



30 June 2016

## 3i Group plc Update on Action valuation

Since the publication of 3i Group plc's ("3i" or "the Group") financial results for the year to 31 March 2016, 3i has received a number of approaches in respect of Action, the Group's largest portfolio investment.

Action continues to grow strongly and, based on trading to mid-June, is performing on a trajectory similar to its 2015 performance with a similar level of like-for-like sales growth. Action is currently also on track to open materially more new stores this year than it did last year.

In light of the third-party interest in Action and its continuing growth and financial trajectory, the Board of 3i has decided to increase the book value of its investment in Action to £1,464 million<sup>1</sup> after liquidity discount as at 30 June 2016 (31 March 2016: £902 million). This implies a post discount run-rate EBITDA multiple of 18.2x applied to the run-rate earnings as at 31 March 2016<sup>2</sup>. The book valuation of £1,464 million amounts to a less than 15x projected run-rate EBITDA as at 31 December 2016<sup>2</sup> on the assumption that Action continues to grow on its current trajectory for the remainder of this calendar year.

3i is actively engaged in the further development of Action and is not intending to sell its investment or organise a flotation of Action in the near future.

We will publish our Q1 performance update on 27 July 2016, which will include this adjustment and the results of our quarterly portfolio valuation.

### Notes

1. Action's valuation currency is euros. The GBP equivalents at 30 June 2016 in this update have been calculated at a currency exchange rate of €1.2168:£1.
2. Action is valued using a multiple of its run-rate earnings for the 12 months to the quarter end preceding the reporting period. The valuation uplift to £1,464 million at 30 June 2016 is calculated using run-rate earnings to 31 March 2016. The valuation as at 31 March 2017 will be calculated using run-rate earnings to 31 December 2016.

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## **About 3i Group**

3i is a leading international investment manager focused on mid-market Private Equity, Infrastructure and Debt Management. Our core investment markets are northern Europe and North America. For further information, please visit: [www.3i.com](http://www.3i.com).

The financial information in this update is unaudited and is presented on 3i's non-GAAP Investment basis in order to provide users with the most appropriate description of the drivers of 3i's performance. Although this update has been prepared based on reasonable assumptions, any statements about the future outlook of 3i or its investments may be influenced by factors that could cause actual outcomes and results to be materially different.