3i Group plc
6 November 2008

Half-year results for the six months to 30 September 2008

Resilient performance in the face of challenging markets

For the six months to 30 September	2008	2007
Business activity		
Investment	**£668m**	£1,234m
Realisation proceeds	**£597m**	£1,044m
Returns		
Realised profits on disposal of investments	**£190m**	£337m
Gross portfolio return on opening portfolio value	**(1.3)%**	14.3%
Net portfolio return	**£(128)m**	£453m
Total return	**£(182)m**	£512m
Total return on opening shareholders' funds	**(4.5)%**	12.0%
Interim dividend per ordinary share	**6.3p**	6.1p
Portfolio and assets under management		
Own balance sheet	**£5,934m**	£5,130m
External funds	**£4,019m**	£3,053m
	£9,953m	£8,183m
Net asset value per share (diluted)	**£10.19**	£10.07

Commentary

- Highly selective approach to new investment
- Broadly balanced investment and realisations during the period
- 32% growth in external funds since September 2007

3i's Chief Executive, Philip Yea, commented:
"The credit and stock markets have deteriorated since late September and the outlook for the global economy continues to weaken. Despite a resilient first six months of the year, we would expect a more challenging second half as the squeeze in credit markets persists, the economic slowdown affects portfolio earnings and M&A markets remain subdued.

In such an environment our focus is on managing the portfolio, maintaining liquidity, remaining highly selective with investment and controlling costs. 3i's sector expertise, active partnership approach and close engagement with the strategy of the portfolio companies all provide additional strength in these economic conditions."

For further information, please contact:

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For further information regarding the announcement of 3i's half-yearly results to 30 September 2008, including video interviews with Philip Yea and Julia Wilson (available at 7.15am) and a live webcast of the results presentation (at 10.30am, available on demand from 2.00pm), please see www.3igroup.com.

Notes to editors

3i is a mid-market private equity business. We focus on buyouts, growth capital, infrastructure and quoted private equity, investing across Europe, Asia and the US.

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.

Total return

For the six months to 30 September

	2008 £m	2007 £m
Realised profits on disposal of investments	**190**	337
Unrealised (losses)/profits on revaluation of investments	**(411)**	183
Portfolio income	**143**	102
Gross portfolio return	**(78)**	622
Fees receivable from external funds	**38**	22
Carried interest receivable	**10**	36
Carried interest and performance fees payable	**33**	(98)
Operating expenses	**(131)**	(129)
Net portfolio return	**(128)**	453
Net interest payable	**(42)**	(1)
Movements in the fair value of derivatives	**(2)**	81
Exchange movements	**32**	(16)
Other	**(3)**	(2)
(Loss)/profit after tax	**(143)**	515
Reserve movements (pension and currency translation)	**(39)**	(3)
Total recognised income and expense ("Total return")	**(182)**	512

Gross portfolio return by business line

for the six months to 30 September

	Gross portfolio return		Return as a % of opening portfolio	
	2008 £m	2007 £m	2008 %	2007 %
Buyouts	**131**	405	**6.5**	31.6
Growth Capital	**(158)**	180	**(6.7)**	12.3
Infrastructure	**36**	13	**7.2**	2.8
QPE	**(37)**	(9)	**(26.1)**	n/a
SMI	**14**	2	**5.7**	0.5
Venture Capital	**(64)**	31	**(8.7)**	4.2
Gross portfolio return	**(78)**	622	**(1.3)**	14.3

Unrealised (losses)/profits on revaluation of investments

for the six months to 30 September

	2008 £m	2007 £m
Earnings multiples	**(194)**	25
Earnings growth	**78**	60
First-time movements	**(30)**	70
Provisions	**(192)**	(27)
Impairments to loans	**(56)**	(38)
Up rounds/down rounds	**(2)**	13
Uplift to imminent sale	**148**	33
Other movements on unquoted investments	**(76)**	3
Quoted portfolio	**(87)**	44
Total	**(411)**	183

The half-yearly report of 3i Group plc for the six months to 30 September 2008 may contain certain statements about the future outlook for 3i. Although we believe our expectations are based on reasonable assumptions, any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

This report has been drawn up and presented for the purposes of complying with English law. Any liability arising out of or in connection with the half-yearly report for the six months to 30 September 2008 will be determined in accordance with English law. The half-yearly results for 2008 and 2007 are unaudited.

Chairman's statement

"3i is not immune from the contraction in credit markets, a downturn in economic activity and a slowdown in mergers and acquisitions. However, in this much tougher environment, 3i's diverse portfolio and our focus on active management are important strengths."

In my statement to you in our annual report in May I said that:

"We start the year at a moment of great uncertainty as to the impact of the credit crunch, energy prices and raw material costs on economic activity, and as to whether these pressures can be managed by the world's monetary authorities without precipitating recession or a sharp rise in inflation."

The most immediate consequences have been a sharp contraction in credit, a downturn in economic activity and a slowdown in mergers and acquisitions. 3i is not immune from these pressures. Even in the first half of the year, some of the effects were beginning to come through. In the six months to 30 September, we realised £597 million, generating realised profits of £190 million. However, the valuation of our unrealised assets was reduced by £411 million. This reflected a fall in the market price of our quoted assets, a reduction in the multiples used to value part of the unquoted portfolio and an increase in provisions.

Gross portfolio return was therefore marginally negative and 3i's total return was minus 4.5%, taking our net asset value back down to £3,852 million, which was broadly in line with its level in September 2007.

However, it is clear that there has been a further deterioration in economic conditions since 30 September, reflected in equity markets, and we must expect this to have a more significant effect on returns in the second half of the year. In accordance with valuation guidelines for the industry, 25% of our portfolio value at the end of September consisted of assets held at cost. The greater part of these will be moving to an earnings valuation at the year end. In line with our commitment to transparency, we have provided extra detail in this half-year report on the valuations of our larger assets, as well as analyses of our assets by valuation method.

