3i

3i team

Philip Yea
Group Chief Executive

Simon Ball
Group Finance Director

Jonathan Russell
Managing Partner
Buyouts

Michael Queen
Managing Partner
Growth Capital

Jo Taylor
Managing Partner
Venture Capital

Chris Rowlands
Head of Group Markets

Patrick Dunne
Group Communications
Director

Anil Ahuja
Managing Director, India

Gustav Bard
Managing Director,
Nordic Region

Graeme Sword
Director, Oil and Gas

Guy Zarzavatdjian
Managing Director,
France

Contents

Investor lunch, New York – 3 March 2006

Introduction to 3i

3i at a glance

- A world leader in private equity and venture capital
- Established 1945; IPO on London Stock Exchange 1994 (IPO at 272p)
- Market capitalisation £5.0bn (as at 31 January 2006)
- 3i has invested over £15bn in over 14,000 businesses
- Portfolio value £4.4bn, in 1,285 businesses (as at 30 September 2005)
- Network of teams located in 14 countries in Europe, Asia and the US
- 3i also manages and advises third party funds totalling £1.8bn (as at 30 September 2005)
- Member of the MSCI Europe, FTSE100, Eurotop 300 and DJ Stoxx indices

Our Board

- Chairman Baroness Hogg
- Six independent non-executive directors
  - Oliver Stocken (Deputy Chairman; Senior Independent Director)
  - Dr Peter Mihatsch
  - Christine Morin-Postel
  - Danny Rosenkranz
  - Sir Robert Smith
  - Fred Steingraber
- Three executive directors
  - Philip Yea – Chief Executive
  - Simon Ball – Group Finance Director
  - Michael Queen – Executive Director, Growth Capital
- Full board committee structure: Audit, Nominations, Remuneration and Valuations

3i's business lines

( ) = % of portfolio at 30.9.05	UK (50%)	Continental Europe (42%)	USA (6%)	Asia (2%)
Buyouts (40%)	✓	✓	X	X
Growth capital (32%)	✓	✓	X*	✓
Venture capital (17%)	✓	✓	✓	X
SMI (15%)	✓			

* Plan to enter US Growth market in 2006

Buyouts

- Nature of investment
  - Established businesses
  - Involves change of ownership, majority stake
  - Use of leverage
- Deal range
  - Up to €1bn
  - Investment size – up to €150m
- Target characteristics
  - Local relationship significant
  - Operational issues vital
  - Less competitive situations (non-price issues)
  - Exit via consolidation/strategic purchaser
- Buy local, sell global

Record profit:

3i sells YBR Group for €1.8bn and generates 4.2x money multiple, 110% IRR and circa €600m proceeds

3i has sold its stake in European telephone directories business Yellow Brick Road (YBR) to a consortium led by Australia's Macquarie Capital Alliance.

"3i was uniquely placed to achieve this. I can't think of anyone else who could have had the market access to make the original investment in Fonecta, De Telefoongids and Mediatel and the the ability to put them together so successfully."

Gary List, Chairman, YBR

"A 110% IRR is great news and a terrific example of creating value for 3i Group, the investors in our Buyout fund and of course the management team who have done an excellent job."

Jonathan Russell, 3i's head of Buyouts

"Creating such a unique and valuable business over the last few years would not have been possible without a great management team, the shareholder's media expertise and our international network. We wish the management and Macquarie well in taking the business forwards to its next stage of growth"

Crevan O'Grady, 3i's head of Media

Buyouts – Yellow Brick Road

Benefiting from knowledge-based investing

- The origins of YBR date back to 1997, when 3i backed Gary List to buyout Thomson Directories, the UK's second largest operator, in a €133m buyout that turned 3i's original €38m into nearly €200m – more than five times the original investment. We identified the yellow pages sector as a promising sector, at a time when the telecoms bubble had just burst and operators were offloading their directories businesses

