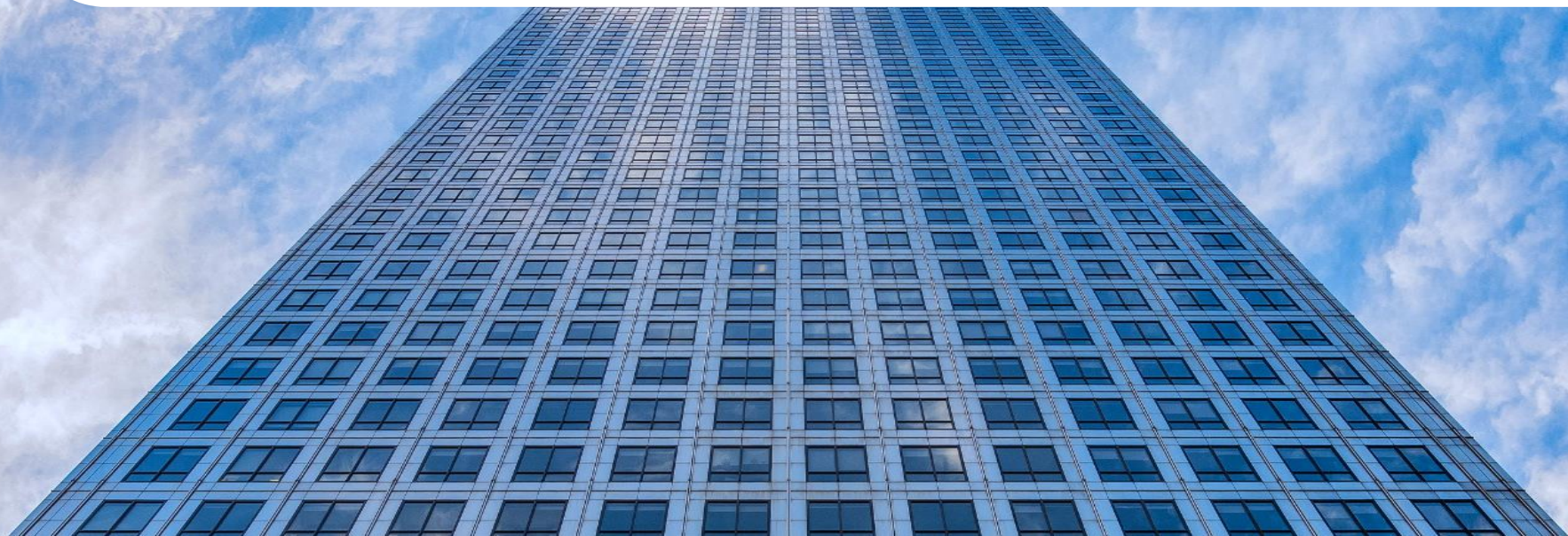




Results for the six months to 30 September 2017

16 November 2017





Business review

Simon Borrows
Chief Executive

Our strategy is clear and consistent



- 1 Grow investment portfolio earnings
- 2 Realise investments with good cash-to-cash returns
- 3 Maintain an operating cash profit
- 4 Use our strong balance sheet
- 5 Increase shareholder distributions

Our post-restructuring track record continues to improve



	Six months to 30 Sep 2017 ¹	Year to 31 Mar 2017 ¹	Year to 31 Mar 2016	Year to 31 Mar 2015	Year to 31 Mar 2014	Year to 31 Mar 2013	Year to 31 Mar 2012
Total return % over opening net asset value	£655m 11%	£1,592m 36%	£824m 22%	£659m 20%	£478m 16%	£373m 14%	£(656)m (20)%
Diluted NAV per share	652p	604p	463p	396p	348p	311p	279p
Gross investment return	£746m	£1,755m	£1,069m	£805m	£665m	£598m	£(429)m
3i portfolio value	£6,584m	£5,675m	£4,497m	£3,877m	£3,565m	£3,295m	£3,204m
Net cash/(debt)	£(48)m	£419m	£165m	£49m	£(160)m	£(335)m	£(464)m

Careful investment and active asset management generating strong returns

¹ As reported. Prior year figures not restated to reflect the sale of Debt Management.

A good start to the year

Six months to 30 September 2017



Group

Total return
on equity

11%

Interim dividend
per share

8p

NAV per share

652p

Net debt

£48m

Private Equity

Proprietary capital
invested

£506m

Realisation
proceeds

£350m

Infrastructure

Assets under
management

£3.6bn

Operating
cash income

£34m

Strong portfolio performance and investment activity in Private Equity
Two new funds and new US initiative in Infrastructure

Private Equity

Good portfolio performance and strong investment momentum



Good portfolio performance driving value growth

- **£715m** gross investment return, **15%** of opening book value
- **91%** of top 20 assets by value in the portfolio grew earnings in the period

Strong momentum in investment activity

- **£506m** proprietary capital invested

Sustained progress in realising legacy assets

- **£350m** realisation proceeds; **21%** uplift on opening book¹

Objective: generate an attractive investment return ✓

Private Equity

Good portfolio performance drove portfolio value growth of £517m in H12018



Largest value increases (>£10m)

Portfolio company ¹	Value growth (excl FX)	Value at 30 Sep 2017	Key driver of value movement
Action	£247m	£2,009m	↑ Earnings
Q Holding	£36m	£243m	↑ Earnings ↑ Multiple
Basic-Fit	£28m	£218m	↑ Share price
AES	£21m	£134m	↑ Earnings ↑ Multiple
ATESTEO	£16m	£182m	↑ Earnings
Audley Travel	£15m	£208m	↑ Earnings ↑ Multiple
Hans Anders	£14m	£195m	↑ Multiple ↑ Earnings
Aspen Pumps	£12m	£104m	↑ Earnings
Etanco	£12m	£57m	↑ Earnings ↑ Multiple

Largest value declines (>£10m)

Portfolio company	Value decline (excl FX)	Value at 30 Sep 2017	Key driver of value movement
Schlemmer	£(12)m	£152m	↓ Earnings

¹ One asset excluded for commercial reasons.

