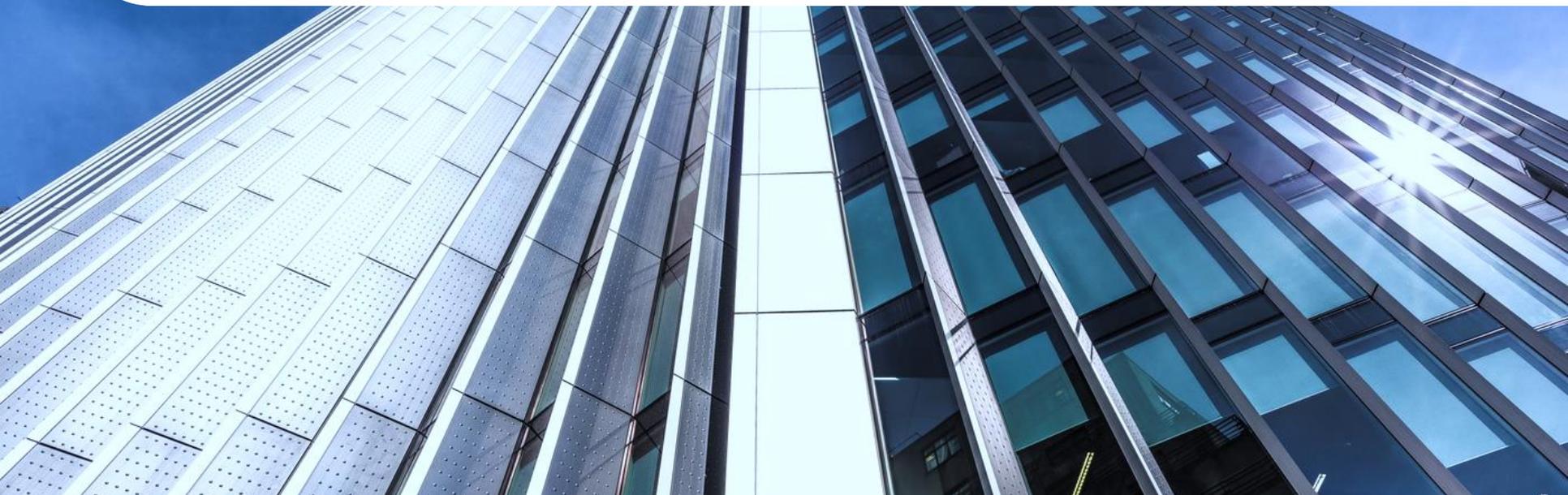




Results for the year to 31 March 2018

17 May 2018



A strong result for the year

Year to 31 March 2018



Group

Total return
on equity

24%

Total dividend
per share

30p

NAV per share

724p

Net cash

£479m

Private Equity

Proprietary capital
invested

£587m

Realisation
proceeds

£1,002m

Infrastructure

Fee and portfolio
income

£81m

3iN special dividend

£143m

Strong returns across the business and good progress on all our strategic objectives

Our post-restructuring track record



| | Year to 31 Mar 2018 | Year to 31 Mar 2017 ¹ | Year to 31 Mar 2016 ¹ | Year to 31 Mar 2015 ¹ | Year to 31 Mar 2014 ¹ | Year to 31 Mar 2013 ¹ | Year to 31 Mar 2012 ¹ |
|---------------------------------------|------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Total return | £1,425m | £1,592m | £824m | £659m | £478m | £373m | £(656)m |
| % over opening net asset value | 24% | 36% | 22% | 20% | 16% | 14% | (20)% |
| Diluted NAV per share | 724p | 604p | 463p | 396p | 348p | 311p | 279p |
| Cash realisations | £1,277m | £1,308m | £718m | £841m | £671m | £606m | £771m |
| Cash investment | £827m | £638m | £433m | £369m | £276m | £126m | £646m |
| 3i portfolio value | £6,657m | £5,675m | £4,497m | £3,877m | £3,565m | £3,295m | £3,204m |
| Net cash/(debt) | £479m | £419m | £165m | £49m | £(160)m | £(335)m | £(464)m |

**Careful investment and active asset management combined with a lean platform
are generating strong returns**

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

Our business model – delivering sustainable returns



1. Invest our proprietary capital in Private Equity

2. Grow portfolio earnings and cash flow

3. Realise a money multiple of >2x in Private Equity

4. Cover costs with fee and portfolio income



Mid to high-teens IRR net of carry over typical 4-5 year holding period

No cost dilution of returns

Objective: deliver a sustainable mid to high teens return across the cycle with no Group leverage

1. Investment – Private Equity

Strategic clarity and focus leading to a better “hit rate”



Clear focus

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



Themes/megatrends

- Flexibility to follow long-term trends that support earnings growth

Flexible to adapt to market developments and to pursue winning themes. Focused on returns



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

1. Investment – Private Equity

Flexibility to follow developing themes and megatrends



| Compliance/ Testing, inspection and certification | Polarisation/ Value-for-money | Demographics | Technological disruption | Health & Wellness |
|--|--|--|---|--|
|   |     |      |    |     |

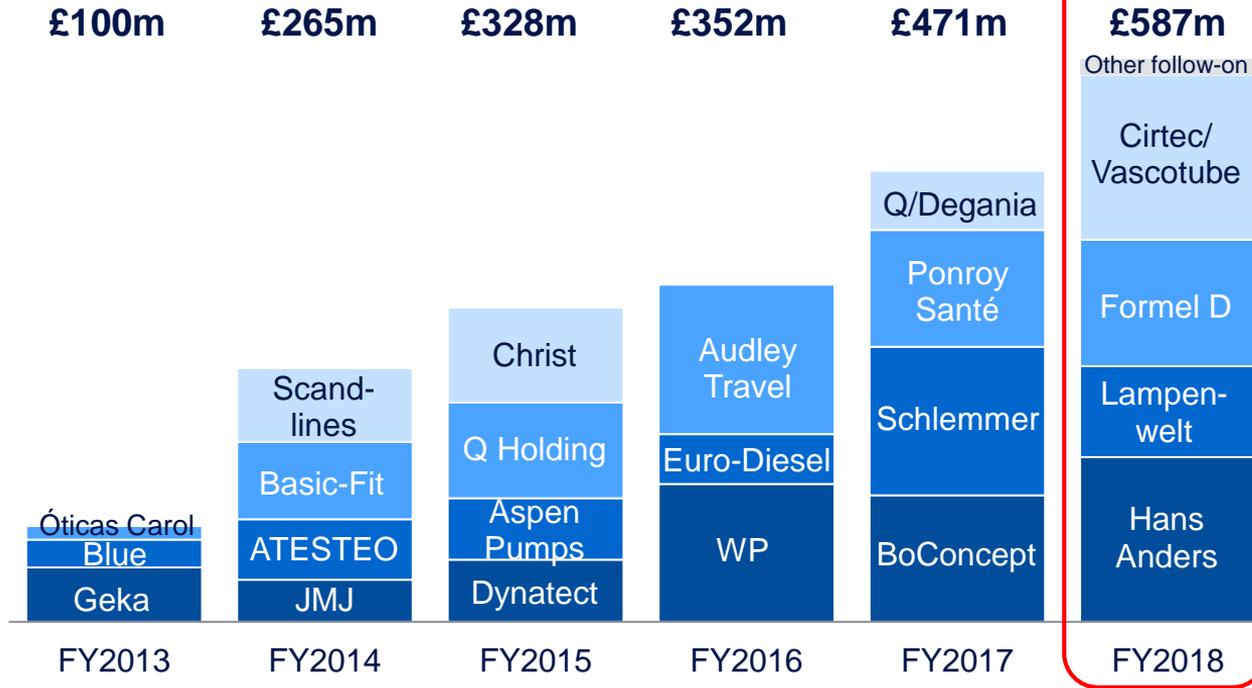
Our investments are supported by developing megatrends

1. Investment – Private Equity

Our approach is producing good results



Proprietary capital invested in each Private Equity vintage



c.£2.1bn invested in FY2013-FY2018

FY2013-FY2016 MM of **2.1x**

Investment of £135m in Royal Sanders completed in April and c.\$150m in ICE announced since year end