Capitalising on local relationships

- In 2002 we bought Fonecta for €112m. 3i's Finnish venture capital team's relationship with telecoms group Sonera provided the inside track, whilst our Thomson Directories experience gave us the credibility. In 2003, 3i and VSS then led further buyouts, alongside new management teams, of De Telefoongids (€500m) from KPN in the Netherlands and Mediatel (€270m) in Austria and central Europe from Verizon Inc. Gary List joined the Board of De Telefoongids

Strong performance through operational improvement

- Benefiting from the Thomson experience, 3i supported management in driving through cost savings (especially in printing), developing electronic media, improving sales efficiency and taking advantage of the fast growing eastern European markets. 3i were actively involved in implementing +15 smaller bolt-on acquisitions, especially in Finland. Earnings grew from a pro-forma €126m in 2002 to €160m in 2005. Cash flow was particularly strong with +€400m generated over the course of three years

A truly pan-European strategy: Merger and Recap

- In 2004, working with advisers and management from 17 different nationalities, we merged Fonecta, De Telefoongids and Mediatel to form YBR, a leading, fast growing, diversified European Directory player with an enhanced strategic value beyond the limits of the individual country operations. We brought back Gary List to act as chairman and help drive through a number of organisational changes. A refinancing of the combined group raised €1bn of new debt and delivered cash returns for 3i of €224m (a cash-to-cash multiple of 1.5x)

Buyouts – value creation

Value creation

- **Buying well**
- **Performance improvement**
- **Complex processes**
- **Platform deals**
- **Market opportunity**

Growth Capital

- Nature of investment
  - Established private (often family-owned) regional businesses
  - Minority stake (alignment of interests)
  - To fund growth or acquisition or allow private placing
  - Use of leverage (often)
- Deal range
  - Investment size €10m-€100m, average c€30m
- Characteristics
  - Attractive yields
  - Diversity – sector, size and situation
  - International angle
  - Wider spectrum of the risk and return profile
- Infrastructure

Growth Capital – Petrofac

- 3i invested £22m/$40m for a 16.2% stake in May 2002
- 3i reinforced the balance sheet during a period of rapid growth
- 3i introduced CFO and Independent Director
- 3i also identified RGIT Montrose - acquired in February 2004
- Company transformed
- £742m IPO of Petrofac in October 2005
  3i realised £120m (money multiple of 5.3, IRR of 67%)

Venture Capital

- Nature of investment
  - Start-up or early stage technology or life sciences
  - Minority stakes
  - Syndicate of venture investors
  - Funding of development/research expenditure through series of 'rounds'
- Deal range
  - First time investments of €2m- €10m
- Characteristics
  - Critical mass teams in key locations (e.g. Cambridge, Silicon Valley)
  - Sector focus (software, communications, healthcare, ESAT)
  - Strong relationships with key corporates
  - Global/international knowledge and contact sharing

Venture Capital – creating value UbiNetics

- 3i invested £11m for a c.30% stake in 2004
- Added value: board building, corporate relationships and exit insight
- Revenues grown to $24m in 2005
- Sale of test and measurement business to Aeroflex in May 2005 for $84m
- Sale of retained business to Cambridge Silicon Radio for $48m in July 2005 following 3i introduction
- 3i realised £30m including £4m deferred (90% IRR in 18 months)

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Introduction to 3i

Examples from our first six months

	Buyouts	Growth Capital	Venture Capital	SMI
Investments	NCP carema AVIAPARTNER	BOXER DIGITAL-TV MED EN VANLIG ANTENN CLINICA BAVIERA INSTITUTO OFTALMOLOGICO EUROPEO NIMBUS	VISUALMEDIA nujira Hot Technology. Cool PAs. TRIAGE WIRELESS	
Realisations	YBR GROUP Travelex worldwide money sia HOME FASHION	revus energy Mölnlycke Health Care CJ CGV	UbiNetics searchspace® interhyp	AVENT Naturally Through pregnancy, birth and beyond. McMULLEN'S

