

Growth Capital



New York
22 March 2007

Welcome and introduction



Patrick Dunne
Group Communications Director



- 3i Group update
- Growth Capital
 - the business model
 - track record
 - European market
- Asia
- US
- Discussion

Patrick Dunne

Guy Zarzavatdjian

Anna Cheung

Ken Hanau



- Busy since interim results
- Active on investment and divestment
- Eurofund V closed at €5bn in November
- Infrastructure – launched £700m fund in March
- Pre close statement due 29 March 2007

Portfolio value and gross returns by business line



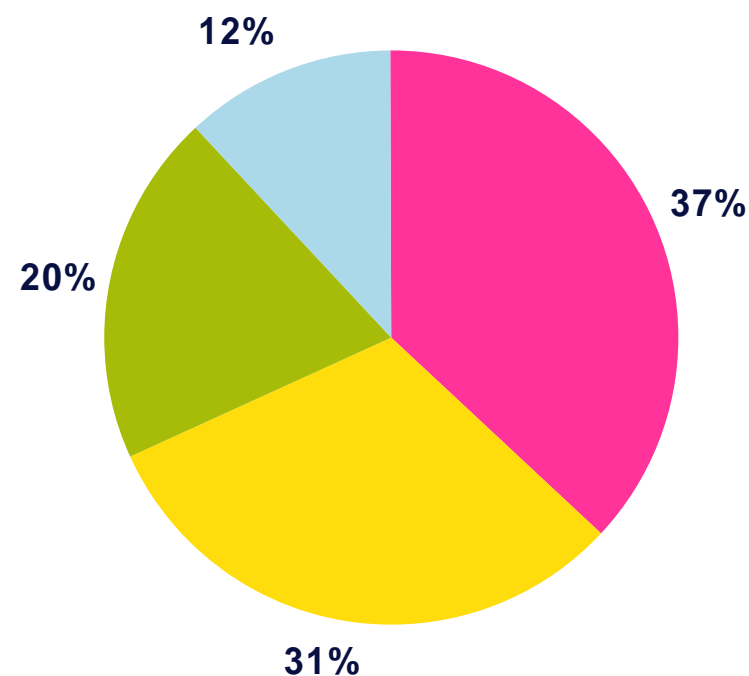
Gross portfolio return

	6 months to 30.9.06*	12 months to 31.3.06	12 months to 31.3.05
Gross portfolio return	£480m	£1,053m	£727m
Buyouts	19.8%	29.4%	20.2%
Growth Capital	14.2%	26.4%	23.2%
Venture Capital	(8.4)%	17.1%	11.1%
SMI	13.7%	18.2%	6.8%