FY2013-2016 vintage could deliver money multiples closer to 3x than 2x

2. Grow portfolio earnings and cash – Private Equity



Implementing organic roll-out strategies: Action continues to grow strongly

2017

Highlights

+28% revenue growth

+25% EBITDA growth

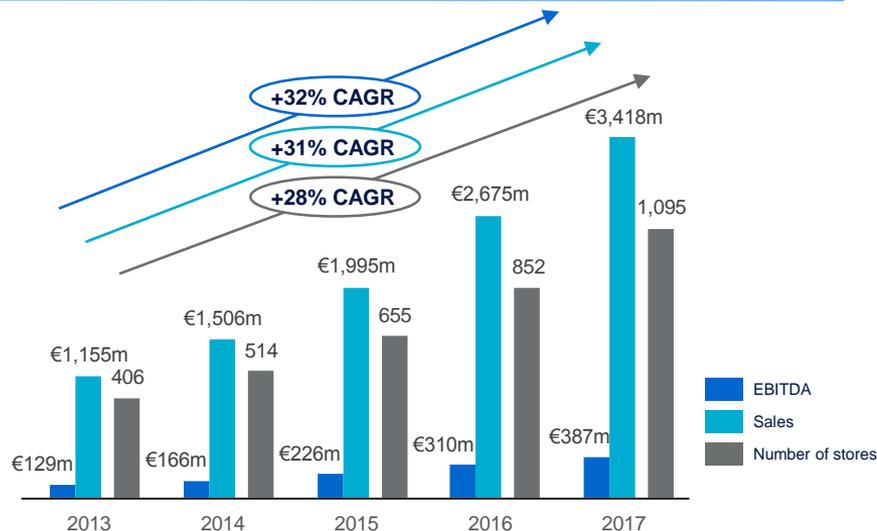
1,095 stores

243 net new stores added

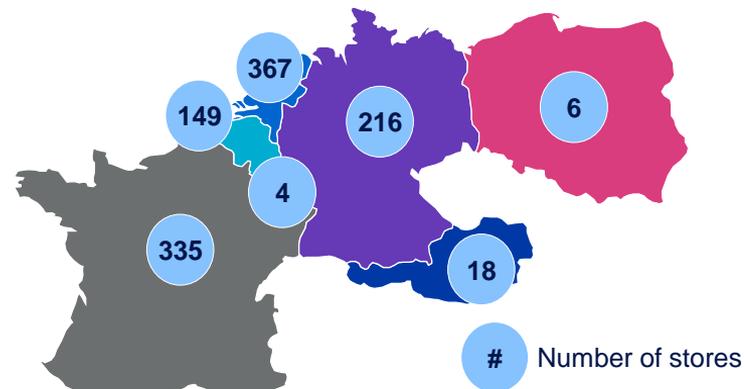
5 DCs, of which 2 new in 2017

2 DCs under construction

Consistent high growth track record



Rapid expansion in Germany & France; entry into Poland



Investing to become a €10bn turnover business
Targeting more stores in 2018 than in 2017

2. Grow portfolio earnings and cash – Private Equity

Building platform assets: Cirtec's transformational acquisition of Vascotube



Vascotube is a precision nitinol tubing component supplier that serves fast growing medical device end markets



- Transformational acquisition completed four months after investment
 - diversifies product offering and reduces customer concentration
 - provides exposure to high growth minimally invasive procedures, such as TAVR and TMVR
- Target identified before the initial investment in Cirtec
- 3i's German office key to winning the transaction

2. Grow portfolio earnings and cash – Private Equity

Good earnings performance drove value growth of £1,080m in FY2018



Largest value increases (>£20m)

| Portfolio company ¹ | Value growth (excl FX) | Value at 31 Mar 2018 | Key driver of value movement |
|--------------------------------|------------------------|----------------------|------------------------------|
| Action | £610m | £2,064m | ↑ Earnings ↑ Multiple |
| Scandlines | £302m | £803m | ↑ Sale |
| Basic-Fit | £81m | £270m | ↑ Share price |
| Q Holding | £33m | £229m | ↑ Earnings ↑ Multiple |
| Audley Travel | £30m | £233m | ↑ Earnings |
| Cirtec Medical | £27m | £190m | ↑ Earnings |
| AES Engineering | £26m | £139m | ↑ Earnings ↑ Multiple |
| WP | £26m | £244m | ↑ Earnings |

Largest value declines (>£20m)

| Portfolio company | Value decline (excl FX) | Value at 31 Mar 2018 | Key driver of value movement |
|-------------------|-------------------------|----------------------|------------------------------|
| Christ | £(53)m | £50m | ↓ Earnings ↓ Multiple |
| Euro-Diesel | £(21)m | £82m | ↓ Earnings |

91% of portfolio companies by value grew earnings in the year

¹ One asset excluded for commercial reasons.

3. Realise a money multiple of >2x from PE investments

Meeting objective from both recent and legacy investments



Full realisations (proceeds, money multiple)

| | | | |
|-------------------------------|-----------------------------------|-----------------------------|-------------------------------|
| ATESTEO £278m; 4.8x | Mémora £119m; 1.4x | MKM £70m; 5.9x | Refresco £43m; 2.0x |
| F+P £33m; 1.8x | Óticas Carol £27m; 1.9x | Dphone £26m; 2.2x | Hobbs £7m; 0.2x |

Refinancings (proceeds)

| | | |
|------------------------|---------------------------|------------------------|
| Action £307m | Scandlines £50m | ATESTEO £30m |
|------------------------|---------------------------|------------------------|

FY2018 realisations

£1,002m proceeds from realisations and refinancings

2.4x money multiple on full realisations

Realisation of Scandlines (FY2019) will generate a **total MM of 7.4x** and a MM on the 2013 investment of **5.8x**

3. Realise a money multiple of >2x from PE investments

ATESTEO – 4.8x money multiple from a typical 3i transaction



- £278m realisation announced in December 2017
 - 4.8x money multiple over a 4-year holding period
 - 100% uplift to valuation at 31 March 2017
- Doubled EBITDA during holding period through a number of growth initiatives
- Refinanced twice through holding period, generating total refinancing proceeds of £78m



Our Private Equity portfolio is now weighted towards our better assets and capable of delivering our overall objectives



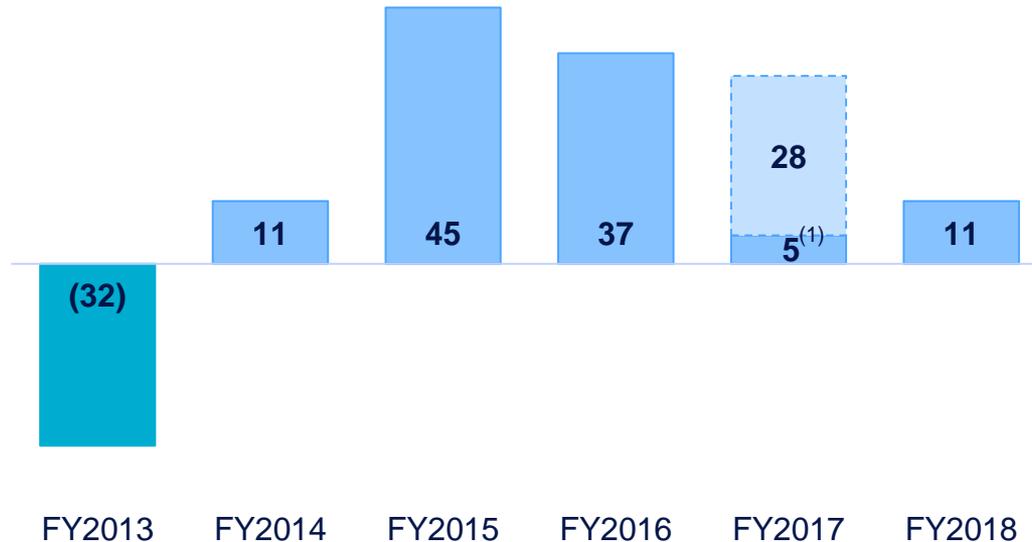
| | The buckets | Selected examples | % of value | |
|---|--|---|------------|--------|
| | | | FY2018 | FY2017 |
| 1 | Longer-term hold; value creation | Action, Scandlines, Audley, Q Holding, Ponroy | c.67% | c.64% |
| 2 | Strong performers; performing in line with investment case | WP, BoConcept, Cirtec, Lampenwelt | c.21% | c.22% |
| 3 | Manage intensively; potential value upside | OneMed, Etanco, Christ, JMJ | c.7% | c.9% |
| 4 | Low or nil-valued assets | Indiareit, Navayuga | 0.3% | 0.4% |
| 5 | Quoted assets | Basic-Fit | c.5% | c.5% |