Private Equity

Action continues to perform strongly



- Continued sector-leading levels of growth
- Investing to build a €10bn turnover business
 - fourth and fifth distribution centres to open this year
 - targeting 230 new stores in 2017
- 3i stake now valued at over £2bn

Private Equity

Focused and disciplined approach to origination and new investment



Clear focus

- Consumer, Industrial, Business Services
- Northern Europe, North America



Themes/megatrends

- Develop views on long-term trends that support earnings growth

Core objective:
Generate >2x cost from investments



Disciplined process

- Early stage commercial evaluation
- Less competitive or proprietary processes



3i network and BLN

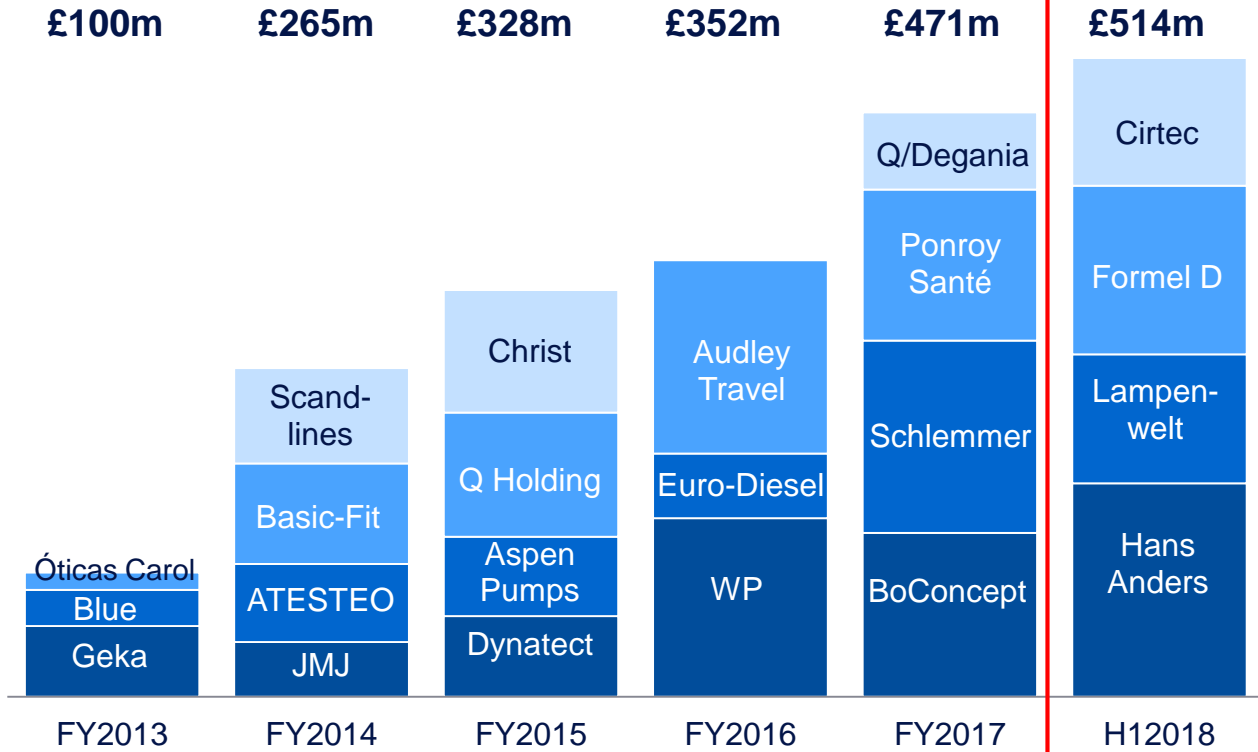
- Identification of and access to targets
- Assessment, due diligence and NXD involvement

Private Equity

Our approach is producing good results



Proprietary capital invested in each vintage



c.£2bn invested since FY2013

FY2013-FY2016 MM of **1.9x¹**

¹ Excludes new investments made in FY2017 but includes the further investment in Q/Degania. Sterling MM.

Private Equity

New investment: Cirtec (£103m proprietary capital invested)



Leading provider of outsourced medical device manufacturing



United States, Industrial



Outsourced manufacturing, growth in minimally invasive therapeutic technologies, favourable demographics



CEO was part of the 3i network since 2013
Bolt-on opportunities identified pre-investment



Limited process
Q Holding track record a competitive advantage

Private Equity

New investment: Lampenwelt (£104m proprietary capital invested)



Largest specialty online retailer of lighting products in Europe



Germany, Consumer



Disruptive retail, lifestyle



Jochen Wilms from BLN introduced opportunity, involved in diligence process and now chairman of the board



Entirely proprietary and un-intermediated process

Private Equity

Growing our portfolio through bolt-on acquisitions



 **ATESTEO**



straesser
automotive testing

- Straesser is a leading player in road testing and vehicle test driving services
- Self-funded

**GRUPE
PONROY
SANTÉ**



**GRUPE
ERSA**

- ERSA Group is a designer and distributor of premium pharmaceutical food supplements
- Acquisition strengthens Ponroy's presence in the premium pharmacy segment in France
- 3i will contribute £10m in further equity to help fund this acquisition

ASPEN[®]



JAVAC



SALINA

- Acquisition of pump manufacturer Javac broadens product offering
- Acquisition of French importer Salina allows control of route to market
- Both self-funded

Private Equity

Continuing to realise legacy investments at good uplifts



Investment	Realised proceeds	Profit/(loss) in the period	Money multiple over cost ¹	IRR
Full realisations				
Mémora	£119m	£32m	1.4x	4%
MKM	£70m	£2m	5.9x	19%
Óticas Carol	£27m	£9m	1.9x	15%
Dphone	£26m	£6m	2.2x	7%
Foster and Partners	£33m	£(1)m	1.8x	9%
Partial realisations				
Refresco Gerber	£16m	£2m	2.0x	12%
Other	£5m	-	n/a	n/a
Refinancings				
Scandlines ²	£50m	-	n/a	n/a
Deferred consideration				
Other	£4m	£3m	n/a	n/a
Total	£350m	£53m	2.7x	n/a

H12018 realisations

£350m total proceeds

2.7x money multiple

¹ Cash proceeds over cash invested. For partial realisations, the valuation of any remaining investment is included in the multiple.

² Scandlines' money multiple and IRR excluded for commercial reasons.