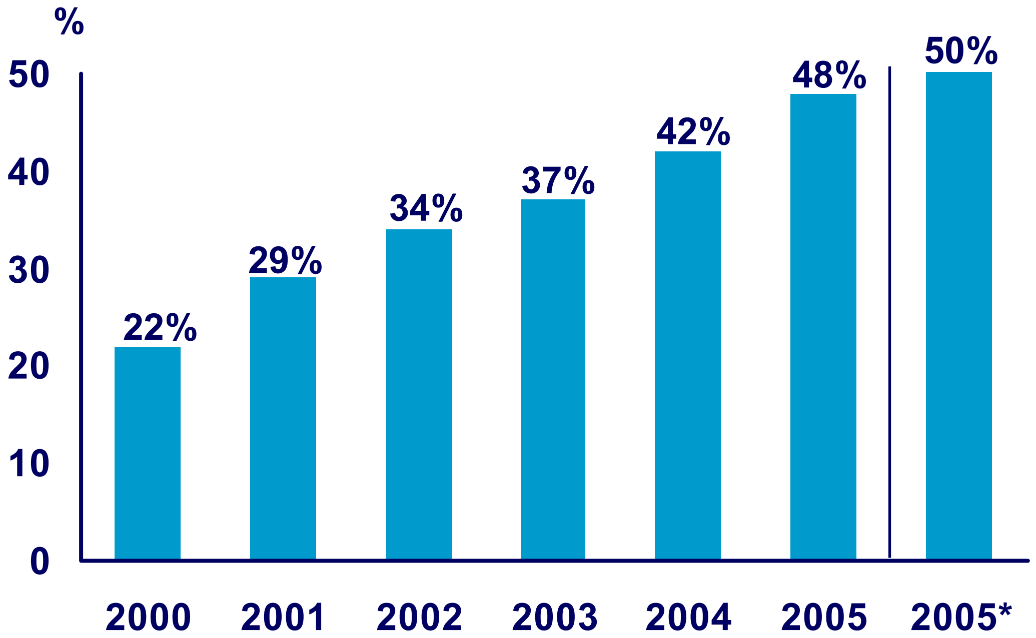
Vision

3i shall be the private equity firm of choice

- Operating on a **world-wide scale**
- Producing **consistent market beating returns**
- Acknowledged for our **partnership style**
- **Winning** through our unparalleled **resources**