35 portfolio companies and one quoted stake at 31 March 2018

4. Cover costs with fee and portfolio income to reduce potential dilution of capital returns



Operating cash profit (£m)



Growing fee and portfolio income

- Managed Infrastructure Acquisitions Fund
- European Operational Projects Fund
- US Infrastructure platform
- Regular cash dividends from Scandlines
- Focus on other portfolio income where appropriate

(1) Operating cash profit from continuing operations (excluding Debt Management) in FY2017 was £5m

4. Cover costs with fee and portfolio income

3iN continues to develop well and to pay significant dividends to 3i



3iN relative share price performance – FY2018

(rebased to 3iN, pence per share)



Strong performance in FY2018

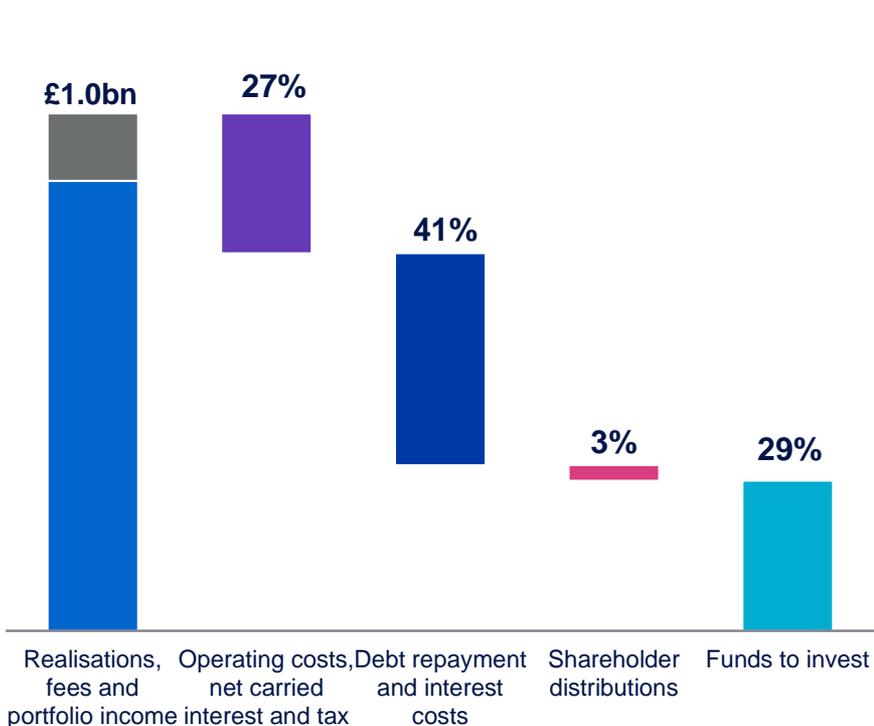
- 3iN total return of 29%
- Ordinary dividend to 3i of £27m
- Elenia and AWG sales generated proceeds of £1.1bn
- Special dividend to 3i of £143m (treated as realisation proceeds)

* Basket includes HICL, INPP, JLIF and BBGI
Source: Bloomberg

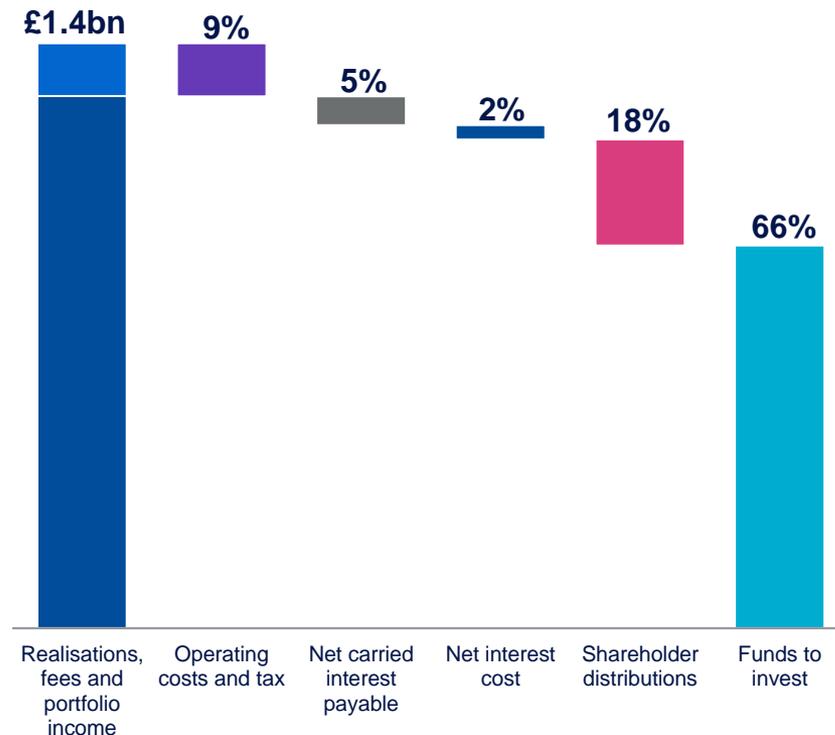
We continue to improve our capital efficiency and allocation



Average over FY2010-FY2012

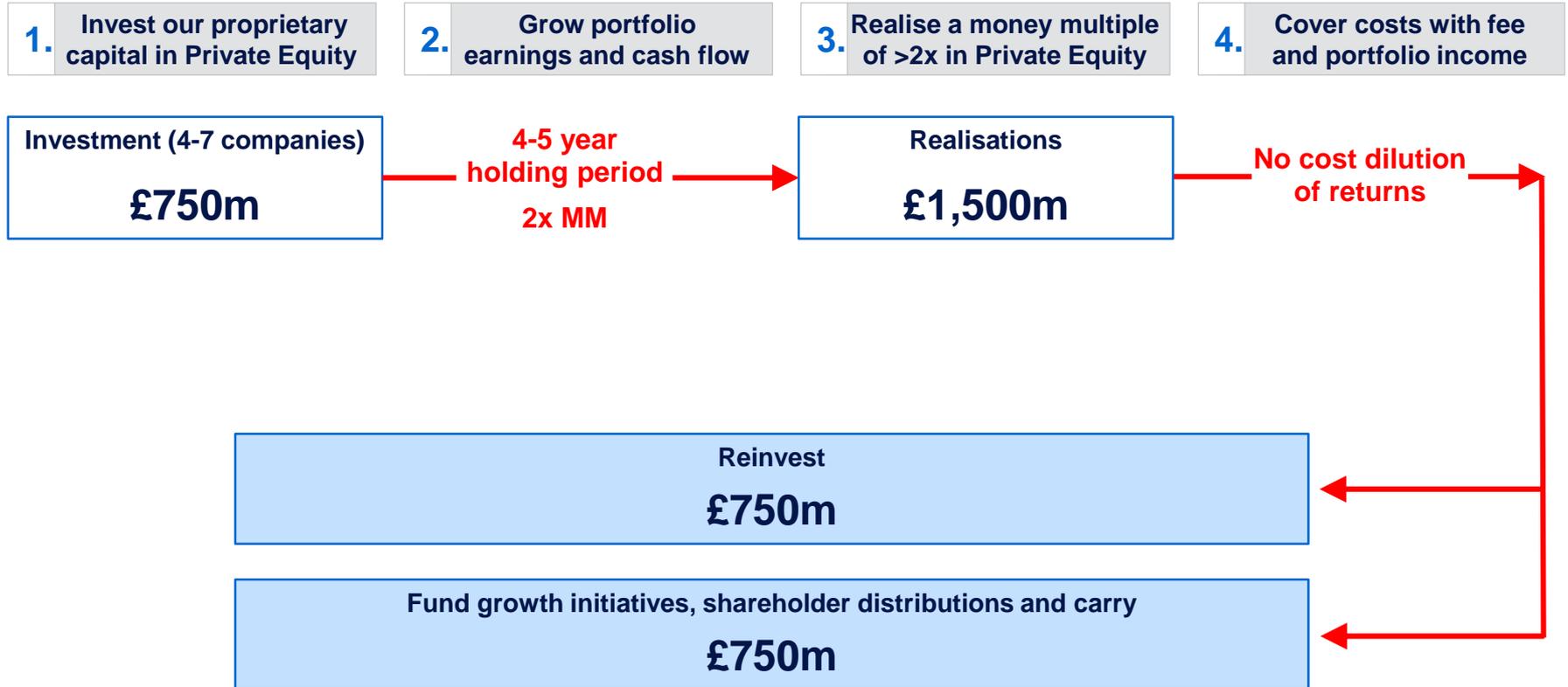


Year to 31 March 2018



Our business model – delivering sustainable returns

Mid to high teens return net of carry through the cycle, higher if we exceed our 2x MM objective