*NB returns for 6 months to 30.9.06 have not been annualised

Portfolio by value

£4,174m at 30 September 2006



■ Buyouts ■ Growth Capital ■ Venture Capital ■ SMI

Growth Capital



Guy Zarzavatdjian
Managing Partner - Europe

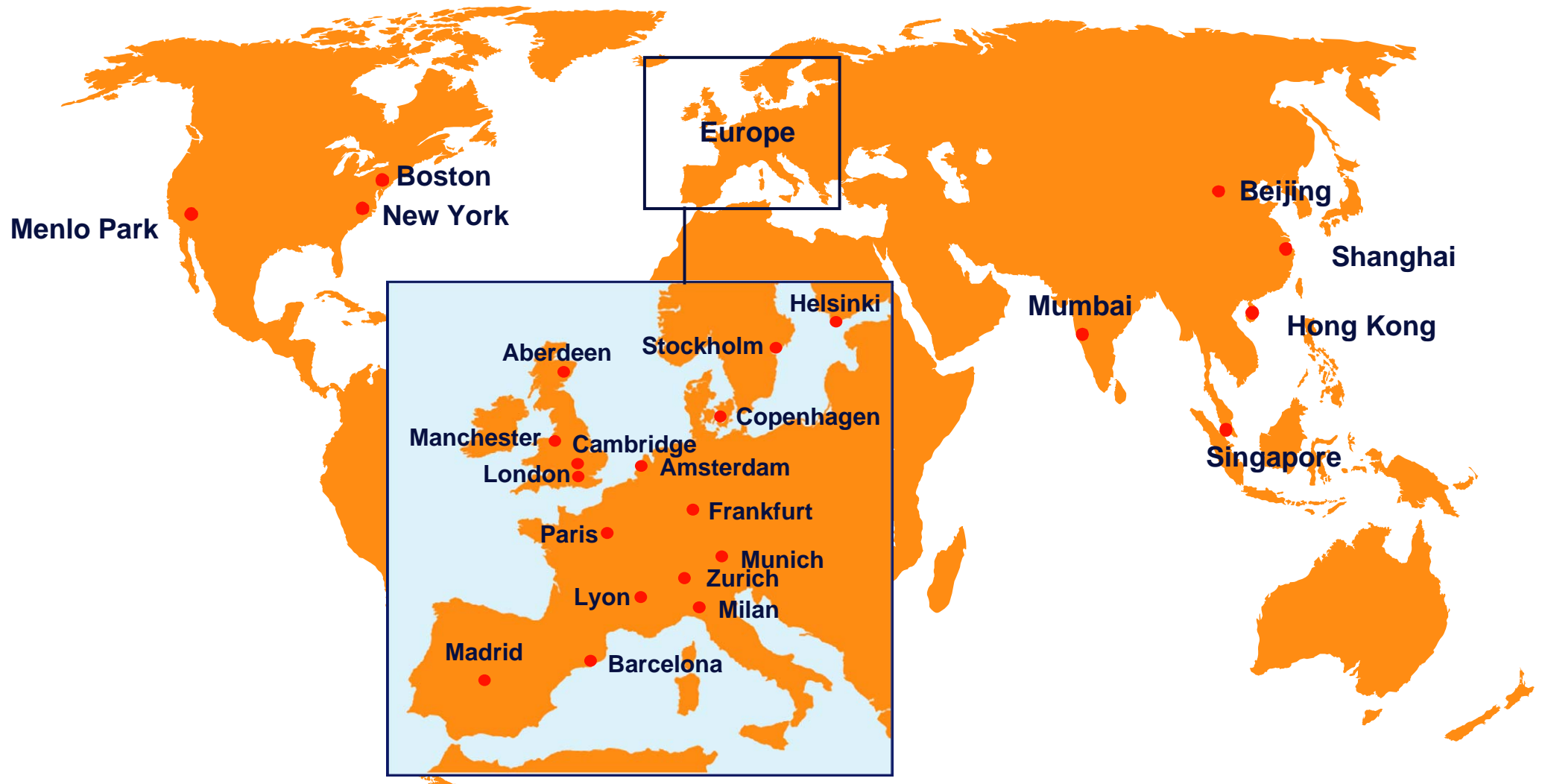




- Investment criteria
- Geography
- Competitive advantage

- Minority stake investing - flexible and tailored approach
- 20-30 deals per annum, investing €1bn worldwide
- Aligned interests with other shareholders
- Typically investing €10m to €150m from 3i's own balance sheet
- Various scenarios
 - funding for acquisitions
 - support organic growth
 - succession planning
 - enable share restructuring, equity release, degearing

Geographical reach



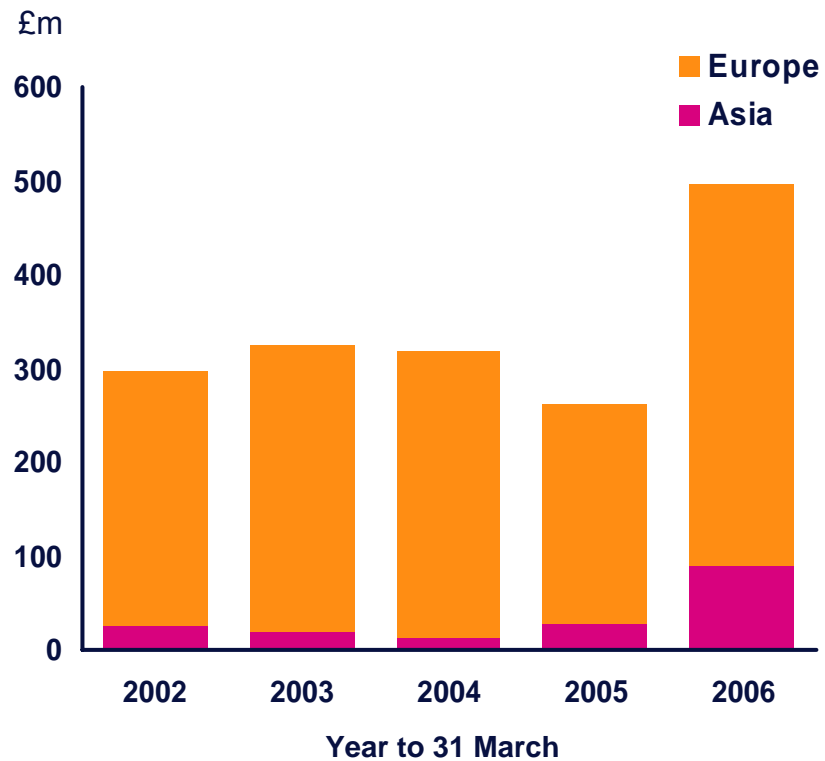


- 3i brand
- Sixty year history making minority deals
- Routes to market
- Wider network and people programmes
- Relationships
- Sector and International teams