Private Equity

A portfolio weighted towards our better assets



	The buckets	Selected examples	% of value	
			H12018	FY2017
1	Longer-term hold; value creation	Action, Scandlines, Audley, ATESTEO	c.68%	c.64%
2	Strong performers; performing in line with investment case	WP, Hans Anders, BoConcept	c.19%	c.22%
3	Manage intensively; potential value upside	OneMed, Etanco, Christ, JMJ	c.8%	c.9%
4	Low or nil-valued assets	Indiareit, Navayuga	0.3%	0.4%
5	Quoted assets	Basic Fit, Refresco	c.4%	c.5%

37 portfolio companies and 2 quoted stakes at 30 September 2017

Infrastructure

Good performance and progress in fundraising activity



Contributing to capital and income returns

- **£32m** gross investment return, or **5%** of opening book value
- **£34m** operating cash income

3iN continues to perform strongly

- Total return of **7%** and TSR of **5%** in H12018
- Embedding new investments made in FY2017

Supporting growth in the franchise and in fee income

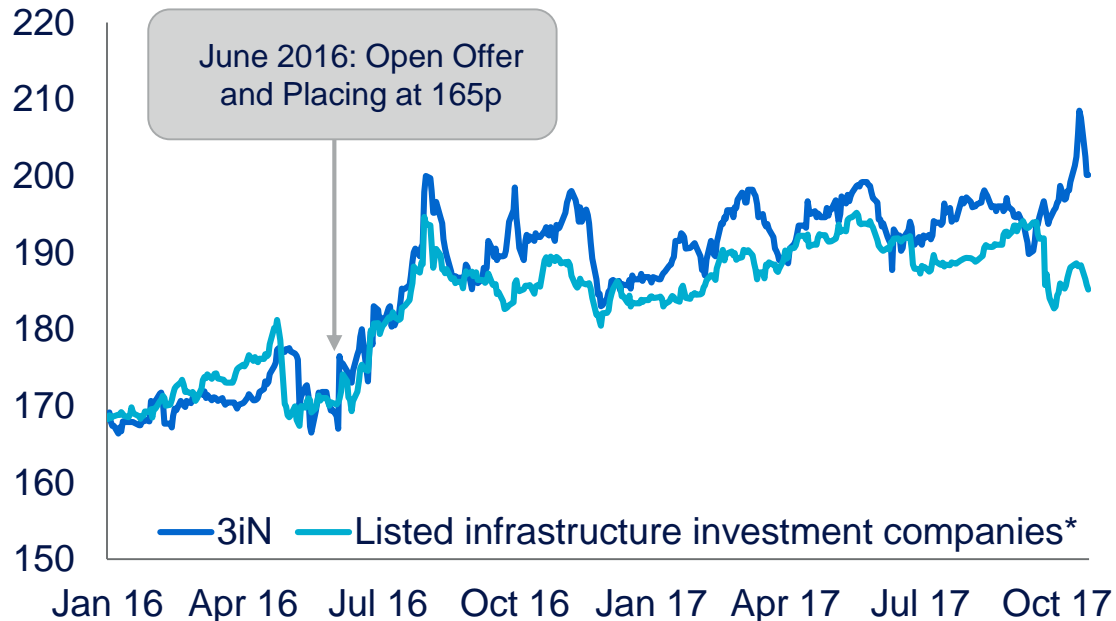
- Launch of 3i Managed Infrastructure Acquisitions Fund and 3i European Operational Projects Fund, adding a total of **£830m** in AUM
- First US investment in Smarte Carte announced in October

Objective: grow fee and portfolio income ✓



3iN relative share price performance since 1 January 2016

(rebased to 3iN, pence per share)



- NAV total return of 7% in H12018
- TSR of 5% in H12018
- TSR of 22% on 3i's £131m investment in June 2016 placing (to 30 September 2017)

* Basket includes HICL, INPP, JLIF and BBGI

Source: Bloomberg

Infrastructure

Our first infrastructure investment in the US: Smarte Carte



- Leading concessionaire of essential infrastructure equipment
- 140,000 owned units consisting primarily of airport baggage carts and self-storage lockers
- Operates at over 2,500 locations in seven countries
- EV of \$385m
- To be funded with 3i's own balance sheet



Financial review

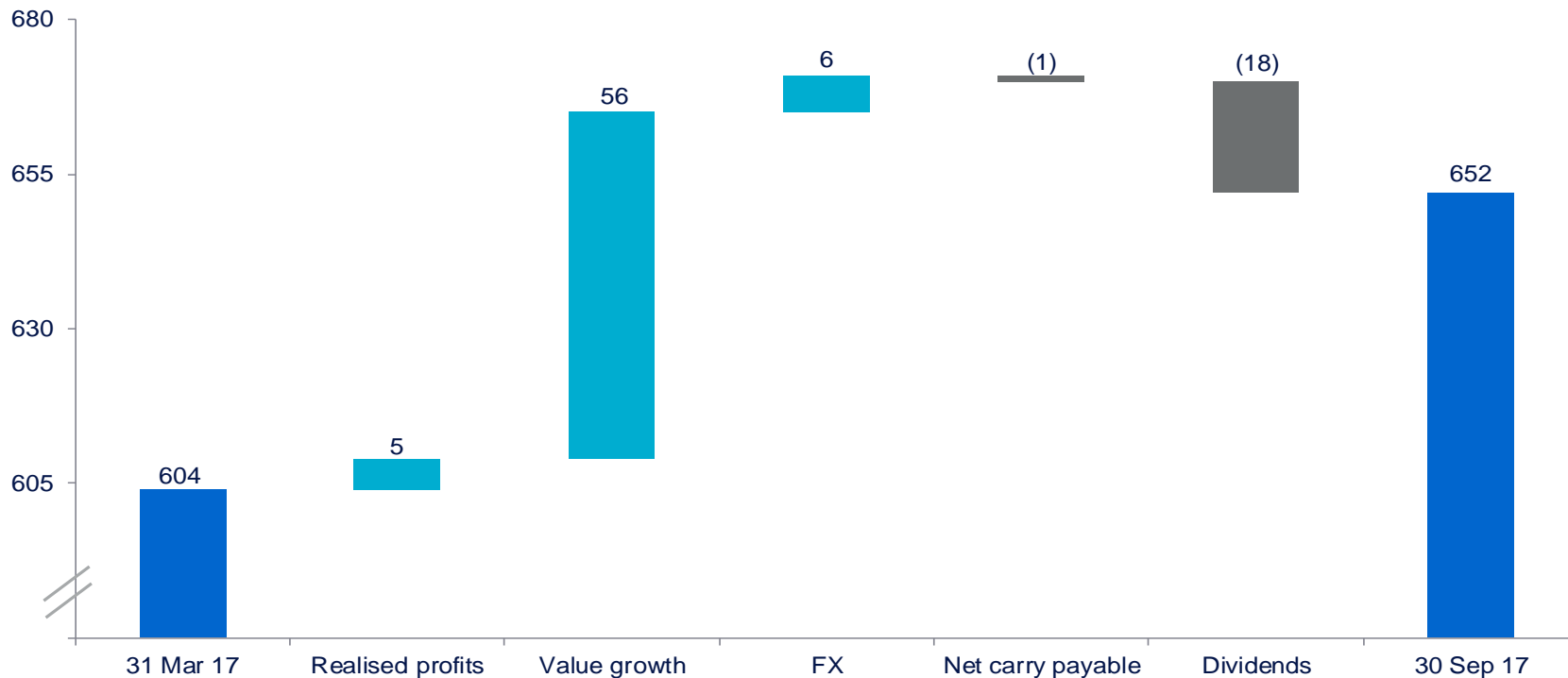
Julia Wilson

Group Finance Director

NAV up 8% to 652 pence driven by strong portfolio performance



NAV per share (pence)