World-wide scale

Trend in international portfolio value



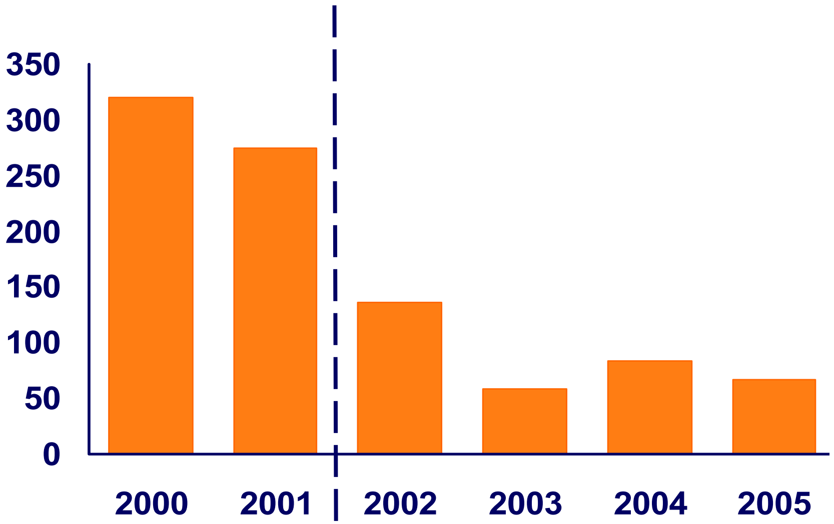
*to 30 September 2005

Asian development

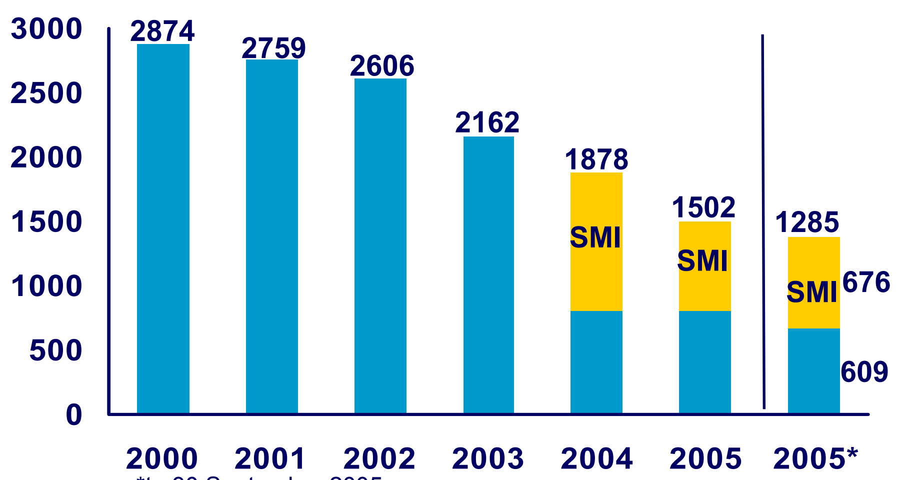
- China
- India
- Japan
- Direct and through relationships