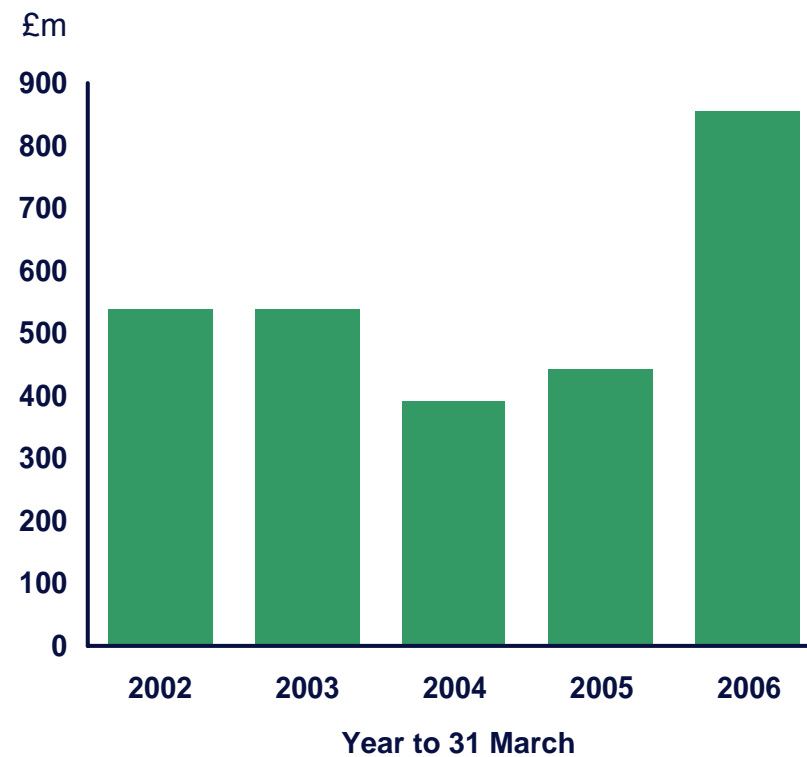


- Investment
- Realisations
- Portfolio return

Investments



Realisations



Investments



ACR Capital \$200m



Sistemas Tecnicos €120m



Little Sheep \$20m



Electrawinds €30m

Realisations



SEK1bn proceeds
4.5x multiple, 30% IRR



€112m proceeds
1.9x multiple, 122% IRR



£22m proceeds
3.4x multiple, 15% IRR



£57m proceeds
6.1x multiple, 32% IRR

Real Estate | France | Divestment | €112m proceeds



- A property portal charging estate agents monthly subscription fees to advertise properties on website
- Largest property portal in France, second largest in Europe
- Deal involved input from Growth Capital, Venture Capital and Buyouts teams
- Invested €60m in October 2005, successful IPO in December 2006 resulting in proceeds of €112m (1.9x multiple, 122% IRR)



- Local presence (France)
- Sector knowledge (venture, media)
- Approach
- Pricing

- European market has regressed to immaturity as Buyouts have become the financing route of choice
- Estimated 150 deals pa with €4.5bn invested*
- Lower competition than buy outs and highly fragmented but growing (eg banks, individuals, AIM, etc)

*Source: Initiative Europe, CapitalIQ, 3i source

Asia



Anna Cheung
Investment Director





- In general remains an immature market with exception of India
- Estimated 80 deals pa with \$5bn invested*
- Growth Capital majority of private equity activity*
- Significant level of market entry from international firms increasing competition
- India showing signs of maturity
 - increasing range of transactions completed
 - country specific as opposed to regional funds
 - localisation by international competitors

*Source: AVCJ

- Work strategically and tactically as **one team** across Asia
- Focus on **Growth Capital** into market leading businesses
 - typically top 3 player
 - US\$20m – US\$100m of equity
 - across a range of sectors, using 3i’s international network to add value
- Preference to lead or co-lead
- Sectors of focus:
 - consumer-related (retail and consumer goods, food)
 - healthcare
 - energy
 - advanced manufacturing
 - real estate
- “Connecting Asia” with “One Room”
- Management Committee member Chris Rowlands on the ground

- Investing since 2001
- \$186m invested in Greater China
- Completed three IPOs and one trade sale
- Broad range of investments: media, advanced manufacturing, retail, funds
- 12 experienced professionals focused on investments in China
- Offices in Beijing, Shanghai and Hong Kong



China I Retail I US\$22 million I May 2006



About D.Phone

- China's leading mobile retailer and an emerging value added service provider
- Network of over 600 stores nationwide in over 22 provinces
- Nokia and Motorola exclusive retailer for China
- North Sky - content provider

3i value add

- Introduced co-founder of Carphone Warehouse (Europe's largest mobile retailer) as strategic advisor
- Assisted in strategic store expansion in China
- Invited D.Phone executives to 3GSM – Europe's largest mobile communications event
- Introduced Chairman to over 30 European mobile communication-related businesses, including the CEO of Orange