Private Equity

Strong performance



Six months to 30 September £ million	2017	2016
Gross investment return	715	989
% of opening portfolio	15%	26%
Realised profit	53	52
Uplift over book value ¹	21%	9%
Money multiple	2.7x	2.3x
Realisations	350	654
Cash Investment	506	291
Portfolio value	5,692	4,351

Portfolio now 37 assets and 2 quoted stakes

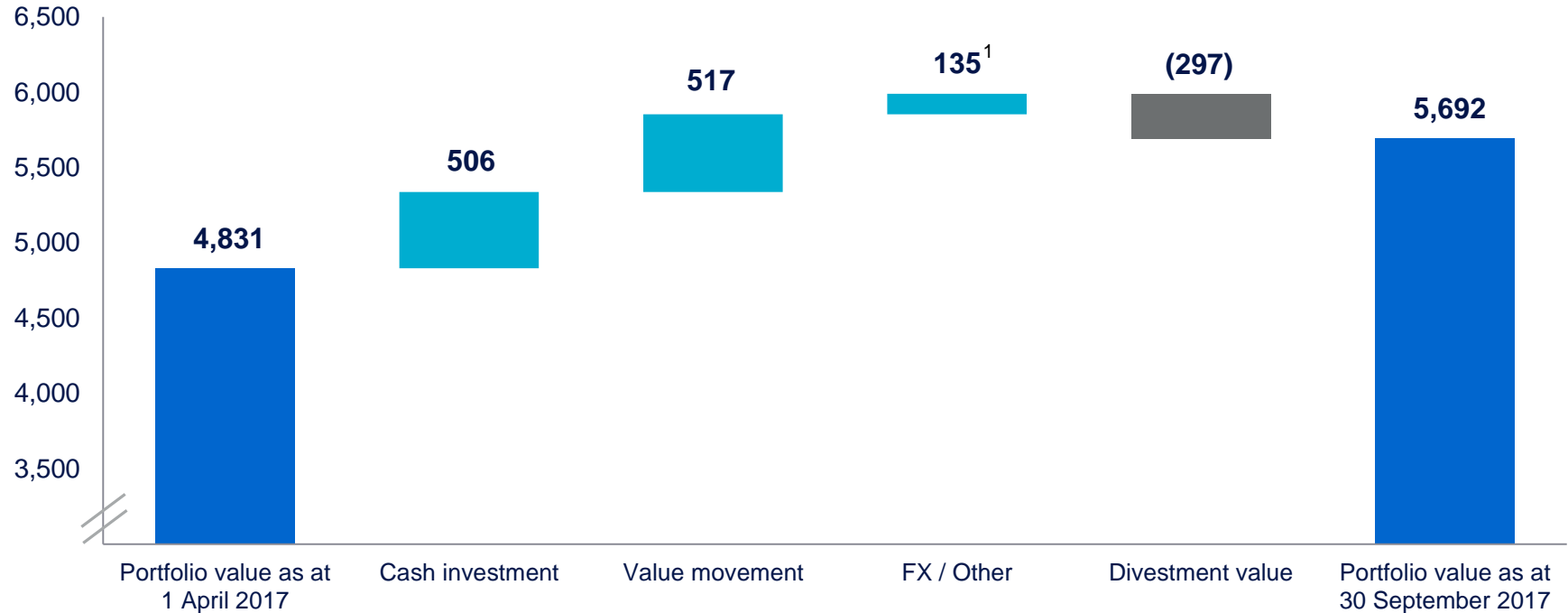
¹ Excludes refinancings.

Private Equity

More focus on origination results in higher investment levels



£ million



£861 million / 18% increase in portfolio value in six months

¹ Includes capitalised interest and other non-cash investment.