Investment had already slowed in the first half of the year, to £668 million compared with £1,234 million in the first half of the previous year. Management is focused on actively managing 3i's assets, which are well-diversified by geography, type of investment and sector. While we continue to invest, we are doing so highly selectively, and management is also focused on maintaining liquidity to meet the needs of the portfolio.

Revenue remains strong, but like every other business, we are reviewing our costs to make sure they match our needs in these markets. These needs are changing as the shape of our business changes. The assimilation of later-stage technology investing into our Growth Capital business has already provided some opportunity to slim down the organisation. Meanwhile, 3i's Infrastructure business has grown substantially in the past couple of years through external fund-raising and provides another important element of diversity and source of income.

Increased portfolio income and fee income across the Group meant that revenue profits remained strong in the first half. The Board has therefore approved an increase in the interim dividend of 3.3% to 6.3p, up from 6.1p.

With approximately £10 billion of assets under management, the priority will continue to be to manage the portfolio in the most effective way. Changes made in the shape of the business over the past few years, reducing the number of investments and managing them within globally-integrated business lines, are of considerable assistance. Greater sector expertise, our active partnership and our close engagement in the strategy of our investee companies, all provide additional strength.

In September, we were delighted to welcome Richard Meddings to the Board. Richard has been Group Finance Director of Standard Chartered PLC since November 2006, having joined the board of that company as a group executive director in 2002. He brings a wide range of international and financial services experience.

Also in September, we announced that Julia Wilson, our Deputy Finance Director, will succeed Simon Ball as Finance Director with effect from 30 November.

It is too early to reach conclusions on the likely depth, length and global extent of the recession. But it is plain that the authorities face much greater challenges than they have known for some decades. In these circumstances, 3i's management is rightly taking a cautious approach to investment and focusing on the effective management of our substantial portfolio.

Baroness Hogg
Chairman
5 November 2008

Chief Executive's statement

"Our private equity business model and incentives are built on delivering cash-to-cash returns, and so delivery with respect to the capital already invested is our highest priority."

Our purpose:

to provide quoted access to private equity returns.

Our vision:

- to be the private equity firm of choice:
- operating on a world-wide scale;
- producing consistent market-beating returns;
- acknowledged for our partnership style; and
- winning through our unparalleled resources.

Our strategy:

- to invest in high-return assets;
- to grow our assets and those we manage on behalf of third parties;
- to extend our international reach, directly and through investing in funds;
- to use our balance sheet and resources to develop existing and new business lines; and
- to continue to build our strong culture of operating as one company across business lines, geographies and sectors.

3i's financial performance for the six months to 30 September 2008 has been heavily influenced by the unfolding events of the financial markets, particularly the collapse of confidence reflected in the stock markets, which has had a negative effect on the valuation of the portfolio. As expected, our portfolio has also started to experience tougher economic conditions, and so earnings growth overall is slowing and the level of provisions has increased.

Total return was negative 4.5% for the six months. Gross portfolio return was negative 1.3%, with positive returns from Buyouts and Infrastructure offset by declines in Growth Capital and QPE. Our run-off portfolios of Venture and SMI had mixed fortunes, with SMI marginally ahead and Venture modestly negative.

The Buyouts return at 6.5% was strong, supported by profitable realisations as well as the positive uplift on ABX prior to its disposal, which completed on 1 October, just after the accounting period end. Portfolio income was also strong. Excluding the ABX uplift, the negative movement in unrealised values reflected adverse multiples and slowing earnings in those companies valued on an earnings basis, as well as new provisions in a number of cases where the full recovery of our investment may be at risk. A number of quoted positions also moved down in value, reflecting the wider movement in stock markets.

Our Growth Capital business was affected by similar factors. Due to the immaturity of the portfolio, its level of realisations was lower than in Buyouts. Consequently, there were only modest profits from realisations to offset the reductions in value due to market movements and, in some cases, deterioration in earnings. The overall return for Growth Capital for the six months was negative 6.7%.

Further detail on the performance of the gross portfolio return for each of the business lines is given later in this report. In summary, strong realised profits from realisations of £190 million and strong growth in portfolio income of £143 million were insufficient to offset the negative effect of multiples on the unquoted book of £194 million, the £87 million reduction due to movements on quoted stocks, and provisions of £192 million. The effect of portfolio earnings was modestly positive on a net basis.

The key feature of the Group's carried interest schemes is that they reward only realised profits. To reflect the adverse gross portfolio return, the accrual for carried interest payable to executives reduced by £33 million compared with the start of the year, a significant reversal from the cost of £98 million recorded in the first half of last year.

Fee income was strong at £38 million, a significant increase on the equivalent figure for the first six months of last year, reflecting the increased level of managed and advised funds. Costs were well controlled, with average headcount falling to 738 for the six months to 30 September 2008 (year to 31 March 2008: 772). Costs net of fees were just 1.6% of opening portfolio, well down on last year's ratio of 2.5% and tracking towards our annualised long-term key performance measure of 3%.

Activity levels for both investment and realisations were well down on last year's figures and, in line with our expectation at the start of the year, were broadly balanced, with new investment of £668 million and realisations of £597 million. Mergers and acquisitions markets became progressively more difficult through the summer months and, in view of the significant uncertainties with respect to the wider economy, our teams chose to be highly selective and invested in just 10 new investments, a significant reduction from the first half of last year and also below the figure of 12 for the second half of 2007/08. Whilst debt financing remains available for certain mid-market buyouts with strong franchises and good visibility of earnings, it is otherwise hard to secure as the major banks rebuild their balance sheets following losses elsewhere.

