54% Discretionary, 0.01% Abstain and 0% Against
Resolution 4

“THAT Baroness Hogg be and she is hereby reappointed as a Director of the Company”

Proxy votes lodged for this Resolution:
99.36% For, 0.55% Discretionary, 0.03% Abstain and 0.06% Against
Resolution 5

“THAT Mr P E Yea be and he is hereby appointed as a Director of the Company”

Proxy votes lodged for this Resolution:
99.06% For, 0.55% Discretionary, 0.35% Abstain and 0.04% Against
Resolution 6

“THAT Ernst & Young LLP be and they are hereby reappointed as Auditors of the Company to hold office until the conclusion of the next General Meeting at which Accounts are laid before the Members”

Proxy votes lodged for this Resolution:
98.09% For, 0.55% Discretionary, 0.67% Abstain and 0.69% Against
Resolution 7

“THAT the Board be and it is hereby authorised to fix the Auditors’ remuneration”

Proxy votes lodged for this Resolution:
99.21% For, 0.55% Discretionary, 0.02% Abstain and 0.22% Against
Resolution 8

"THAT executive Directors be and they are hereby authorised to participate in the incentive arrangements described in the notes relating to this Resolution 8 set out in the Notice of Annual General Meeting dated 14 May 2004"

Proxy votes lodged for this Resolution:
94.53% For, 0.55% Discretionary, 2.04% Abstain and 2.88% Against
Resolution 9
To renew the Directors' authority to allot shares

(The full text of this Resolution is set out in the Notice of Meeting)

Proxy votes lodged for this Resolution:
98.80% For, 0.50% Discretionary, 0.47% Abstain and 0.23% Against
Resolution 10

Special Resolution
To renew the Directors' authority to allot shares for cash

(The full text of this Resolution is set out in the Notice of Meeting)

Proxy votes lodged for this Resolution:
98.78% For, 0.55% Discretionary, 0.48% Abstain and 0.19% Against
Resolution 11

Special Resolution
To renew the Company's authority to purchase its own shares

(The full text of this Resolution is set out in the Notice of Meeting)

Proxy votes lodged for this Resolution:
99.40% For, 0.56% Discretionary, 0.02% Abstain and 0.02% Against
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