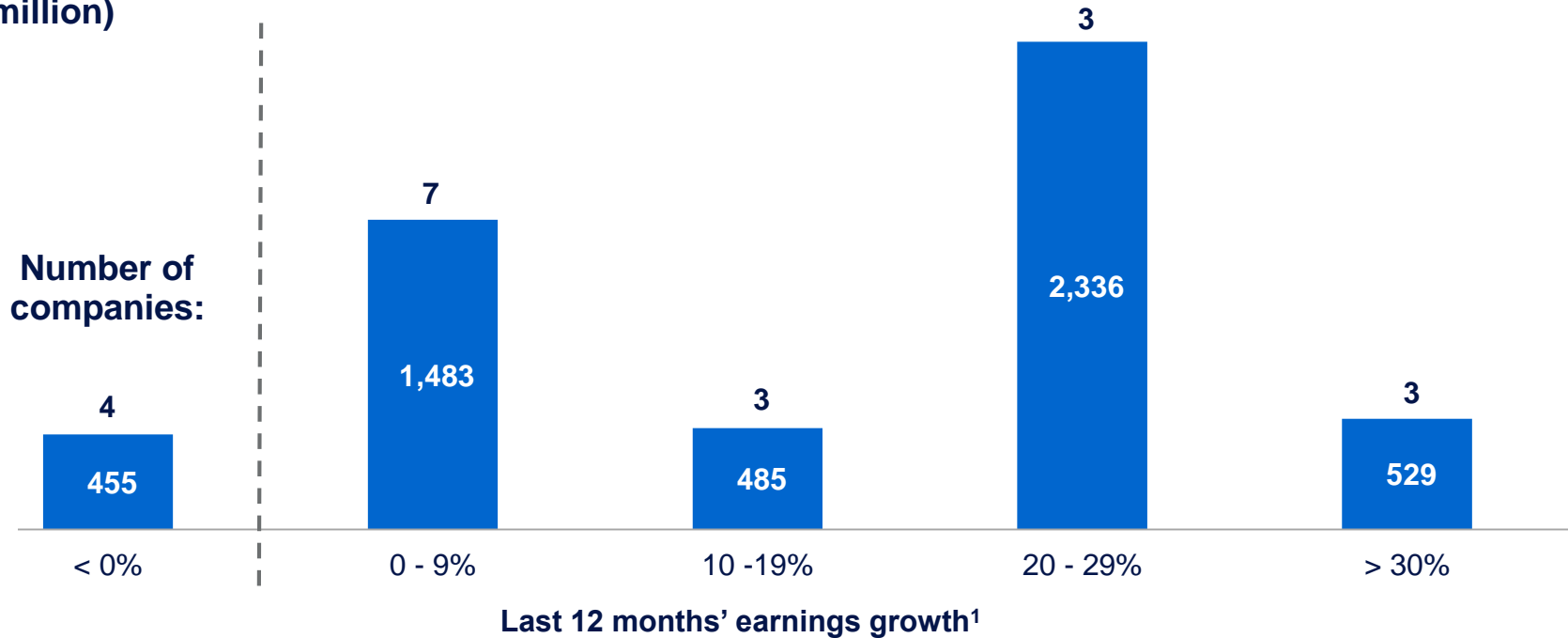
Private Equity

Good growth in the top 20 assets



3i carrying value at 30 September 2017

(£ million)



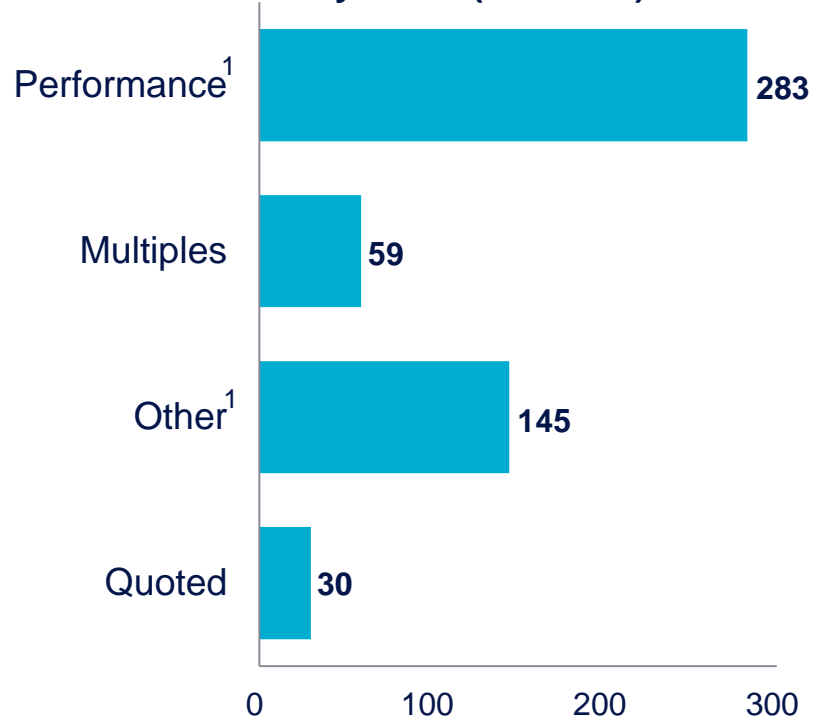
¹ Earnings growth in the top 20 investments, 15 using EBITDA, 4 using EBITA and 1 using run-rate earnings. Excludes ACR where earnings are not the relevant measure.

Private Equity

£517 million value growth



Value movement by basis (£ million)



Use of earnings	September 2017	March 2017
% valued on an earnings basis	81%	78%
Forecast indicates negative outlook (no.)	3	1

Multiples ²	September 2017	March 2017
Action	16.0x	16.0x
3i ex. Action	10.8x	9.9x

¹ Performance includes value movements relating to earnings and net debt movements in the period. Other includes investments valued on a DCF basis and net asset value.

² Multiples are stated post liquidity discount and are based on EBITDA or run-rate consistent with the valuation.

Details on valuation methodology can be found in the Annual Report and Accounts 2017 on pages 158 to 159.

Infrastructure

Steady gross investment return

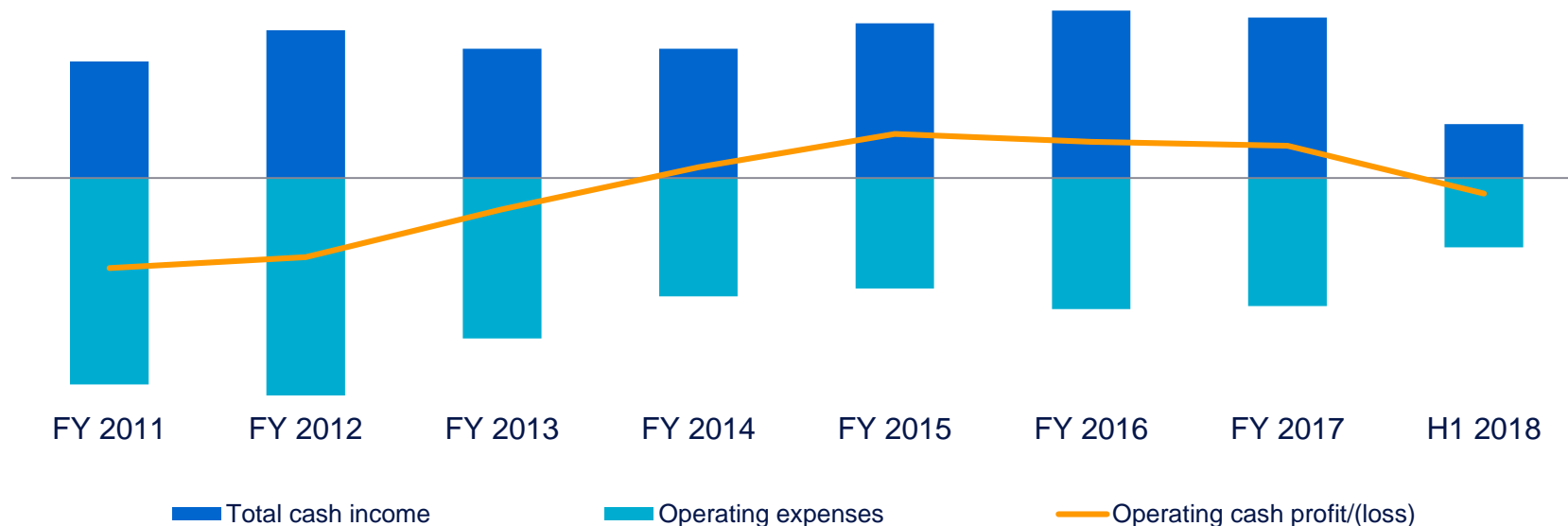


Six months to 30 September £ million	2017	2016
Gross investment return	32	90
<i>% of opening portfolio</i>	5%	17%
Fee income	21	18
Cash income	34	28
Cash investment	43	131
Portfolio value	765	722
Assets under management	3,615	2,948