As far as 3i's own resources are concerned, following the successful launch of a new convertible bond in May, we have maintained liquidity, with careful selection of counterparties for our deposits.

Gearing at the half year increased to 47% from 40% at 31 March 2008. It is our expectation that investments and realisations will be broadly in line through the year, and so we expect to end the year with broadly the same level of net debt.

Since the start of the financial year, we have continued to raise new finance, mainly through structured bonds. Notwithstanding the recent concerted effort to recapitalise major banks, the credit markets have recently been effectively closed.

Increased volatility in the foreign exchange markets since the end of the half year, and the weakening of sterling, have caused us to review how we implement our foreign exchange hedging policy. Whereas previously we would use both core currency debt and derivatives to hedge our currency assets, we have decided, in view of the actual and potential near-term cashflow implications, that using derivatives is no longer appropriate in the current environment, and so our revised approach is only to hedge to the extent that matching currency debt is in place.

The credit and stock markets have deteriorated since late September and the outlook for the global economy continues to weaken. Against this stressed economic backdrop, it is particularly difficult to make predictions for the second half of the year. What seems likely is that, notwithstanding the bank recapitalisations, there will be an extended period, maybe years, during which credit for the wider economy will be scarce, and so consumers and companies will be reducing both consumption and investment. During this period we shall continue to engage actively with our portfolio, realise assets where value can be obtained, maintain liquidity, and invest selectively. Our business model and investment teams' incentives are built on delivering cash-to-cash returns, and so delivery with respect to the capital already invested is our highest priority.

Progression in net asset value in the second half will, as always, depend on many factors, not least portfolio earnings and multiples prevailing at the end of March 2009. However, given the deteriorating economic environment, and lower levels of activity in the mergers and acquisitions markets affecting realisations, the outlook is clearly to the downside, particularly as a number of assets will move from a valuation at cost to an earnings basis with appropriate marketability discount.

Our strategy of building a diversified international private equity firm capable of growing its assets under management is unchanged. However, it is clear that the growth in funds allocated by investors to private equity may well slow in the near term as investors take stock of their wider portfolios. We do believe that during this period of turbulence the stronger performers within the private equity industry will become even stronger, and are determined that 3i will build on the significant progress of the last few years to remain well placed for the upturn when it eventually comes.

Following the decision to combine our late-stage technology investing business with Growth Capital, Jo Taylor stepped down at the end of September. I should like to record my personal thanks for his contribution to 3i's development over a long period. We welcomed Bob Stefanowski to head our investment business in North America and invited Bruno Deschamps to join the Management Committee to bring together responsibility for our Continental European markets and certain group functions.

We continue actively to review our processes and structure and will take whatever actions are necessary to ensure that we are best positioned to minimise the negatives of the current environment whilst building shareholder value for the future. I look forward to reporting progress at the full year.

Philip Yea
Chief Executive
5 November 2008

Business review

The key Group financial performance measures are:

	2008	2007
Total return	**(4.5)%**	12.0%
Gross portfolio return	**(1.3)%**	14.3%
Cost efficiency	**1.6%**	2.5%
Gearing	**47%**	30%
Net asset value growth*	**£(0.47)**	£1.19

*Growth in NAV is stated before dividends and other distributions to shareholders.

Business activity

Group overview

As predicted at the time of our annual results announcement in May, after three years of exceptional levels of realisations, realisation proceeds for the six months to 30 September 2008 were lower. At £597 million (2007: £1,044 million), these realisations exclude proceeds of £165 million from the sale of ABX, which were received shortly after the period end.

According to Dealogic M&A Global Analytics, global mergers and acquisitions activity for the five months from 1 April 2008 to 31 August 2008 fell by 34%.

In these volatile and highly illiquid markets, the Group has remained a highly selective investor, investing £668 million (2007: £1,234 million) in only 10 new investments during the period (2007: 28).

Investment activity

Investment

Table 1: **Investment by business line and geography** (£m)
for the six months to 30 September

	Continental Europe		UK		Asia		US		Rest of World		Total	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Buyouts	**164**	294	**156**	141	**16**	-	**-**	-	**2**	1	**338**	436
Growth Capital	**192**	206	**35**	207	**5**	52	**47**	27	**-**	1	**279**	493
Infrastructure	**-**	-	**25**	2	**(3)**	56	**-**	-	**-**	-	**22**	58
QPE	**-**	-	**-**	182	**-**	-	**-**	-	**-**	-	**-**	182
SMI	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Venture Portfolio	**8**	11	**11**	17	**1**	2	**8**	33	**1**	2	**29**	65
Total	**364**	511	**227**	549	**19**	110	**55**	60	**3**	4	**668**	1,234

Table 2: **Investment by sector (£668m)**
for the six months to 30 September 2008

Healthcare	20%
Business Services	15%
Media	14%
Consumer	13%
Financial Services	12%
Technology	11%
Oil, Gas and Power	7%
General Industrial	5%
Infrastructure	3%

As can be seen from table 1, which provides an analysis of investment by business line and geography, new investment from the 3i balance sheet in the period was £668 million (2007: £1,234 million). As table 2 shows, this investment was made across a broad range of sectors.

The average size of investment increased to £49 million (2007: £32 million). This increase was mainly driven by the Growth Capital team whose largest investment, and that of the Group, in the six months was an £80 million investment in Union Radio, a leading Hispanic radio operator.

In recent years, the Group’s strategy has been to increase assets under management. Investment made by our managed and advised funds in the period totalled £512 million (September 2007: £512 million). This included investment advised on behalf of 3i Infrastructure plc and 3i Quoted Private Equity plc, as well as investments managed on behalf of Eurofund V and 3i India Infrastructure Fund.