Our proprietary capital strategy

Highly successful investments drive Group outperformance



Net investment return¹ from annual vintages (£m)

Total annual investment (£750m)

Average investment size (£150m)

| MM | NIR ² (%) | NIR ² (£m) |
|------|----------------------|-----------------------|
| 2.0x | 16% | 605 |
| 2.5x | 22% | 935 |
| 3.0x | 28% | 1,265 |
| 3.5x | 33% | 1,595 |

Outperformance of FY2014 investments

BASIC-FIT

Cost: £81m
 Entry: Dec-13
 Exit: Jun-16³
 Value remaining: £270m
 MM: 4.4x
 IRR: 48%

ATESTEO

Cost: £74m
 Entry: Oct-13
 Exit: Feb-18
 MM: 4.8x
 IRR: 51%

Scandlines

Cost: £77m
 Entry: Dec-13⁴
 Exit: Q1 FY19
 Value remaining: £803m
 MM: 5.8x
 IRR: 67%

2013-16 MM⁵: 2.1x

Recent investments

HOLDING COMPANY
a whole processor matters

Cost: £162m
 Entry: Dec-14

AUDLEY

Cost: £156m
 Entry: Dec-15

GRUPE
 PONROY
 SANTÉ

Cost: £131m
 Entry: Jan-17

lampenwelt.de

Cost: £95m
 Entry: May-17

Cirtec
 MEDICAL

Cost: £172m
 Entry: Aug-17

(1) Net investment return is gross return net of carry

(2) Assuming a four year hold period

(3) Basic-Fit IPO; 3i reduced its stake from 44.4% to 23.7%

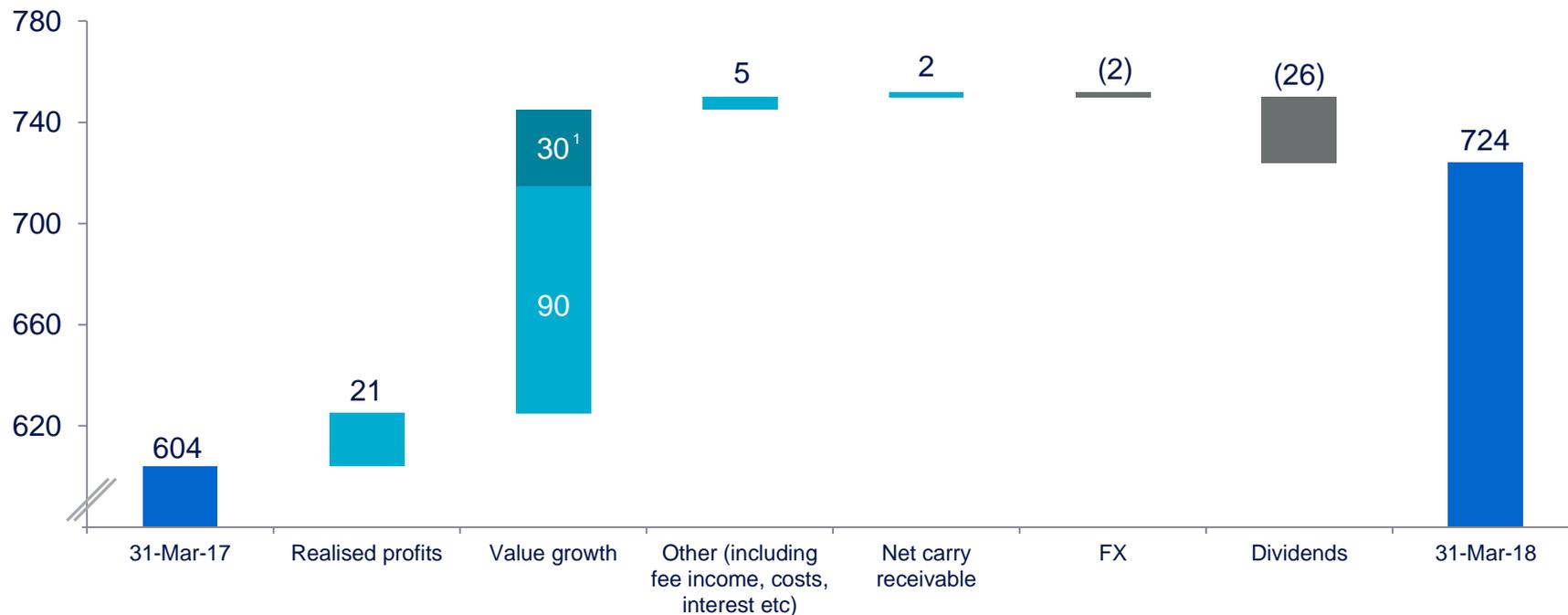
(4) Purchase of Allianz stake

(5) MM as at Mar-18

NAV up 20% to 724 pence driven by strong portfolio performance



NAV per share (pence)



1. Scandlines transaction value.

Private Equity

Gross investment return driven by value growth



| Year to 31 March £ million | 2018 | 2017 |
|-----------------------------------|--------------|-------|
| Gross investment return | 1,438 | 1,624 |
| % of opening portfolio | 30% | 43% |
| Realised profit | 199 | 38 |
| Total realisation proceeds | 1,002 | 982 |
| Cash investment | 587 | 478 |
| Portfolio value | 5,825 | 4,831 |

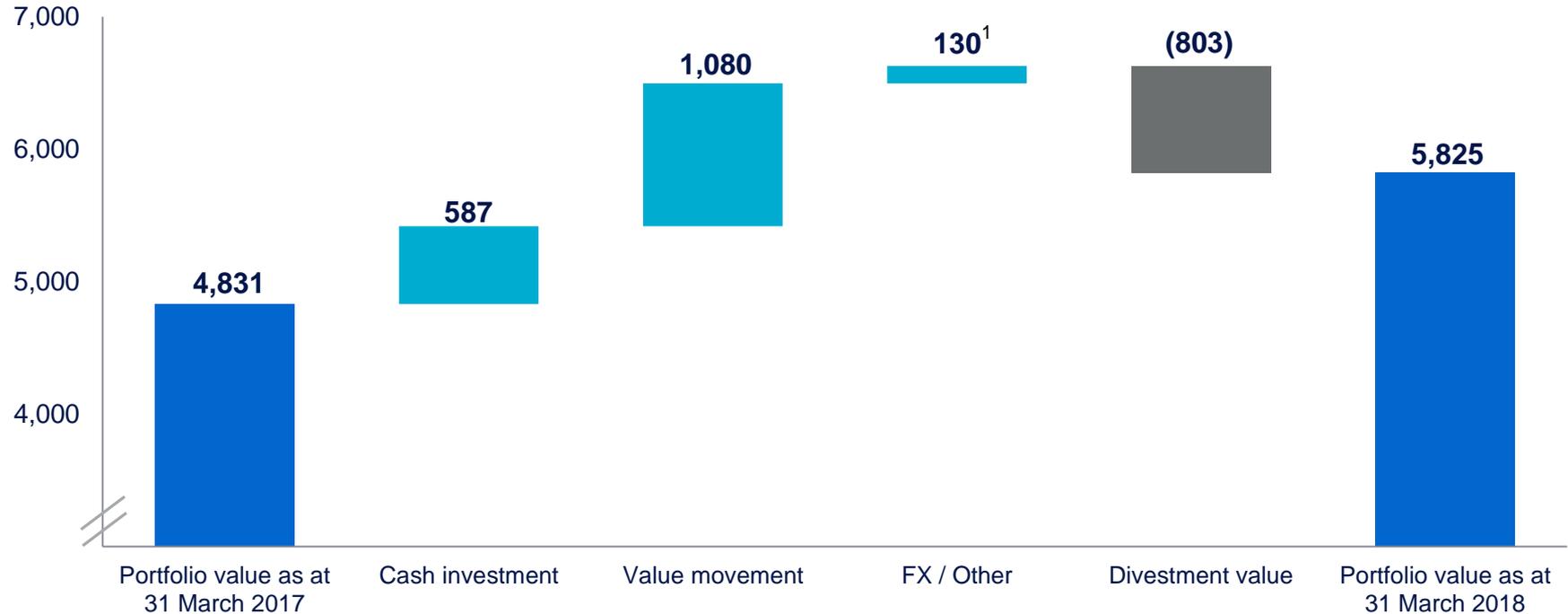
48% uplift and 2.4x money multiple on 8 full realisations in the year