Operating cash profit



£ million



Infrastructure initiatives will improve measure in due course

Strong balance sheet supported step up in investment



£ million	30 September 2017	31 March 2017
Investments	(572)	(689)
Realisations	374	1,275
Net (investment)/divestment	(198)	586
Net (debt)/cash	(48)	419
Net assets	6,320	5,836
Liquidity	877	1,323

8 pence interim dividend confirmed today

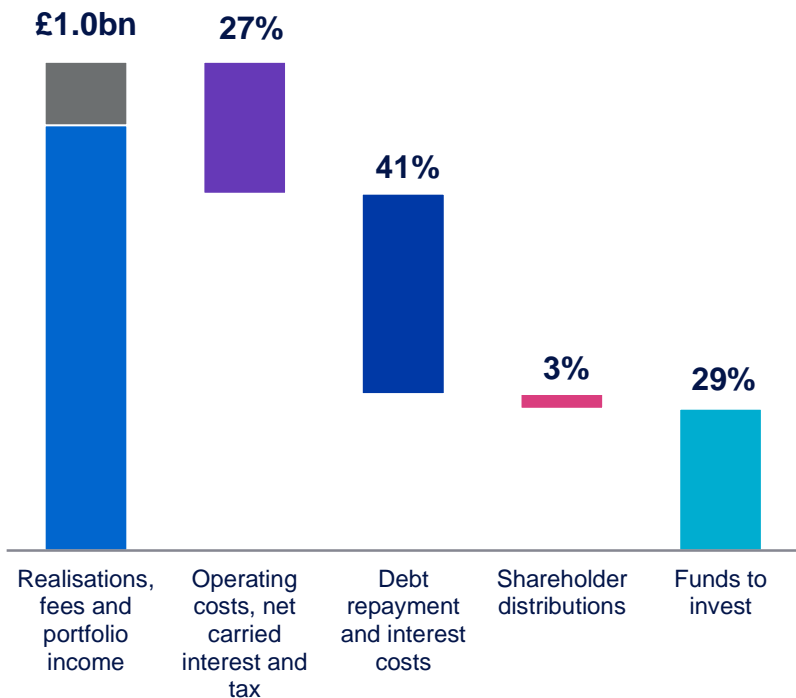


- Policy to pay **8.0p** interim dividend and **8.0p** year end dividend plus additional final year dividend, provided:
 - gearing <20% ✓
 - gross debt on target to be <£1bn ✓
- Final year dividend dependent on cash realisations, investment pipeline and balance sheet at year end

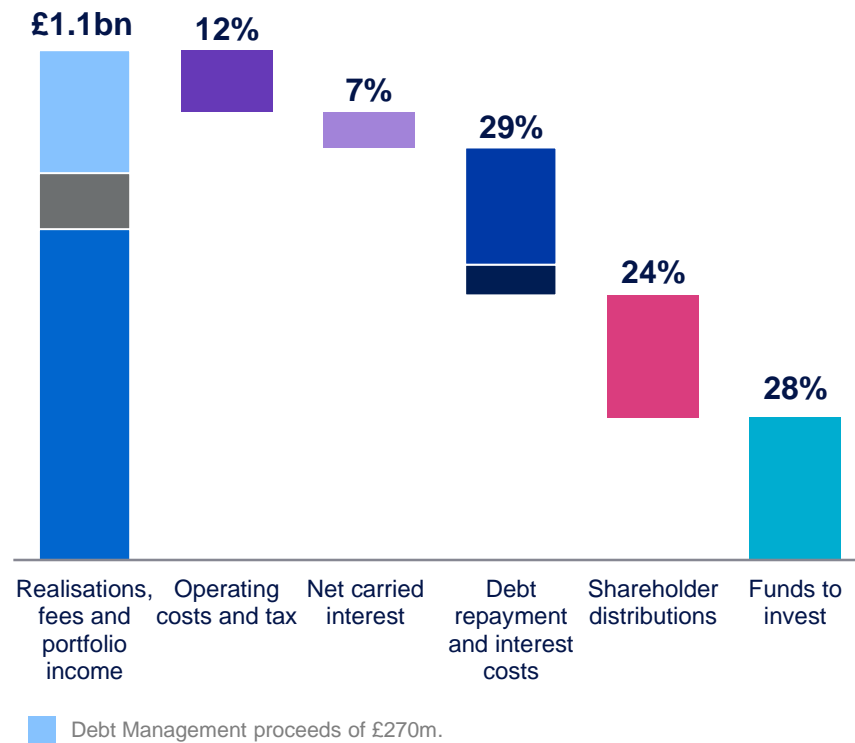
Continuing to improve capital efficiency and allocation