Direct investment in Asia was only £19 million in the period (2007: £110 million), as a cautious approach was taken to pricing in the region. There was negative gross investment in the Infrastructure business line in Asia as 3i India Infrastructure Fund partnerships were rebalanced to reflect the revised shareholdings between 3i Group plc and other investors in the fund.

Realisations

Table 3: **Realisation proceeds by business line and geography** (£m)
for the six months to 30 September

	Continental Europe		UK		Asia		US		Rest of World		Total	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Buyouts	**236**	202	**90**	338	**-**	-	**-**	-	**-**	-	**326**	540
Growth Capital	**123**	128	**14**	132	**32**	13	**-**	-	**-**	-	**169**	273
Infrastructure	**-**	6	**8**	26	**-**	-	**-**	-	**-**	-	**8**	32
QPE	**-**	-	**-**	17	**-**	-	**-**	-	**-**	-	**-**	17
SMI	**11**	8	**10**	63	**-**	-	**-**	-	**-**	-	**21**	71
Venture Portfolio	**32**	55	**22**	32	**1**	4	**18**	20	**-**	-	**73**	111
Total	**402**	399	**144**	608	**33**	17	**18**	20	**-**	-	**597**	1,044

As we predicted in May 2008, the combination of substantial realisations from the portfolio over the last three years, and a weaker mergers and acquisitions market, resulted in lower realisations in the period. Nonetheless, realisations of £597 million (2007: £1,044 million) were achieved at strong uplifts of 47% over opening value. Realisations from the Buyouts portfolio, as can be seen from table 3, at £326 million (2007: £540 million) were particularly resilient, given market conditions.

Realisations have been generated from a broad range of sectors and geographies. The largest in the period were from Buyouts, including the sales of Italian toy business, Giochi Preziosi (£166 million) and the UK’s leading haulier of maritime containers, Freightliner (£85 million). The largest Growth Capital realisations were CID Novem, a German-based manufacturer of component parts for use in car interiors and Electrawinds, a Belgium-based provider of renewable energy, which generated combined proceeds of £88 million.

During the period, the Venture Portfolio also generated realisation proceeds of £73 million, realising some 7% of the opening portfolio value.

Returns

Total return

Table 4: **Total return**
For the six months to 30 September

	2008 **£m**	2007 £m
Realised profits on disposal of investments	**190**	337
Unrealised (losses)/profits on revaluation of investments	**(411)**	183
Portfolio income	**143**	102
Gross portfolio return	**(78)**	622
Fees receivable from external funds	**38**	22
Carried interest receivable	**10**	36
Carried interest and performance fees payable	**33**	(98)
Operating expenses	**(131)**	(129)
Net portfolio return	**(128)**	453
Net interest payable	**(42)**	(1)
Movements in the fair value of derivatives	**(2)**	81
Exchange movements	**32**	(16)
Other	**(3)**	(2)
(Loss)/profit after tax	**(143)**	515
Reserve movements (pension and currency translation)	**(39)**	(3)
Total recognised income and expense ("Total return")	**(182)**	512

During the period, total return was £(182) million (2007: £512 million), which is equivalent to a (4.5)% return over opening shareholder's funds (2007: 12.0%).

Realised profits for the six months were £190 million (2007: £337 million). There was an unrealised value movement of £(411) million (2007: £183 million), principally as a result of falls in the value of the quoted portfolio, lower multiples used to value the portfolio and increases in provisions and impairments.

Portfolio income was £143 million (2007: £102 million), some 40% higher than in the same period last year. Fund fee income of £38 million was 73% ahead of last year.

Net carried interest was positive at £43 million, reflecting the alignment of carried interest accrued with portfolio performance and valuation.

Realised profits
Realised profits of £190 million (2007: £337 million) were generated at an average uplift to opening value of 47%, which is similar to the uplift achieved during the equivalent period last year (2007: 48%).

The largest realised profit in the period was from Buyouts investment Freightliner, which generated a realised profit of £75 million.

Unrealised value movement
During the period, global stock markets saw significant falls, including a 14% fall in the FTSE 100, a 22% fall in the European SmallCap, a 9% fall in the NASDAQ and an 18% fall in the Bombay Stock Exchange.

Against this backdrop, there was a significant unrealised value movement of £(411) million at 30 September 2008 (2007: £183 million). The major elements of this were a reduction in the value of the quoted portfolio of £87 million, a net reduction in equity investments valued on an earnings multiple basis of £194 million and provisions and impairments of £248 million.

These losses were offset by uplifts to sale of £148 million and earnings growth of £78 million.

Table 5: **Unrealised (losses)/profits on revaluation of investments**
for the six months to 30 September

	2008 **£m**	2007 £m
Earnings multiples	**(194)**	25
Earnings growth	**78**	60
First-time movements	**(30)**	70
Provisions	**(192)**	(27)
Impairments to loans	**(56)**	(38)
Up rounds/down rounds	**(2)**	13
Uplift to imminent sale	**148**	33
Other movements on unquoted investments	**(76)**	3
Quoted portfolio	**(87)**	44
Total	**(411)**	183

Earnings multiples Falls in the international equity markets from 31 March 2008 to 30 September 2008, resulted in a fall in the comparable multiples used to value the portfolio. The result of this was a £194 million reduction in the value of the equity portfolio.

As a guide, during the period the average PE multiple for investments valued on a like for like basis has fallen from 10.8 to 9.9. The weighted average EBITDA multiple for Growth Capital was 6.2 (31 March 2008: 7.2) and for Buyouts 5.8 (31 March 2008: 6.3).