Private Equity

Increase in portfolio driven by value growth and cash investment



£ million



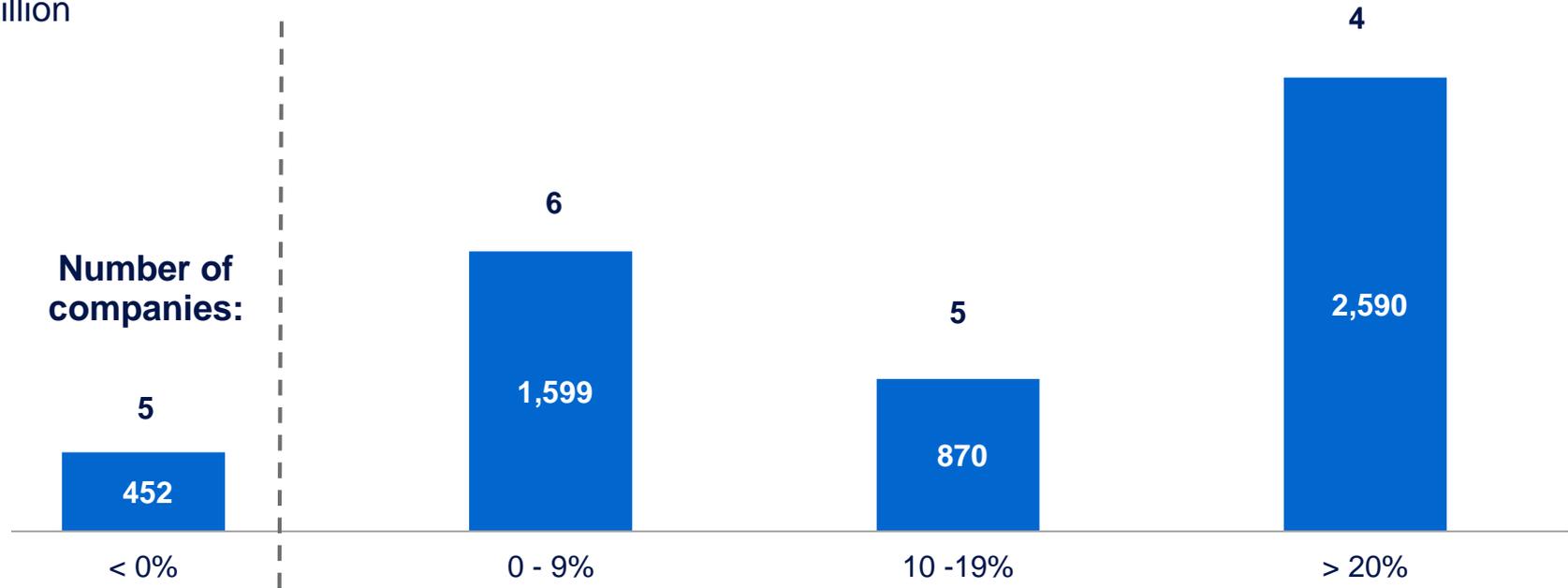
£994 million / 21% increase in portfolio value in the year

¹ Includes capitalised interest and other non-cash investment.



3i carrying value at 31 March 2018¹

£ million



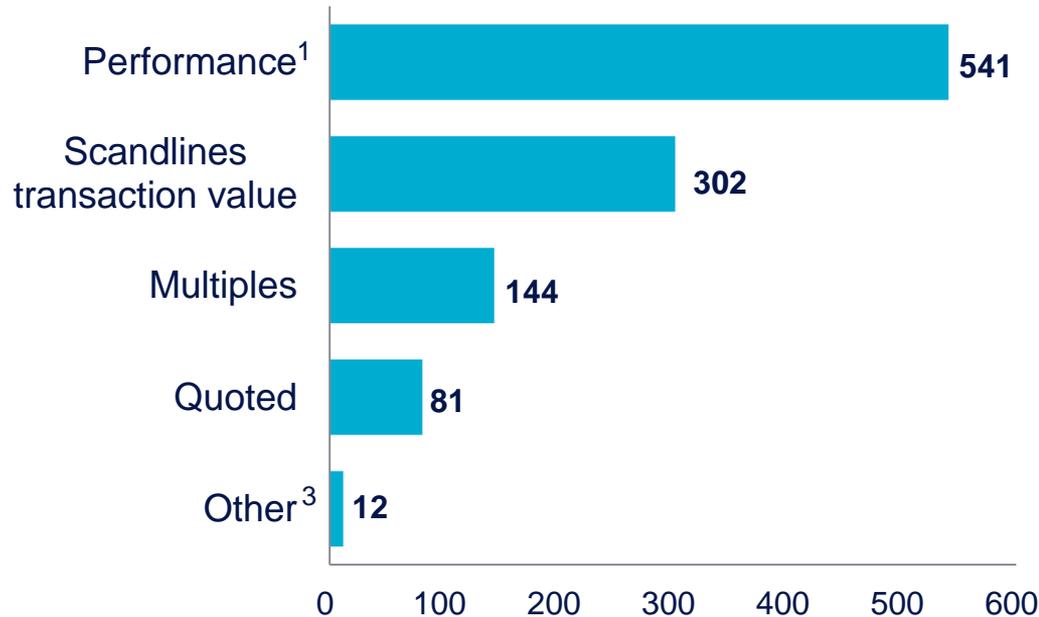
1. Earnings growth in the top 20 investments including Scandlines and Basic-Fit.

Private Equity

£1,080 million value growth



Value movement by basis (£ million)



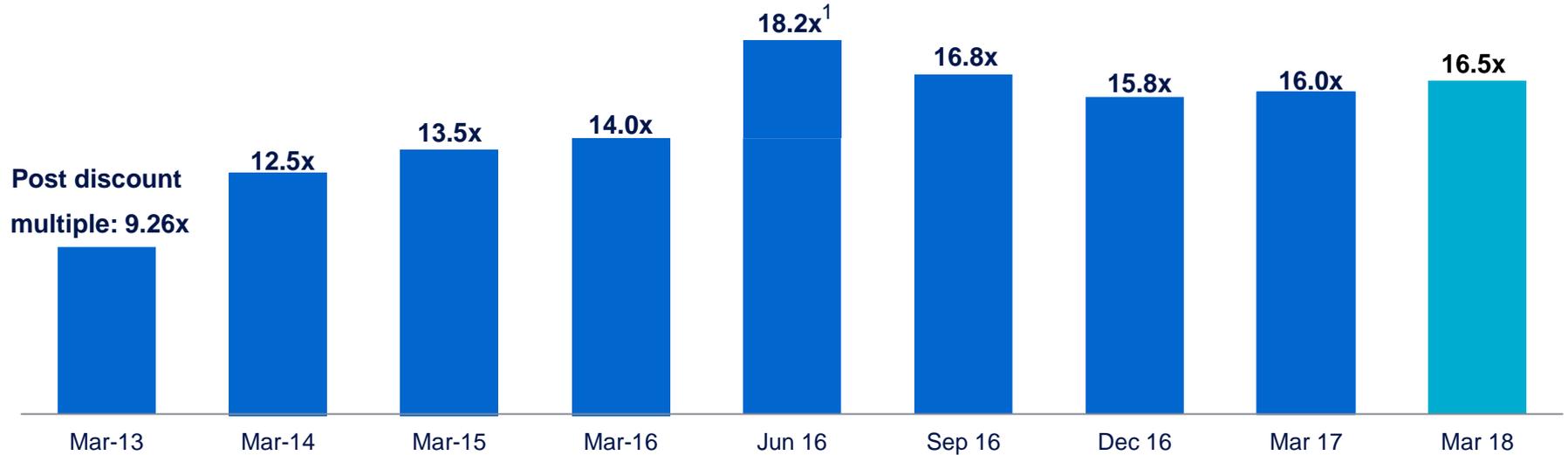
| Multiples ² | March 2018 | March 2017 |
|------------------------|--------------|------------|
| Action | 16.5x | 16.0x |
| 3i ex. Action | 11.0x | 9.9x |

¹ Performance includes value movements relating to earnings and net debt movements in the period.

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

³ Other includes investments valued on a DCF basis and net asset value.