Average over FY10-FY12



Year to 30 September 2017



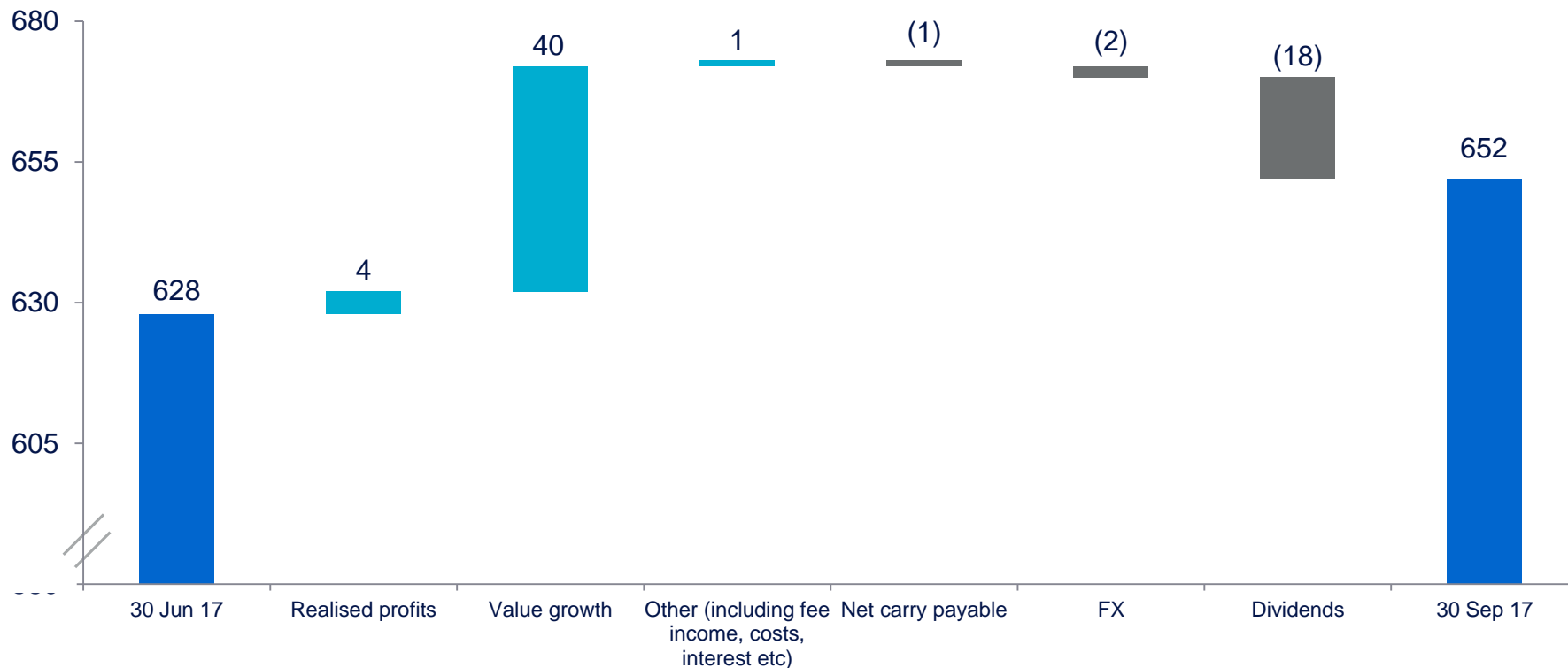


Additional information

Q2 NAV up from 628 pence to 652 pence

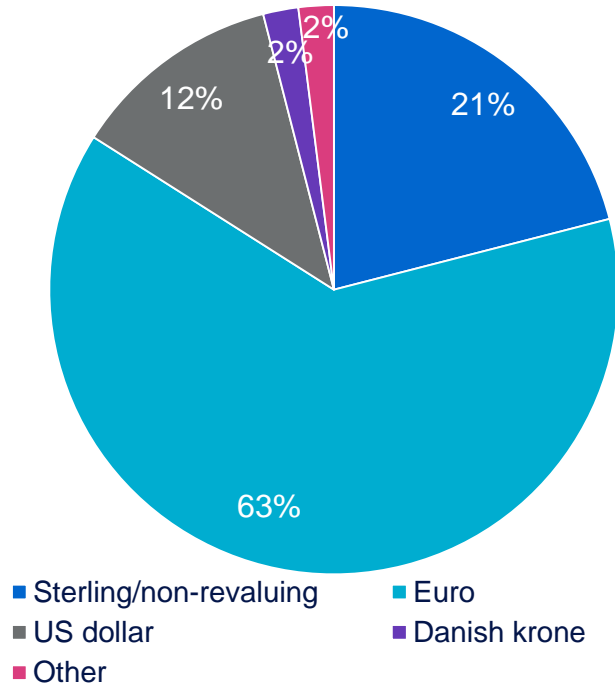


NAV per share (pence)





Net asset exposure by currency



Currency	Net assets	Change YTD	Impact
Sterling	£1,326m	n/a	n/a
Euro	£3,968m	(3.2)%	105
US dollar	£778m	6.6%	(51)
Danish krone	£145m	(3.1)%	4
Other ¹	£103m	n/a	(6)
Total	£6,320m		52

1% movement in euro = £39 million, 1% in US dollar = £8 million

¹ Other mainly includes Indian rupee, Brazilian real and Swedish krona.

Private Equity

20 large investments



Investment ¹	Business description	Valuation Sep 17 £m	Valuation Mar 17 £m
Action	Non-food discount retailer	2,009	1,708
Q Holding	Manufacturer of engineered precision elastomeric components	243	222
WP	Supplier of plastic packaging solutions	218	200
Basic-Fit	Discount gym operator	218	184
Audley Travel	Provider of experiential tailor made travel	208	185
Hans Anders	Value-for-money optical retailer	195	n/a
ATESTEO	International transmission testing specialist	182	160
Schlemmer	Provider of cable management solutions for the automotive industry	152	154
BoConcept	Urban living brand	145	146
Formel D	Quality assurance provider for the automotive industry	135	n/a
AES Engineering	Manufacturer of mechanical seals and support systems	134	113
Ponroy Santé	Manufacturer of natural healthcare and cosmetics products	133	122
ACR	Pan-Asian non life reinsurance	130	135
Tato	Manufacturer and seller of speciality chemicals	112	112
Lampenwelt	Online lighting specialist retailer	109	n/a
Aspen Pumps	Manufacturer of pumps and accessories for the air conditioning, heating and refrigeration industry	104	88
Christ	Distributor and retailer of jewellery	100	98
Cirtec Medical	Outsourced medical device manufacturing	99	n/a
Euro-Diesel	Manufacturer of uninterruptible power supply systems	91	95
OneMed	Distributor of consumable medical products, devices and technology	59	59