Model changed since 2002

Number of new investments



Number of portfolio companies



*to 30 September 2005

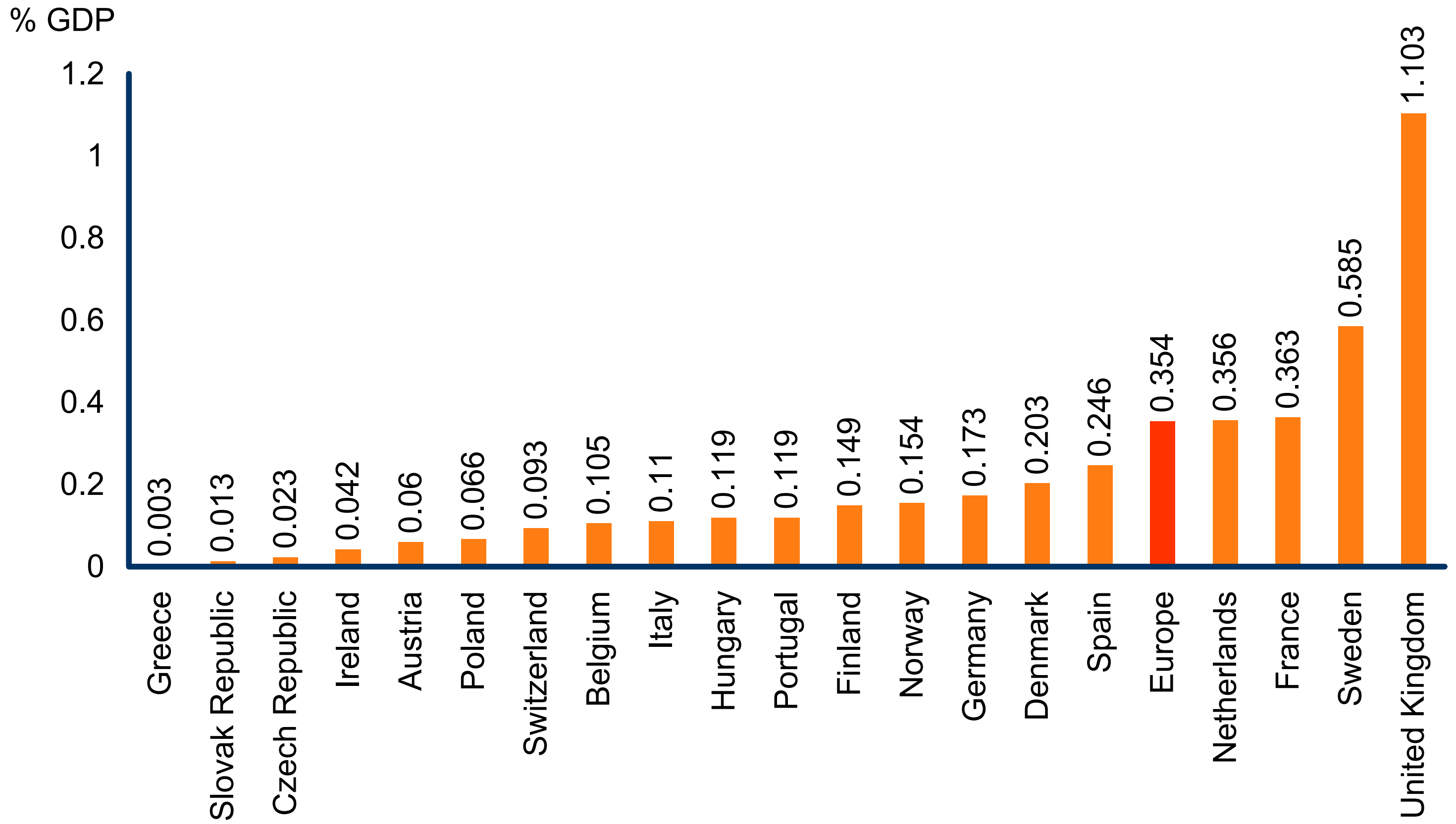
Producing consistent market returns

Goals	Cash to cash % returns pa	Cycle volatility	Vintage year volatility
Buyouts	20%	+/- 5	+/- 10
Growth Capital	20%	+/- 3	+/- 7
Venture Capital	35%	+/- 10	+/- 20

Drivers of increased activity

- Stock market conditions
- Market dynamics (eg single European market)
- M&A activity levels
- Restructuring
- Entrepreneurial culture
- Regulatory factors
- Technological developments and expenditure on IT
- Succession issues (especially in family-owned businesses)

Private equity investment as % of GDP (2004)



Source: EVCA June 2005

Structural change

- Large corporates focusing on core activities
- Decline in European manufacturing
- Sector consolidation
- The Asia effect
- Capital squeeze

Generating returns

	Historically	Today
Access to management	✓	✓ ✓
PE arbitrage	✓	X
Inflation	✓	X
Margin enhancement	✓	✓ ✓
Leverage	✓ ✓	✓
Acquisition	X	✓
Complexity	X	✓
Organic growth	✓	✓ ✓

Investor lunch, New York – 3 March 2006

Interim results to 30 September 2005

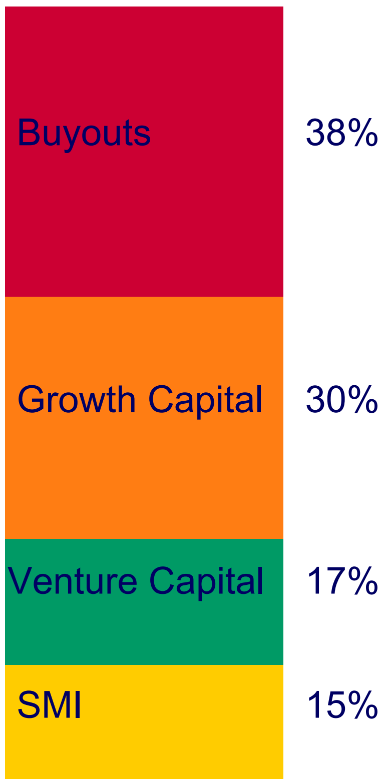
Financial performance highlights

	2005/06 1st half	2004/05* 1st half
• Total return	£447m	£224m
• Return on opening shareholders' funds	12.1%	6.8%
– Interim dividend	5.5p	5.3p
• Net asset value per share	677p	574p
• Realisation proceeds	£1,041m	£603m
– including co-investment funds	£1,363m	£792m
• Realised profits on disposal	£189m	£89m
• New investment	£706m	£422m
– including co-investment funds	£835m	£521m

*as restated

Portfolio value and gross returns by business line

Portfolio by value £4,389m



	2005/06 First half	2004/05 First half
Buyouts	13.1%	9.8%
Growth Capital	13.0%	7.7%
Venture Capital	8.2%	3.4%
SMI	12.3%	4.2%
Gross portfolio return	**12.1%**	**6.9%**

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Interim results to 30 September 2005