Private Equity Action valuation



Valuation methodology

- Run-rate earnings to 31 March 2018
- Run-rate multiple: 16.5x (post discount)

£2,064 million value at 31 March 2018, £610 million value growth in the year

¹ Increase in multiple following third-party interest in June 2016.



- Valued using the transaction value less 2.5% discount at 31 March 2018
- After completion, Scandlines will be a longer term hold proprietary capital asset
- Dividends will contribute to cash income

Excellent result: total money multiple of 7.4x and 5.8x on the 2013 investment

Private Equity

Carried interest receivable and payable a function of good performance



| £ million | 2018 | 2017 |
|--------------------------------|--------------|--------------|
| Income statement | | |
| Carried interest receivable | 138 | 275 |
| Carried interest payable | (196) | (431) |
| Net total return charge | (58) | (156) |
| Balance sheet | | |
| Carried interest receivable | 505 | 359 |
| Carried interest payable | (839) | (650) |
| Net total payable | (334) | (291) |
| Net cash paid | 43 | 127 |

Infrastructure

Outstanding performance from 3iN and completed first US investment



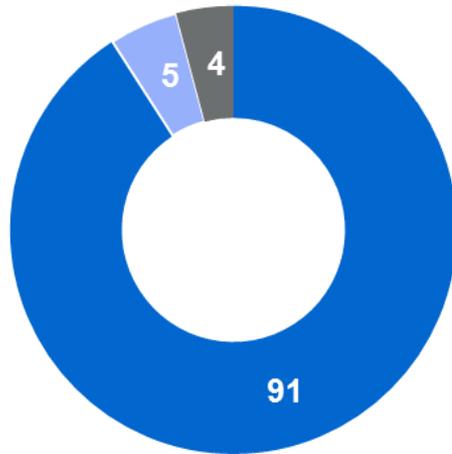
| Year to 31 March 2018 £ million | 2018 | 2017 |
|------------------------------------|------------|------|
| Gross investment return | 113 | 87 |
| % of opening portfolio | 16% | 17% |
| Cash investment | 217 | 131 |
| Contribution from 3iN | | |
| - Dividend and advisory fee income | 61 | 48 |
| - Performance fee | 90 | 4 |
| - Special dividend | 143 | - |

Infrastructure

Proprietary capital of £832 million and AUM of £3.4 billion at 31 March 2018

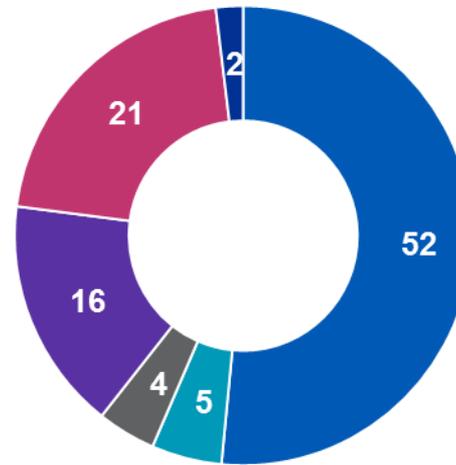


AUM by region (%)



■ Europe ■ North America ■ Other

AUM by fund (%)



- 3i Infrastructure plc
- US Infrastructure
- 3i India Infrastructure Fund
- BIIF Fund
- 3i Managed Infrastructure Acquisitions LP
- 3i European Operational Projects Fund

Balance sheet remains well funded for investment



| £ million | 31 March 2018 | 31 March 2017 |
|----------------|------------------|------------------|
| Investments | (827) | (689) |
| Realisations | 1,323 | 1,275 |
| Net divestment | 496 | 586 |
| Net cash | 479 | 419 |
| Net assets | 7,024 | 5,836 |
| Liquidity | 1,404 | 1,323 |

...and shareholder distributions



| | 2015 | 2016 | 2017 | 2018 |
|------------|-------|-------|-------|--------------|
| Base | 8.1p | 8.1p | 16.0p | 16.0p |
| Additional | 11.9p | 13.9p | 10.5p | 14.0p |
| | 20.0p | 22.0p | 26.5p | 30.0p |

- Base dividend of 16.0 pence (8.0 pence interim and 8.0 pence final)
- Additional dividend of 14.0 pence

Dividend of 22.0 pence to be paid in July 2018, subject to shareholder approval



- Propose to replace the current base plus additional dividend policy with a simpler policy
- New proposal aims to maintain or grow the dividend year-on-year subject to:
 - maintaining our conservative balance sheet strategy, which excludes structural gearing at the Group level
 - careful consideration of the outlook for investments and realisations and market conditions
- Expect the interim dividend to be 50% of the prior year's total dividend, subject to the same considerations

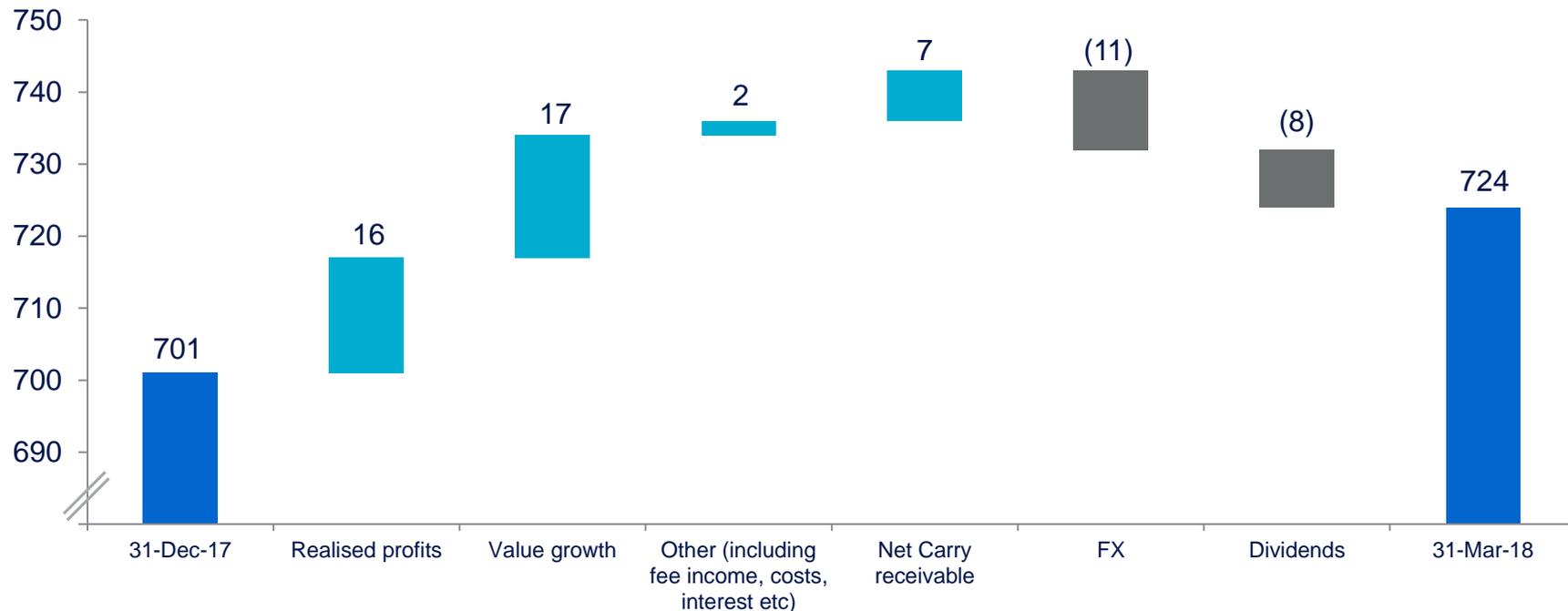


Additional information

Q4 NAV up from 701 pence to 724 pence



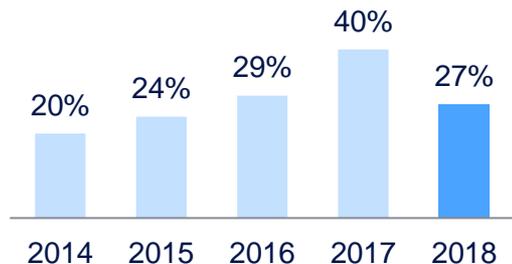
NAV per share (pence)