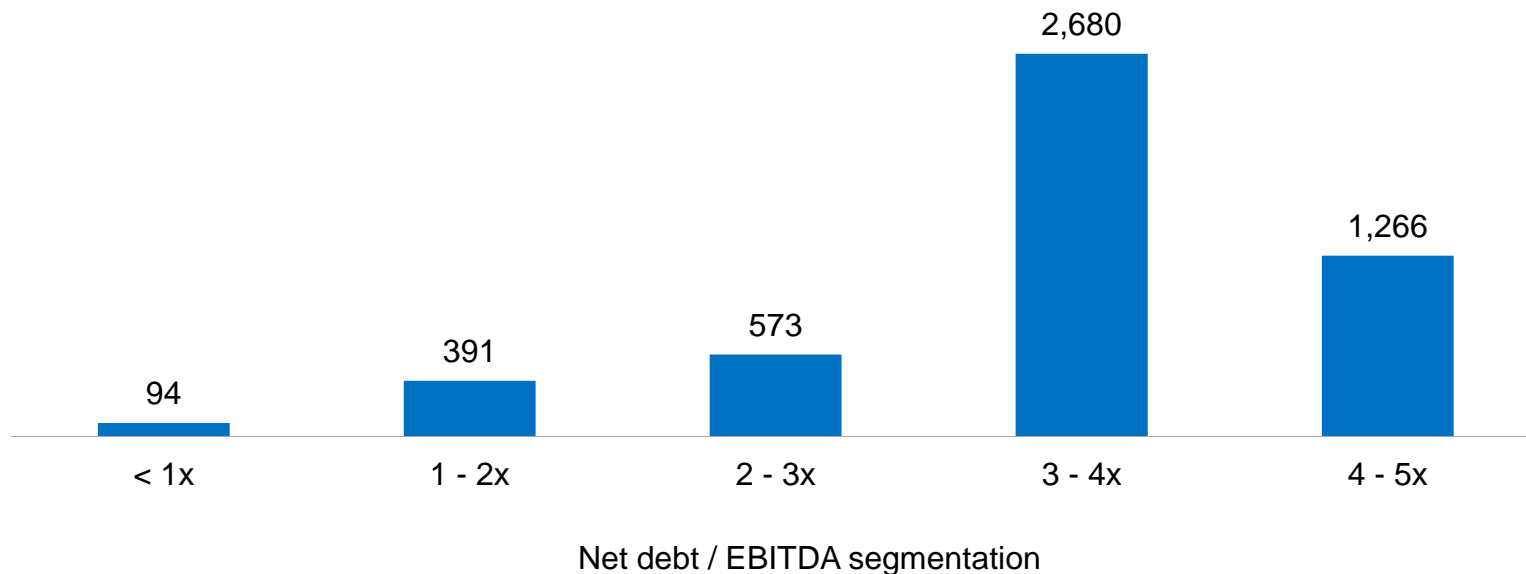
¹ One investment excluded for commercial reasons.

Private Equity leverage



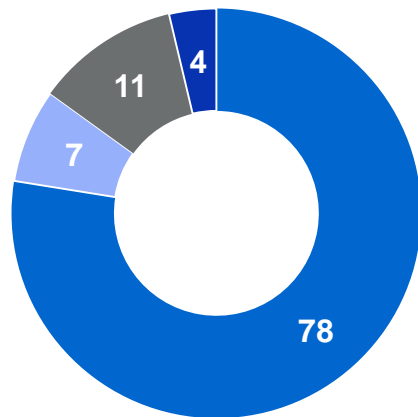
Ratio of total net debt to EBITDA by 3i carrying value at 30 September 2017

(£ million)



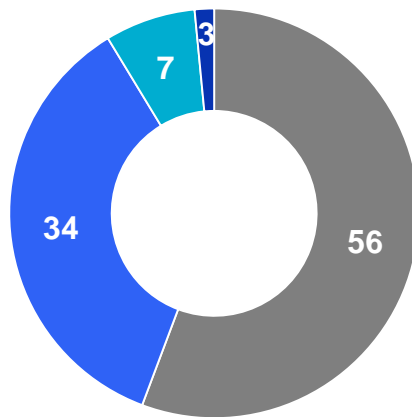
Note: The above table includes assets not valued on an EBITDA basis. This represents 88% of the Private Equity portfolio by value.

By region (%)



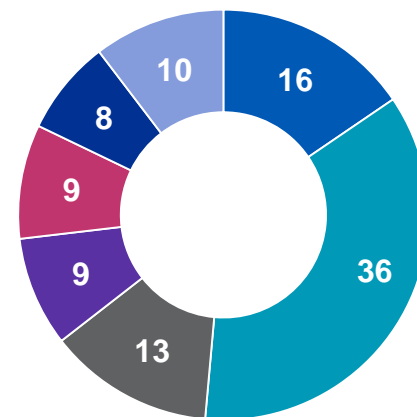
- Northern Europe
- North America
- UK
- Other

By sector (%)



- Consumer
- Industrial
- Business and Technology
- Other

By vintage (%)



- Pre 2012
- 2012
- 2014
- 2015
- 2016
- 2017
- 2018

Portfolio of 39 investments, down from 40 at 31 March 2017

Assets under management

Private Equity



	Close date	Fund size	3i commitment/share	Remaining 3i commitment ¹ at September 2017	% invested at September 2017	Gross money multiple ² at September 2017	AUM ³	Fee income received in the period
3i Growth Capital Fund	Mar 10	€1,192m	€800m	€346m	53%	2.0x	£43m	–
3i Eurofund V	Nov 06	€5,000m	€2,780m	€105m	94%	2.3x	£2,166m	£2m
3i Eurofund IV	Jun 04	€3,067m	€1,941m	€82m	95%	2.3x	£3m	–
Other (third party)	various	various	various	n/a	n/a	n/a	£157m	£1m
3i proprietary capital	n/a	n/a	n/a	n/a	n/a	n/a	£5,692m	n/a
Total Private Equity AUM							£8,061m	£3m

¹ All funds are beyond their investment period.

² Gross money multiple is the cash returned to the fund plus value as at 30 September 2017, as a multiple of cash invested.

³ AUM is calculated on NAV.

Assets under management

Infrastructure



	Close date	Fund size	3i commitment/share	Remaining 3i commitment at September 2017	% invested at September 2017	Gross money multiple ¹ at September 2017	AUM ²	Fee income received in the period
3iN	Mar 07	n/a	£670m	n/a	n/a	n/a	£1,995m	£13m
3i Managed Infrastructure Acquisitions Fund	Jun 17	£698m	£35m	£5m	64%	1.2x	£662m	£2m
3i European Operational Projects Fund ³	Apr 17	€155m	€40m ⁴	n/a	38%	1.0x	£52m	–
India fund	Mar 08	US\$1,195m	US\$250m	US\$35m	73%	0.5x	£145m	£2m
BIIF	May 08	£680m	n/a	n/a	90%	n/a	£542m	£2m
BEIF II	Jul 06	£280m	n/a	n/a	97%	1.1x	£13m	–
Other (third party)	various	various	Various	n/a	n/a	n/a	£206m	£2m
Total Infrastructure AUM							£3,615m	£21m

1 Gross money multiple is the cash returned to the fund plus value as at 30 September 2017, as a multiple of cash invested.

2 3iN AUM is based on share price at 30 September 2017. In all other cases, AUM is based on NAV.

3 Numbers based on the first close of the fund.

4 3i commitment up to €40m depending on the size of the final fund.

Debt Management

Residual investments



Six months to 30 September £ million	2017 ¹	2016
Unrealised profits on revaluation	–	12
Cash income	7	8
Foreign exchange on investments	(8)	10
Gross investment return / total return	(1)	30
£ million	30 September 2017	31 March 2017
Residual CLO investments	46	50
Global Income Fund	73	79
Senior Loan Fund	8	8
Warehouse	-	1
Total value	127	138

¹ Numbers presented on a continuing operations basis.