“3i helped us establish a great relationship with overseas partners in high tech and retail, including Europe's largest Mobile Retailer Carphone Warehouse”
Mr Liu Donghai D.Phone Chairman



China | TMT Media | US\$8 million | October 2004



About Focus Media

- China's largest out-of-home media
- 20,000 screens nationwide
- Direct commercial network in 50 cities throughout China and in 36 additional cities through contractual arrangements with regional distributors
- 3i invested \$8m in 2004 and realised \$80m in 2006 post IPO
- Focus Media market capitalisation \$4bn

Active partnership

- Over 30 years of media investment experience
- Introduced Eric Rosenkranz, who has extensive global and Asian experience in the media and advertising industry, as Vice Chairman
- Pre IPO expertise

“3i provided us with valuable strategic advice and assistance pre IPO. Introducing Eric Rosenkranz to become our VP was a very important part of the support they gave us.”

Jason Jiang CEO Focus Media



Singapore I Financial Services US\$200 million | December 2006

About ACR

- Singapore based
- Focus on property and casualty insurance c \$30bn market
- Aviation, marine, energy, large infrastructure projects across Asia
- First start up with an A- credit rating in Asia

3i added value

- Financial services sector knowledge and relationships
- Resources and experience in putting complex \$620m deal together
- Board building Chairman Thaddeus Beczak, 3i's Chris Rowlands
- Credibility - 3i's reputation and FTSE100 status

“3i's global experience and network adds real value to our business.”

John Tan CEO Asia Capital Reinsurance



Little Sheep – hot pot restaurant chain



China | Retail | US\$20 million | June 2006



About Little Sheep

- Largest hot pot restaurant chain catering for the mass market in China
- Over 100 owned and 250 franchise restaurants
- Strong brand – top 500 Chinese brand
- Great management team with good knowledge of the F&B sector

Active Partnership

- Introduced two international executives from the F&B sector as non- executive directors
- Nish Kankiwala (former CEO of Burger King International)
- Yuka Yeung (CEO Kentucky Fried Chicken Hong Kong)
- Support for the team in standardising and streamlining their business and expanding their network

“We are delighted to have 3i as our partner. We really value 3i’s experience and their long term outlook. They give us access to a rich network and provide valuable strategic support.”

Zhang Gang Little Sheep Founder and CEO



- Launched in 2005
- Nine Growth Capital investments - \$300m
- Broad range of investments: media, industrial, consumer, property
- Team of nine now expanding into Infrastructure
- Singapore team key to success to date



India | Media | \$22 million | January 2007



About UFO Moviez

- Provider of digital cinema services to the Indian film industry
- Market leader in digital cinema technology
- Distributes digital cinema content from the film producers to the individual theatres via satellite
- Installed 600 theatres to date and target 2000 by March 2008
- Eliminates fraud, print costs and reduces distribution time lags

3i value add

- 3i's network and expertise will help UFO gain international expansion into Europe and the Middle East
- Media sector experience and relationships
- 3i Growth Capital Director on the UFO board

“We are delighted to have such forward-looking investors.”

Onkar S Kanwar Chairman UFO Moviez



US



Ken Hanau
Partner



Opportunity to extend and evolve our business



Large market

- 65% of global private equity
- Estimated \$100bn invested in around 1,000 deals in 2006*

Distinctive message

- Significant number of competitors but our focus on growth capital is a differentiator
- Enter the market with brand equity

Global connection

- Linkage between the three major economic regions of the world creates a truly global firm
 - deal flow
 - sector knowledge
 - international value added

*Source: Bain

Team

- 9 investment professionals on our way to 12-15
- Investors focus on sectors

Deals

- Investments of \$20-200m
- Lead investors and board representation in virtually all deals

Sectors

- Focused on business services, consumer, media, technology, healthcare and energy
- Development of industry advisor program for each sector

Partnership approach

- Invest in growing businesses alongside entrepreneurs who are truly looking for the right partner

Sector led approach

- Organize around sectors, research emerging trends, pursue opportunities directly and through intermediaries
- Value proposition based on what we know about a business – it is how we make our capital and ourselves relevant

Proactive origination

- Actively engage our target markets to identify emerging trends and top performing companies
- Build relationships with thousands of companies each year in preparation for a deal now or in the future

Data driven process

- Leverage proprietary market knowledge
- Actively diligence deals with internal resources
- Build a shared vision and plan with management



- Willingness to take a minority position
- Unparalleled global reach
- Deeper sector knowledge
- Extensive network of value-added operating executives
- Flexible capital

Sample of opportunities currently evaluating



Media

- International media business focused on expansion in the US

Business services

- Environmental consulting and construction company

Consumer

- Manufacturer of branded footwear

Technology

- Online B2B service

Discussion