Earnings growth Notwithstanding the current market conditions, earnings growth within the portfolio for the first half resulted in a net increase in the value of the portfolio of £78 million (September 2007: £60 million). In valuing those investments held on an earnings basis, typically, the latest audited accounts are used to determine the earnings. Given the more challenging economic backdrop, greater use has been made of forecast earnings in valuing the portfolio in this period (2008: 31%, 2007: 8%).

Table 6 shows the resultant proportion of portfolio value by valuation basis as at 30 September 2008. The “Other” category includes investments valued on a discounted cash flow or other industry standard basis and those investments where a partial provision has been taken.

Provisions and impairments
Consistent with the weaker economic environment, provisions of £192 million were significantly above those for the same period last year (September 2007: £27 million) and amounted to 3% of the opening portfolio value.

If as a consequence of valuing an investment on an earnings basis the resulting value loss is greater than the equity component of the investment, then the shortfall is recognised against the loan and is classified as an impairment. Impairments to the value of loans in the period were £56 million.

Quoted portfolio
The value of the quoted portfolio fell by £87 million from 1 April 2008 and represented 14% of the total portfolio value as at 30 September 2008, compared with 15% as at 31 March 2008.

Despite challenging equity markets, the Growth Capital team successfully completed the IPO of Little Sheep on the Hong Kong Stock Exchange. Upon flotation in June, 3i sold a quarter of its investment generating a realised profit of £7 million.

The most significant value reductions in the period were from 3i Quoted Private Equity plc (£36 million, QPE) and Indian oil and gas pipe manufacturer Welspun Gujarat (£22 million, Growth Capital).

Table 6: **Proportion of portfolio value by valuation basis**
The portfolio for the six months to 30 September 2008 was valued on the following basis:

Cost	25%
Earnings	32%
Quoted equity investments at bid-price	14%
Price of recent investment	4%
Imminent sale or IPO	3%
Net assets	1%
Other	21%

Note: Cost includes unquoted equity investments and loans and receivables.

Portfolio income

Portfolio income of £143 million is significantly above the amount received during the same period last year (2007: £102 million). The year-on-year increase was driven chiefly by the Buyouts portfolio, which contributed £67 million (2007: £48 million). The Infrastructure business line had strong portfolio income of £23 million in the period (2007: £6 million), including dividend income of £18 million (2007: £5 million).

Table 7: **Portfolio income**
for the six months to 30 September

	2008 **£m**	2007 £m
Dividends	**51**	34
Income from loans and receivables	**89**	57
Fees receivable	**3**	11
Portfolio income	**143**	102
Portfolio income/opening portfolio ("income yield")	**2.4%**	2.3%

Gross portfolio return

The cumulative gross portfolio return for the half year was £(78) million (2007: £622 million), a (1.3)% return over the opening portfolio value (2007: 14.3%).

As shown in table 8, this included a good performance from our Buyouts business of 6.5% in the period, as well as a strong performance from the Infrastructure business, which delivered a gross portfolio return of 7.2%, despite a 2% fall in the share price of 3i Infrastructure plc over the period.

Table 8: **Gross portfolio return by business line**
for the six months to 30 September

	Gross portfolio return		Return as a % of opening portfolio	
	2008 **£m**	2007 £m	**2008** **%**	2007 %
Buyouts	**131**	405	**6.5**	31.6
Growth Capital	**(158)**	180	**(6.7)**	12.3
Infrastructure	**36**	13	**7.2**	2.8
QPE	**(37)**	(9)	**(26.1)**	n/a
SMI	**14**	2	**5.7**	0.5
Venture Portfolio	**(64)**	31	**(8.7)**	4.2
Gross portfolio return	**(78)**	622	**(1.3)**	14.3

A modest level of realised profits, combined with the effect of lower valuation multiples on those investments valued on an earnings basis, resulted in a significant fall in gross portfolio return from the Growth Capital business to £(158) million (2007: £180 million).

Fees receivable from external funds
Fees receivable from external funds include fees from the Group's managed Buyouts and Infrastructure funds, as well as advisory and performance fees from 3i Infrastructure plc and 3i Quoted Private Equity plc.

At £38 million (2007: £22 million), fees receivable from external funds increased by 73% over the same period last year following the final close of 3i India Infrastructure Fund on 31 March 2008, as well as the receipt of performance fees from 3i Infrastructure plc of £6 million (2007: £nil).

Carried interest receivable
Carried interest receivable of £10 million (2007: £36 million) for the first six months was principally driven by the performance of the Buyouts investments made by Eurofund IV, including Giochi Preziosi. Freightliner was a 3i only investment and, as a consequence, no carried interest was receivable. During the period, uplifts from 3i India Infrastructure Fund resulted in the recognition of £5 million of carried interest receivable.

Carried interest and performance fees payable
Carried interest payable aligns the incentivisation of 3i's investment staff and the management teams of 3i's portfolio with the interests of 3i's shareholders and investors. Carried interest payable is accrued on the realised and unrealised profits generated. As a consequence of the fall in the value of the portfolio in the period, a portion of unrealised carried interest accrued as at 31 March 2008 has been reversed, resulting in a gain of £33 million at 30 September 2008.

Consistent with the treatment of carried interest receivable and payable, a proportion of the advisory and performance fee receivable from 3i Infrastructure plc is payable to 3i investment staff.

Operating expenses
Progress has been made in achieving the Group's targets for mid and long-term cost efficiency. This metric, which is defined as operating costs net of management and advisory fee income as a percentage of opening portfolio, was 3.2% as at 30 September 2008 on an annualised basis. This compares with the mid-term target of 4.5% and the long-term target of 3.0% published in March 2007. Growth in fee income and assets under management, combined with a flattening of operating expenses, were the key reasons for this. During the period, the average number of employees was 738 (2007: 785).

