3i Group plc - Interim Management Statement
18 July 2013

3i Group plc ("3i"), a leading international manager of third-party and proprietary capital across mid-market private equity, infrastructure and debt management, today issues its Interim Management Statement in accordance with FCA Disclosure and Transparency Rule 4.3. This statement relates to the three-month period from 1 April 2013 to 30 June 2013 (the "period").

Simon Borrows, 3i's Chief Executive said:

"We are making good progress in the next phase of 3i's strategic plan, **transition and delivery**.

We have enjoyed a busy run of divestment activity. The £443 million of realisations we have completed or announced in the first quarter of FY 2014 are encouraging and will support our policy to distribute 15%-20% of gross realisation proceeds. The total amount in our distribution calculation for FY 2014 so far is £665 million, including the £222 million for Mold-Masters received last year.

The returns and associated growth in NAV are also positive and reflect continued underlying growth in the earnings of the Private Equity portfolio despite uncertain macro conditions. NAV at 326 pence per share is 5% up in the quarter.

We have started to see a pick up in interesting investment opportunities across our Private Equity platform, particularly in the US and more recently in Northern Europe.

On 24 May 2013 we announced that 3i has made an irrevocable offer to acquire Barclays Bank plc's European infrastructure fund management business. This will be a key step in increasing third-party capital under management in our Infrastructure business, adding assets under management of approximately £780 million and an investment team based in London and Paris. Together with the significant progress already made in growing our Debt Management business over the past year, this represents good progress towards the strategic objectives that we announced in June last year."

Realisations

The strong realisations completed in the first quarter all came from Private Equity and generated proceeds of £195 million (June 2012: £119 million) and net realised profits over the 31 March 2013 value of £59 million (June 2012: £56 million), representing an uplift of 43% (June 2012: 89%).

Realisations in the period included the sale of Civica, a UK public sector IT and services business, which generated proceeds of £124 million and an uplift of 48% over the 31 March 2013 value. The successful IPO of Quintiles, a US healthcare business, represented an uplift of 44% and the shares have traded positively since the launch. Cash received at the IPO was £13 million.

The realisation proceeds in the period do not include those in respect of Xellia, the Nordic pharma business, Trescal, an inspection business based in France, and the sale of Hyperion, the UK insurer, all of which have now completed with proceeds of £143 million, £61 million and £44 million and uplifts over March valuations of 43%, 20% and 2% respectively. Xellia, Trescal and Hyperion were valued at £142 million, £61 million and £44 million respectively at 30 June 2013.

Investments

Cash investment from the Group's balance sheet was £47 million in the period. This primarily relates to investments made in the US and Europe in preparation for the launch of further CLO funds within our Debt Management business.

No new investments were made by the Private Equity business in the quarter. However, the pipeline of new investment opportunities has improved and a number of smaller follow-on investments were made to support the portfolio.

In June, 3i Infrastructure plc announced it had invested £62 million in Cross London Trains ("XLT") alongside Innisfree PFI Secondary Fund 2 LP and Siemens Project Ventures. XLT is the company established to finance and purchase Desiro City trains from Siemens plc and lease them to the operator of the Thameslink rail franchise.

Portfolio

The unaudited valuations of our Top 10 investments as at 30 June 2013 are shown in the table below. One investment is excluded due to commercial sensitivity. The investments detailed comprise 50% of the total portfolio by value.

Top 10 Investments by value at 30 June 2013

Investment	Geography	Valuation basis	Valuation Mar-13 £m	Valuation Jun-13 £m
3i Infrastructure plc	UK	Quoted	£398m	£403m
Action	Benelux	Earnings	£280m	£301m
Quintiles	US	Quoted	£103m	£145m
Xellia	Norway	Sales	£99m	£142m
ACR	Singapore	Industry metric	£121m	£118m
Element Materials Technology	Benelux	Earnings	£112m	£117m
Foster + Partners	UK	Other	£108m	£108m
Hilite International	Germany	Earnings	£107m	£108m
Mayborn	UK	Earnings	£97m	£100m
Mémora	Spain	Earnings	£90m	£82m

Solid earnings progression in a number of our larger assets was offset by a reduction in multiples. In addition, good unrealised value growth overall was supported by strong uplifts to sale and quoted value movements.

The average EBITDA multiple used to value the Private Equity portfolio on an earnings basis was 8.1x before marketability discount (March 2013: 8.8x) and 7.2x after marketability discount (March 2013: 7.9x). The average multiple used remains below multiples observed in relevant sector and geographic public markets and the FTSE 250 (June 2013: 11.2x).

The valuations include uplifts to sale for realisations announced but not completed at 30 June 2013 totalling £61 million, primarily reflecting the Xellia disposal. Quoted assets, including value growth from the residual holding in Quintiles, increased in value by £59 million. The Indian portfolio continues to experience challenges in a tough macro environment, including a depreciating rupee, and recorded value reductions of £20 million in the period. No new provisions were made in the period.

Returns

The unaudited NAV as at 30 June 2013 was 326 pence per share (31 March 2013: 311 pence per share), or 321 pence after taking account of the proposed final dividend of 5.4 pence per share.

Infrastructure

On 24 May 2013, 3i announced an offer to acquire Barclays Infrastructure Funds Management Limited ("BIFM"), Barclays Bank plc's European infrastructure fund management business. BIFM has assets under management of approximately £780 million and an investment team based in London and Paris. The proposed transaction is subject to the completion of an employee information and consultation process, as well as other regulatory conditions.

Balance sheet

The Group's balance sheet remains in a strong position with low gearing and a high level of liquidity.

Gross debt as at 30 June 2013 was £913 million compared to £1,081 million at 31 March 2013, following the £164 million repayment of drawings under the 2014 revolving credit facility.

Net debt decreased to £227 million (31 March 2013: £335 million), as net divestment exceeded operating and interest costs. Consequently, gearing also decreased to 7% (31 March 2013: 11%).

Liquidity was £1.2 billion (31 March 2013: £1.1 billion), comprising £686 million cash and cash deposits and £500 million undrawn committed facilities.

Shareholder distributions

The Company is holding its Annual General Meeting later today. The Board has proposed, a final dividend of 5.4 pence per share, giving rise to a cash payment of approximately £51 million in July 2013 and a full year dividend of 8.1 pence per share. The reduction in NAV relating to this proposed dividend is not reflected in the 30 June 2013 NAV disclosed above of 326 pence per share.

In May 2012, the Board announced a strengthened distribution policy in order to give shareholders a direct share in the success of the Group's realisation activities. Under this policy, the aggregate distribution to shareholders, including the annual base dividend, will be at least 15% and up to 20% of gross cash realisations, provided that gross debt is less than £1 billion and gearing is less than 20%. These conditions have now been satisfied and the

Group intends to initiate additional shareholder distributions above the annual base dividend in respect of the financial year ended 31 March 2014.

Realisation proceeds received in the first quarter, plus proceeds from the realisations announced but not yet completed, total £443 million. The running total of proceeds for the distribution calculation is therefore £665 million, including the £222 million received on the exit of Mold-Masters received in FY 2013.

For further information, please contact:

Silvia Santoro Investor Relations Director	Tel 020 7975 3258
Kathryn van der Kroft Communications Director	Tel: 020 7975 3021

Notes to editors:

About 3i Group
3i is a leading international investor focused on mid-market private equity, infrastructure and debt management across Europe, Asia and the Americas. For further information, please visit: www.3i.com.