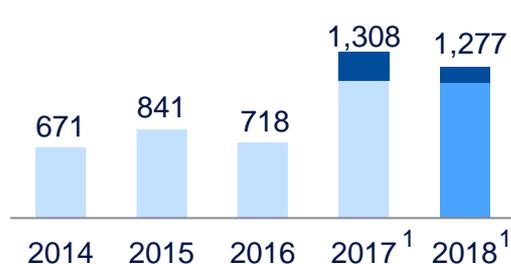
Strong progress across all KPIs



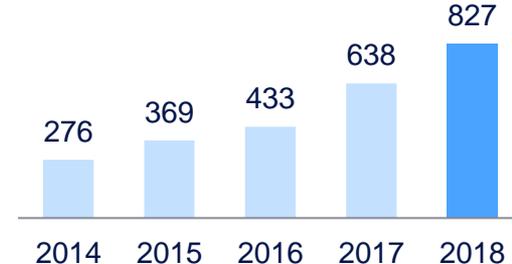
Gross investment return (%)



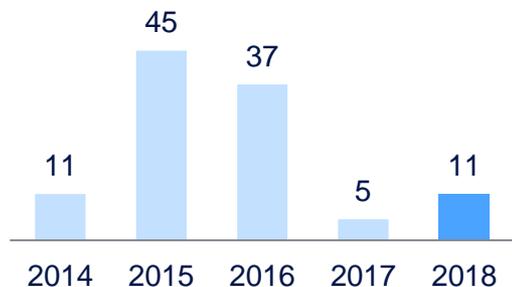
Cash realisations (£m)



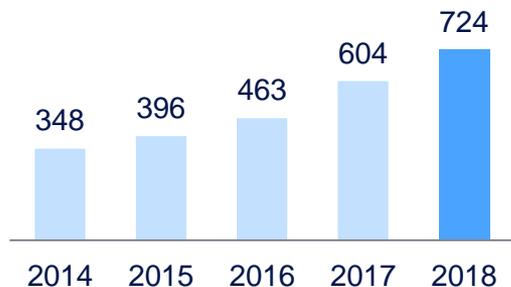
Cash investment (£m)



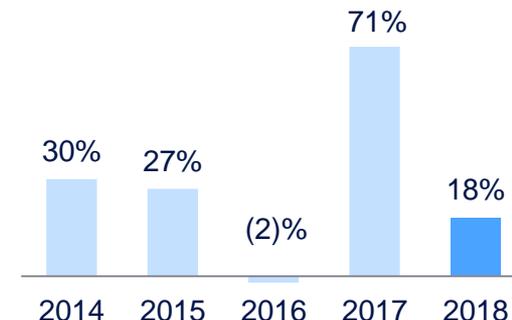
Operating cash profit (£m)²



NAV per share (pence)



Total shareholder return(%)



¹ 2017 includes proceeds from the sale of Debt Management of £270m and 2018 includes the £152m from the sale of the residual Debt Management assets.

² Balances up to 2016 include the contribution of the Debt Management business sold to Investcorp.

Maintained an operating cash profit

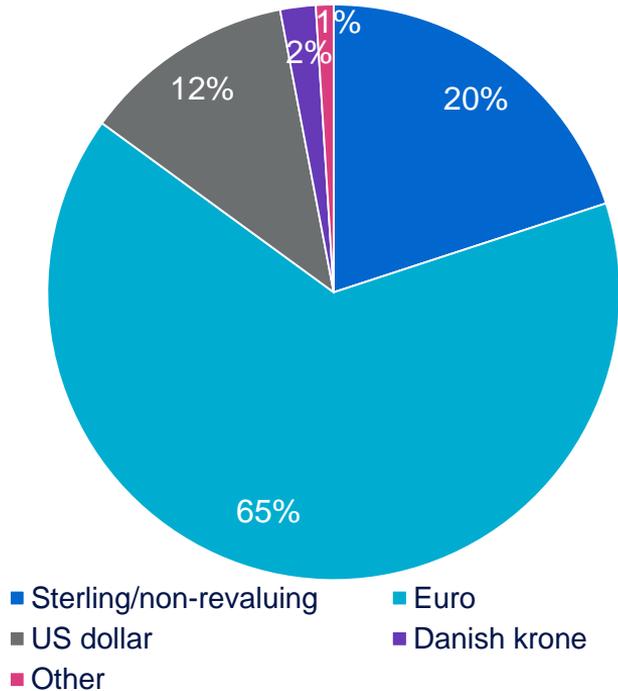


| Year to 31 March 2018 £ million | 2018 | 2017 |
|------------------------------------|------------|------------|
| Private Equity | 39 | 43 |
| Infrastructure | 78 | 59 |
| Other | 9 | 19 |
| Cash income | 126 | 121 |
| Operating cash expenses | (115) | (116) |
| Operating cash profit | 11 | 5 |

Infrastructure and Scandlines dividend income will be important contributions to operating cash profit



Net asset exposure by currency



| Currency | Net assets | Change YTD | Impact |
|--------------------|----------------|------------|---------------|
| Sterling | £1,390m | n/a | n/a |
| Euro | £4,542m | (2.6)% | £81m |
| US dollar | £862m | 10.8% | £(90)m |
| Danish krone | £137m | (2.3)% | £3m |
| Other ¹ | £93m | n/a | £(10)m |
| Total | £7,024m | | £(16)m |

1% movement in euro = £45 million, 1% in US dollar = £9 million

¹ Other mainly includes Indian rupee and Swedish krona.

Private Equity

20 large investments¹

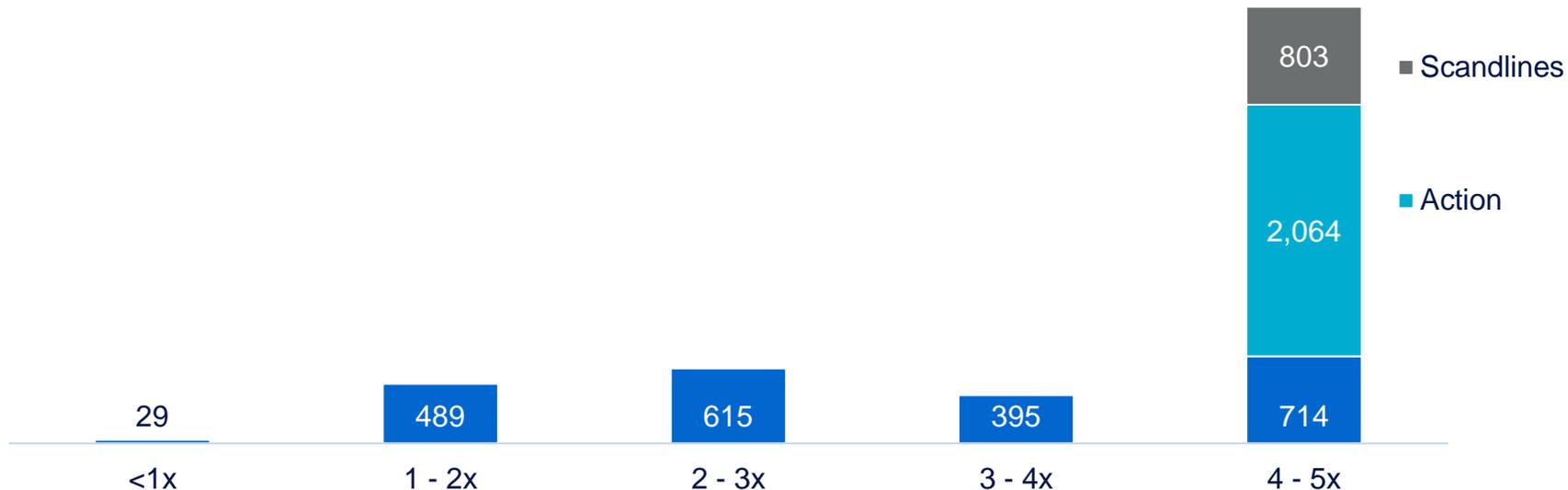


| Investment | Business description | Valuation March 18 £m | Valuation March 17 £m |
|------------------------|--|-----------------------------|-----------------------------|
| Action | Non-food discount retailer | 2,064 | 1,708 |
| Scandlines | Ferry operator between Denmark and Germany | 803 | 538 |
| Basic-Fit | Discount gyms operator | 270 | 184 |
| WP | Supplier of plastic packaging solutions | 244 | 200 |
| Audley Travel | Provider of experiential tailor-made travel | 233 | 185 |
| Q Holding | Manufacturer of precision engineered elastomeric components | 229 | 222 |
| Cirtec Medical | Outsourced medical device manufacturing | 190 | - |
| Hans Anders | Value-for-money optical retailer | 189 | - |
| Schlemmer | Manufacturer of cable management solutions for the automotive industry | 152 | 154 |
| Ponroy Santé | Manufacturer of natural healthcare and cosmetics products | 145 | 122 |
| AES Engineering | Manufacturer of mechanical seals and support systems | 139 | 113 |
| BoConcept | Urban living designer | 137 | 146 |
| Formel D | Quality assurance provider for the automotive industry | 133 | - |
| ACR | Pan-Asian non-life reinsurance | 129 | 135 |
| Tato | Manufacturer and seller of speciality chemicals | 114 | 112 |
| Lampenwelt | Online lighting specialist retailer | 111 | - |
| Aspen Pumps | Manufacturer of pumps and accessories for the air conditioning, heating and refrigeration industry | 108 | 88 |
| Euro-Diesel | Manufacturer of uninterruptible power supply systems | 82 | 95 |
| Christ | Distributor and retailer of jewellery | 50 | 98 |
| Dynatect | Manufacturer of engineered, mission critical protective equipment | 50 | 56 |