Table 9: **Cost efficiency**
for the six months to 30 September

	2008	2007
	£m	£m
Operating expenses	**131**	129
Fees receivable from external funds*	**(32)**	(22)
Net operating expenses	**99**	107
Net operating expenses/opening portfolio ("cost efficiency")	**1.6%**	2.5%

*Excluding £6 million performance fees from 3i Infrastructure plc in 2008.

Other movements
The UK defined benefit pension scheme is subject to a full actuarial valuation every three years. The most recent triennial valuation to 30 June 2007 was completed in September 2008 and resulted in an increase in the actuarial pension deficit to £86 million, which the Company has agreed to fund over five years.

The pension deficit, calculated for accounting purposes, under IAS19, which takes account of changes to assumptions regarding improvement in mortality as a result of the actuarial valuation, was £56 million. This resulted in an actuarial loss of £18 million in the period.

Portfolio and assets under management

Assets under management include 3i's directly held portfolio, managed unlisted funds (some of which are co-investment funds) and advised and listed funds.

Following significant growth in assets under management in recent years, assets under management increased modestly by some 2% (2007: 15%) in the period from £9,792 million at 31 March 2008 to £9,953 million at 30 September 2008.

The two key features of this movement were a reduction of £82 million (2007: £768 million increase) in the value of the 3i direct portfolio and an increase in the value of assets advised and managed of £243 million (2007: £281 million).

Assets managed or advised for others were over £4 billion for the first time and represented 40% (2007: 37%) of total assets under management at 30 September 2008.

The reduction in the value of the direct portfolio was driven by net investment activity of £71 million (2007: £190 million) being more than offset by an unrealised loss in the period of £411 million (2007: £183 million profit).

As can be seen from the tables on this and the following page, there is considerable diversity by investment type, geography and sector in both the direct and advised or managed assets.

Portfolio assets directly owned by the Group
At £5,934 million (2007: £5,130 million), portfolio assets directly owned by the Group represented 60% (2007: 63%) of total assets under management at 30 September 2008. As can be seen from tables 11, 12 and 13, these assets are across a broad range of investment types, geographies and sectors.

The analysis of the direct portfolio value by business line and vintage in table 11 shows that Buyouts and Growth Capital represented 35% (2007: 31%) and 39% (2007: 36%) of the direct portfolio respectively. Infrastructure increased from just 2% two years ago, in September 2006, to 9% at 30 September 2008. SMI and Venture assets were reduced to 15% in the same period (2007: 20%).

Further detail on the changes in the value of Portfolio assets for each business line is provided in the Business line reviews.

Table 10: **Assets under management**
as at 30 September

	2008	2007
	£m	£m
3i direct portfolio	**5,934**	5,130
Managed funds	**3,220**	2,451
Advised quoted funds	**799**	602
Total	**9,953**	8,813

Table 11: **3i direct portfolio value by business line and vintage**
as at 30 September

New investments made in the year to 31 March	2009 £m	2008 £m	2007 £m	2006 £m	Pre-2006 £m	**2008 £m**	2007 £m
Buyouts	231	674	659	266	254	**2,084**	1,571
Growth Capital	160	1,048	469	368	287	**2,332**	1,854
Infrastructure	-	54	474	2	-	**530**	502
QPE	-	104	1	-	-	**105**	176
SMI	-	-	-	-	228	**228**	312
Venture Portfolio	-	75	138	112	330	**655**	715
Total	391	1,955	1,741	748	1,099	**5,934**	5,130
Percentage	6%	33%	29%	13%	19%	**100%**	100%

Table 12: **3i direct portfolio value by geography**
as at 30 September

	2008 £m	2007 £m
Continental Europe	**2,432**	2,331
UK	**2,269**	1,962
Asia	**658**	497
US	**553**	321
Rest of World	**22**	19
Total	**5,934**	5,130

Table 13: **3i direct portfolio value by sector**
as at 30 September

	2008 £m	2007 £m
Business Services	**835**	792
Consumer	**614**	455
Financial Services	**452**	281
General Industrial	**1,386**	1,162
Healthcare	**657**	396
Media	**422**	420
Oil, Gas and Power	**304**	303
Technology	**629**	643
	5,299	4,452
Infrastructure	**530**	502
Quoted Private Equity	**105**	176
Total	**5,934**	5,130

Assets managed or advised by 3i
Assets managed or advised by the Group on behalf of others grew by 6% during the period to £4,019 million (2007: £3,053 million). As can be seen from table 10, they grew 32% in the 12 months to 30 September 2008.

This growth was driven principally by the Infrastructure business line, which grew the funds it manages or advises by 33% (2007: 2%) to £947 million (2007: £392 million) in the period. Key contributors to this were the £115 million further capital raising by 3i Infrastructure plc and an increase in the value of 3i India Infrastructure Fund.

Buyouts, which represented 65% (2007: 73%) of assets managed or advised by the Group for others, had managed funds at 30 September 2008 of £2,624 million (2007: £2,229 million).

Table 14 provides details for each specific fund, including the proportion invested at 30 September 2008. There remained over £1.6 billion of committed capital to invest on behalf of external funds.

The value of external funds under management is based on the value on which income is earned by the Group, which normally includes uninvested commitments and the accounting valuation of invested assets.

Table 14: **Managed and advised funds**

Fund	Date closed	Fund size	3i commitment	Invested at 30 September 2008
Eurofund III	July 1999	€1,990m	€995m	90%
Eurofund IV	June 2004	€3,067m	€1,941m	91%
Eurofund V	November 2006	€5,000m	€2,780m	49%
3i Infrastructure plc	March 2007	£818m	£349m	68%
3i Quoted Private Equity plc	June 2007	£400m	£181m	44%
3i India Infrastructure Fund*	March 2008	$1,195m	$250m	28%

*First close in September 2007 at $500 million, including a commitment of $250 million from 3i Group plc and $250 million from 3i Infrastructure plc.