Gross portfolio return

	2005/06 First half £m		2004/05 First half (as restated) £m	
Realised profits on disposal of investments	189		89	
Unrealised profits on revaluation of investments	223		86	
Portfolio income	109		126	
Gross portfolio return	**521**	**12%**	**301**	**7%**
Buyouts	199	**13%**	145	**10%**
Growth Capital	168	**13%**	93	**8%**
Venture Capital	61	**8%**	23	**3%**
SMI	93	**12%**	40	**4%**
Gross portfolio return	**521**		**301**	

Net portfolio and total return

	2005/06 First half £m		2004/05 First half (as restated) £m	
Gross portfolio return	**521**	**12%**	**301**	**7%**
Fund management fee income	15		14	
Net carried interest & investment performance plans	31		(24)	
Operating expenses & share-based payments	(96)		(83)	
Net portfolio return	**471**	**11%**	**208**	**5%**
Net interest payable	(12)		(25)	
Exchange movements	35		32	
Movement in the fair value of derivatives	(33)		9	
Other	1		(1)	
Profit after tax	**462**		**223**	
Revaluation gain/losses	(15)		1	
Total recognised income and expense	**447**	**12.1%**	**224**	**6.8%**
Dividend	**5.5p**		**5.3p**	

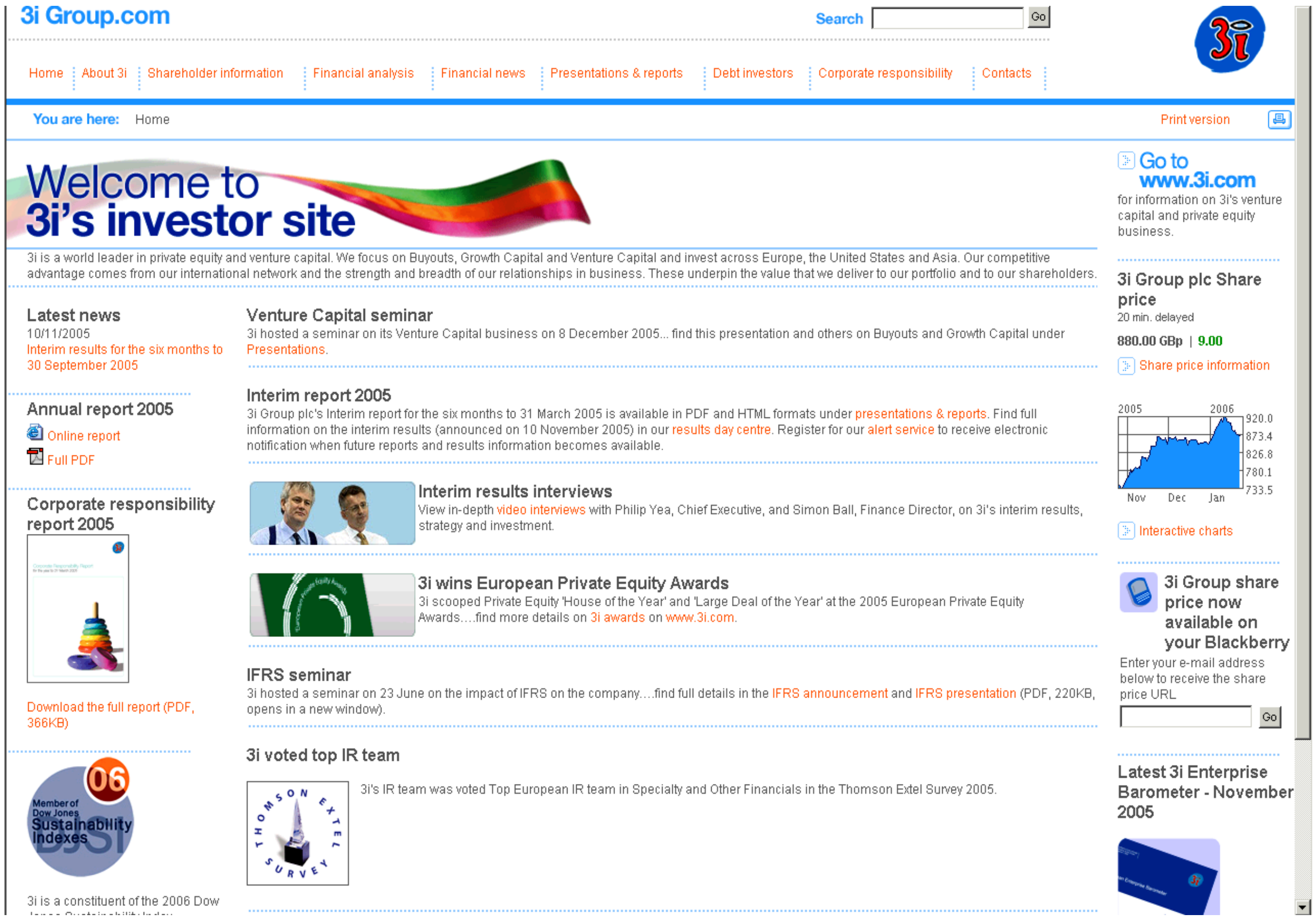
Net cash flow

	2005/06 First half £m	2004/05 First half £m
Cash invested	(724)	(426)
Net realisation proceeds	1,025	605
Net investment cash flow	301	179
Operating expenses and other	(97)	(115)
Net cash inflow from operating activities	204	64
Special dividend	(245)	-
Share buy-back programme	(151)	-
Net cash (outflow)/inflow	(192)	64

Financial summary

- Exceptionally active half year
- Strong returns achieved at gross, net and total levels
- Demonstrated our commitment to capital efficiency through £500m return of capital programme

3i's IR website www.3igroup.com



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Print version

Welcome to 3i's investor site

3i is a world leader in private equity and venture capital. We focus on Buyouts, Growth Capital and Venture Capital and invest across Europe, the United States and Asia. Our competitive advantage comes from our international network and the strength and breadth of our relationships in business. These underpin the value that we deliver to our portfolio and to our shareholders.

Latest news
10/11/2005
Interim results for the six months to 30 September 2005