1. One investment is excluded for commercial reasons.

Ratio of total net debt to earnings by 3i carrying value at 31 March 2018

(£ million)



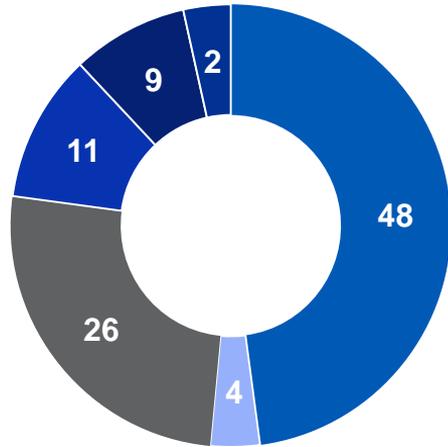
Note: The chart above represents 88% of the Private Equity portfolio by value. Quoted holdings, deferred consideration and companies with net cash are excluded.

Private Equity

Proprietary capital portfolio

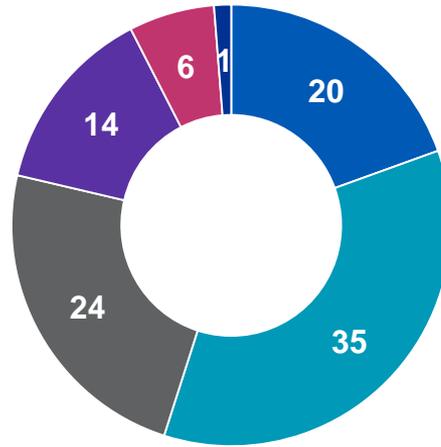


By 3i office location (%)



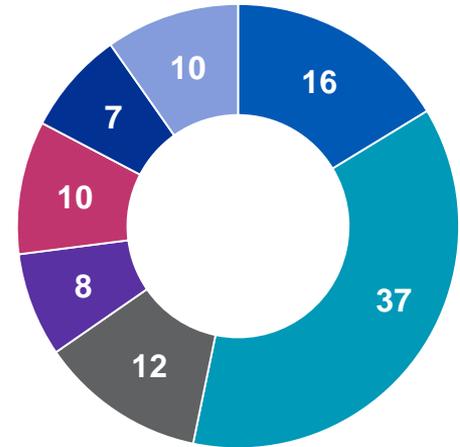
- Benelux
- Germany
- US
- France
- UK
- Other

By sector (%)



- Consumer
- Action (Consumer)
- Industrials
- Scandlines (Industrials)
- Business & technology services
- Other

By vintage (%)



- Pre 2012
- 2015
- 2016
- 2017
- 2018
- 2014¹

Portfolio of 36 investments, down from 40 at 31 March 2017

1. 2014 vintage includes the Scandlines further.

Private Equity

Eight realisations in the year



| Full realisations | Calendar year invested | Realisation proceeds | Uplift to opening value | Money multiple ¹ | Residual value (31 Mar 2018) |
|---------------------|------------------------|----------------------|-------------------------|-----------------------------|------------------------------|
| ATESTEO | 2013 | £278m | 100% | 4.8x | - |
| Memora | 2008 | £119m | 37% | 1.4x | - |
| MKM | 2006 | £70m | 3% | 5.9x | - |
| Refresco Gerber | 2010 | £43m | 30% | 2.0x | - |
| Foster and Partners | 2007 | £33m | (3)% | 1.8x | - |
| Oticas Carol | 2013 | £27m | 50% | 1.9x | - |
| Dphone | 2006 | £26m | 30% | 2.2x | - |
| Hobbs | 2004 | £7m | (22)% | 0.2x | - |
| | | £603m | 48% | 2.4x | - |

¹ Money multiple calculated using 3i sterling cash flows.

Private Equity

Refinancings, partial realisations and deferred consideration



| Investment realised | Calendar year invested | Realisation proceeds | Uplift to opening value | Money multiple ¹ | Residual value (31 Mar 2018) |
|-------------------------------|------------------------|----------------------|-------------------------|-----------------------------|------------------------------|
| Refinancings | | | | | |
| Action | 2011 | £307m | - | 24.5x | £2,064m |
| Scandlines | 2007/2013 | £50m | - | 7.4x | £803m |
| ATESTEO | 2013 | £30m | - | n/a | - |
| Partial realisations | | | | | |
| Other investments | n/a | £6m | - | n/a | £36m |
| Deferred consideration | | | | | |
| Other investments | n/a | £6m | n/a | n/a | - |

¹ Money multiple calculated using 3i sterling cash flows and for partial exits and refinancings includes 31 March 2018 residual value.



- Carried interest calculation unchanged **but** we will have to consider what could constrain recognition
- Majority of our carried interest due from EFV and dependent on EFV's realisation of Action
- Current assessment: no material impact expected

| Carried interest from EFV £ million | 2018 | 2017 |
|--|--------------|-------|
| Balance sheet | | |
| Carried interest receivable | 484 | 340 |
| Carried interest payable | (334) | (251) |
| Net receivable | 150 | 89 |
| | | |
| Impact on NAV (pence) | 15 | 9 |

Private Equity

Proprietary capital and external funds



| Vintage | Proprietary capital value at 31 March 2018 | Multiple at 31 March 2018 |
|--|--|---------------------------|
| Buyouts 2010-2012 | £2,139m | 7.2x |
| Growth 2010-2012 | £33m | 2.2x |
| 2013-2016 | £1,695m | 2.1x |
| 2016-2019 | £1,057m | 1.1x |
| Other | £901m | n/a |
| Total Proprietary capital value | £5,825m | |

| External fund | Close date | Original fund size | Original 3i commitment | Remaining 3i commitment at March 2018 | % invested at March 2018 | Gross money multiple at March 2018 | External funds value | Fee income received in the year |
|-----------------------------|------------|--------------------|------------------------|---------------------------------------|--------------------------|------------------------------------|----------------------|---------------------------------|
| 3i Eurofund V | Nov 06 | €5,000m | €2,780m | €94m | 95% | 2.5x | £2,289m | £5.7m |
| 3i Growth Capital Fund | Mar 10 | €1,192m | €800m | €346m | 53% | 1.9x | £32m | £0.5m |
| Other | various | various | various | n/a | n/a | n/a | £172m | £1.3m |
| Total external value | | | | | | | £2,493m | £7.5m |

Infrastructure

Assets under management and advisory agreement



| | Close date | Fund size at 31 March 2018 | 3i commitment/share | Remaining 3i commitment at March 2018 | % invested at March 2018 | AUM | Fee income received in the year |
|--|------------|----------------------------|---------------------|---------------------------------------|--------------------------|----------------|---------------------------------|
| 3iN ¹ | Mar 07 | n/a | £581m | n/a | n/a | £1,731m | £34m |
| 3i Managed Infrastructure Acquisitions LP | Jun 17 | £698m | £35m | £5m | 85% | £707m | £5m |
| 3i European Operational Projects Fund ² | Nov 17 | €251m | €40m | €29m | 27% | £65m | – |
| BIIF | May 08 | £680m | n/a | n/a | 90% | £551m | £5m |
| India Infrastructure fund | Mar 08 | US\$1,195m | US\$250m | US\$35m | 73% | £139m | £4m |
| Other (third party) | various | various | various | n/a | n/a | £167m | £2m |
| Total Infrastructure AUM | | | | | | £3,360m | £50m |

1. AUM based on share price at 31 March 2018.

2. The final close of 3i European Operational Projects fund was on 10 April 2018 with commitments of €456 million. At 10 April 2018, the percentage invested was 15%.