Balance sheet

Broadly balancing investments and realisations in the period and the refinancing of the €550 million convertible bond, which matured on 1 August 2008, has meant that the Group had net debt of £1,802 million at 30 September 2008 (2007: £1,143 million) and gearing of 47% (2007: 30%).

In May 2008, a £430 million convertible bond was successfully raised to refinance the €550 million convertible bond, which matured on 1 August 2008. 3i also entered into agreements called ‘call spread overlays’, effectively increasing the convertible premium and reducing the associated accounting volatility.

Gearing increased from 40% at 31 March 2008 to 47% at 30 September 2008. The principal driver of the increase in gearing in the period was the fall in shareholders’ funds following the negative total return. Another factor was the effect of foreign exchange movements on debt, principally relating to the US dollar.

As at 30 September 2008, the Group had cash and cash equivalents of £668 million and undrawn committed facilities of £286 million, totalling £954 million (31 March 2008: £1,082 million).

Currency hedging

The Group has maintained a policy of hedging the currency portfolio in the range of 90% to 100%. This has been achieved primarily through the use of cash settled foreign exchange swaps and by issuing core currency debt when appropriate and where available. Current market conditions, including sterling weakening, mean that the cash volatility associated with the use of relatively short term foreign exchange swaps is no longer appropriate. Consequently, the Group is in the process of closing out its foreign exchange swap portfolio. Since 30 September 2008, around 60% of the US dollar, euro and Swedish krona swaps portfolio has been closed out with a cash settlement of around £100 million. When completed, and absent raising any further currency debt, it is expected that only 10% of the US portfolio and 40% of the European and Nordic portfolios will be hedged.

Diluted net asset value

Net asset value per share of £10.19 at 30 September 2008 was £0.58 lower than at 31 March 2008. The fall in the six months was almost entirely driven by the total return in the period and a dividend of 10.9p.

Table 15: **Group balance sheet**
as at 30 September

	2008	2007
Shareholders' funds	**£3,852m**	£3,844m
Net borrowings	**£(1,802)m**	£(1,143)m
Gearing	**47%**	30%
Diluted net asset value per ordinary share	**£10.19**	£10.07

Risks and uncertainties

The principal risks and uncertainties faced by the Group are set out in the Risk Management section of the 3i Group Report and accounts 2008. The main categories of these risks were: External; Strategic; Investment; Treasury and Funding and Operational. This half-yearly report also refers to specific risks and uncertainties, and these should be viewed in conjunction with those principal risks.

Buyouts

Returns
A 6.5% gross portfolio return in the period on the opening portfolio value of £2,025 million (2007: 31.6%) was a satisfactory performance, especially in the light of market conditions. Key drivers of this £131 million (2007: £405 million) return were a 55% (2007: 90%) uplift to opening value on realisations of £326 million (2007: £540 million) and increased portfolio income of £67 million (2007: £48 million).

This result was also achieved despite a fall in the multiples used to value those companies valued on an earnings basis, as well as an increase in provisions and impairments to £146 million (2007: £40 million). Unrealised movements included an uplift to sale on ABX, the Belgium-based logistics business of £148 million.

The quoted portfolio generated £6 million (2007: £75 million) of unrealised value increase in the period, largely as a result of a £15 million increase in the value of 3i's investment in Telecity plc.

Portfolio income was up 40% to £67 million (2007: £48 million). Fees receivable from external funds of £21 million (2007: £18 million) were higher, principally due to exchange rate factors.

Business activity
Despite the dislocation within the global credit markets, the Buyouts business completed six new investments in the period (2007: seven) across a range of sectors and geographies, and produced realisations proceeds of £326 million. Notable realisations included Giochi Preziosi (£166 million), Freightliner (£85 million) and Sampletest (£44 million).

The largest investment in the period was Axellia Pharmaceuticals (£57 million), a world-wide developer and supplier of specialist active pharmaceutical ingredients. During the period, the recently established Asia Buyouts team completed its first investment in LHI, a manufacturer of medical cables.

At 30 September 2008, Eurofund V had invested 49% of commitments.

Following the establishment of a debt warehouse facility in 2007, a further €154 million was invested during the half year (3i commitment €31 million). As at 30 September 2008, the debt warehouse had invested a total of €429 million of which the 3i commitment was €86 million.

Portfolio
The majority of the portfolio continued to achieve earnings growth. However, the September valuations reflect that a more challenging environment has begun to impact portfolio performance.

Provision levels increased in the period from their historic low. The realised loss rate since 2001 was 2% (September 2007: 1%) and the aggregate provisions rate was 8% (September 2007: 4%).

Debt markets have continued to be challenging. However, in the first half of the financial year we were still able to raise debt on good terms through our strong banking relationships, albeit not at the level seen for the 2007 and 2008 vintages.

Financing structures for Buyouts are typically based on seven to nine year term loans. Only 5% of the leverage in the Buyouts portfolio at 30 September 2008 is repayable before the end of December 2009, provided covenants are met. 71% of the leverage in the Buyouts portfolio at 30 September 2008 is repayable post December 2013, provided covenants are met.

Long-term performance

The 2002 to 2006 vintages continue to perform strongly having delivered £3.3 billion of cash return to 30 September on £1.6 billion of investment. A further £0.5 billion of unrealised value remained at 30 September 2008. Each of these vintages was significantly ahead of the through-the-cycle 20% IRR target.