Annual report 2005
Online report
Full PDF

Corporate responsibility report 2005
Download the full report (PDF, 366KB)

Member of Dow Jones Sustainability Indexes 06

3i is a constituent of the 2006 Dow Jones Sustainability Index

Venture Capital seminar
3i hosted a seminar on its Venture Capital business on 8 December 2005... find this presentation and others on Buyouts and Growth Capital under Presentations.

Interim report 2005
3i Group plc's Interim report for the six months to 31 March 2005 is available in PDF and HTML formats under presentations & reports. Find full information on the interim results (announced on 10 November 2005) in our results day centre. Register for our alert service to receive electronic notification when future reports and results information becomes available.

Interim results interviews
View in-depth video interviews with Philip Yea, Chief Executive, and Simon Ball, Finance Director, on 3i's interim results, strategy and investment.

3i wins European Private Equity Awards
3i scooped Private Equity 'House of the Year' and 'Large Deal of the Year' at the 2005 European Private Equity Awards....find more details on 3i awards on www.3i.com.

IFRS seminar
3i hosted a seminar on 23 June on the impact of IFRS on the company....find full details in the IFRS announcement and IFRS presentation (PDF, 220KB, opens in a new window).

3i voted top IR team
Thomson Extel Survey
3i's IR team was voted Top European IR team in Specialty and Other Financials in the Thomson Extel Survey 2005.

Go to www.3i.com for information on 3i's venture capital and private equity business.

3i Group plc Share price
20 min. delayed
880.00 GBp | 9.00
Share price information

2005 2006
920.0 873.4 826.8 780.1 733.5
Nov Dec Jan

Interactive charts

3i Group share price now available on your Blackberry
Enter your e-mail address below to receive the share price URL
Go

Latest 3i Enterprise Barometer - November 2005

Closing remarks

- Business recovered strongly from challenges of 01/02
- Delivered good financial performance in 03/04 and 04/05
- Strong first half performance in 05/06, good start to second half
- Market generally favourable
- Confident in our business model
- Focused on building for the future

"Quoted access to private equity returns"