The 2007 vintage has already delivered good liquidity, including the partial realisation of Dockwise and post 30 September 2008, the sale of ABX.

Long-term performance

New investments made in the financial years ended 31 March

Vintage year	Total investment £m	Return flow £m	Value remaining £m	**IRR to 30 September 2008**	IRR to 30 September 2007
2008	624	19	618	**6%**	n/a
2007	532	125	659	**38%**	33%
2006	481	765	266	**50%**	50%
2005	359	951	96	**64%**	59%
2004	304	523	96	**36%**	34%
2003	271	664	35	**49%**	50%
2002	186	441	0	**61%**	61%

Returns from Buyouts (£m)

six months to 30 September

	2008	2007
Realised profits over value on the disposal of investments	**115**	256
Unrealised (losses)/profits on the revaluation of investments	**(51)**	101
Portfolio income	**67**	48
Gross portfolio return	**131**	405
Fees receivable from external funds	**21**	18

Business activity – investment and divestment (£m)

six months to 30 September

	2008	2007
Realisation proceeds	**326**	540
Investment	**(338)**	(436)
Net (investment)/divestment	**(12)**	104

Growth Capital

Returns

A gross portfolio return for the period of £(158) million (2007: £180 million) was driven by two key factors: a reduction in the value of the quoted portfolio of £(38) million (2007: £(1) million); and an unquoted value reduction of £(199) million (2007: value growth £111 million), including provisions and impairments of £73 million (2007: £14 million). Realised profits were marginally higher than the equivalent period last year.

These factors more than offset a strong level of portfolio income of £39 million (2007: £33 million); underlying earnings driven value growth across the portfolio of £28 million; and first time uplifts in value from investments such as Franklin, the Singapore-based oil and gas company.

Business activity

A highly selective approach to new investment and a continuing strategy to grow average deal size resulted in four new investments being made in the period, with an average commitment of £67 million (2007: 15, £33 million).

New investments such as the £80 million investment in Spanish-based Union Radio, a company with growth ambitions in the US and Latin America, and the £48 million investment in French-based Labco, a laboratory services provider which is consolidating the market across Europe, demonstrate the international nature of businesses being targeted.

Realisation proceeds of £169 million in the period (2007: £273 million) were lower but generated higher realised profits of £40 million (2007: £37 million). The two largest realisations were CID Novem and Electrawinds, with combined proceeds of £88 million.

Portfolio health

Although provisions increased during the period, the health of the portfolio was in line with the three-year average. At 30 September 2008, 88% of the portfolio was classified as healthy (2007: 92%) which compared with a rolling three-year average of 89%.

Underlying earnings growth within the portfolio remained good. Those investments valued on an earnings basis at 31 March 2008 and 30 September 2008 had an average increase in earnings of 29%.

The level of gearing within the Growth Capital portfolio was low, with the majority of these companies having little or no gearing.

Long-term performance

The 2003 to 2006 vintages, which have high return flows, are above the 20% through-the-cycle target despite some valuation reductions since 31 March 2008. The 2007 and 2008 vintages were showing IRRs of 6% and 5% respectively at 30 September 2008.

Long-term performance

New investments made in the financial years ended 31 March Vintage year	Total investment £m	Return flow £m	Value remaining £m	**IRR to 30 September 2008**	IRR to 30 September 2007
2008	1,012	24	1,048	**5%**	n/a
2007	502	84	469	**6%**	3%
2006	415	383	368	**34%**	40%
2005	182	236	64	**28%**	32%
2004	294	475	22	**26%**	24%
2003	222	380	57	**25%**	25%
2002	497	659	92	**13%**	13%

Returns from Growth Capital (£m)

six months to 30 September

	2008	2007
Realised profits over value on the disposal of investments	**40**	37
Unrealised (losses)/profits on the revaluation of investments	**(237)**	110
Portfolio income	**39**	33
Gross portfolio return	**(158)**	180
Fees receivable from external funds	**-**	-

Business activity – investment and divestment (£m)

six months to 30 September

	2008	2007
Realisation proceeds	**169**	273
Investment	**(279)**	(493)
Net investment	**(110)**	(220)

Infrastructure

Returns

The Infrastructure business line delivered a return for the period of £52 million (2007: £17 million). This strong performance arose from three principal sources: the movement in value of the Group's investment in 3i Infrastructure plc and 3i India Infrastructure Fund; fee income from both 3i Infrastructure plc and the 3i India Infrastructure Fund; and returns from 3i's direct investments in Infrastructure assets.

Unrealised value movements totalled £7 million (2007: £7 million) as the rise in the value of the Group's investment in the 3i India Infrastructure Fund and other assets more than offset a 2% fall in 3i Infrastructure plc's share price.

Fund fee income of £16 million increased compared to the equivalent period last year (2007: £4 million). This followed a significant increase in external funds under management from £392 million at 30 September 2007 to £947 million at 30 September 2008. This increase was principally driven by the successful final closing of 3i India Infrastructure Fund in March 2008.

Portfolio income of £23 million in the period (2007: £6 million) represented a yield of 4.6% (2007: 1.3%) and included a £10 million dividend from 3i Infrastructure plc following the announcement of the company's first annual results in June 2008. A further £9 million dividend was received from the Group's direct investment in AWG, of which £6 million was generated following the sale of a non-regulated asset.

Business activity

Investments are made by 3i Infrastructure plc, a quoted company which is advised by the Group, the 3i India Infrastructure Fund which is managed by the Group, or from the Group's own balance sheet. Direct investment in the period was £22 million. New investment completed through funds managed or advised by the Group totalled £109 million.

In July 2008, 3i Infrastructure plc raised £114.6 million of further equity through a placing and open offer to fund further investment. 3i Group plc subscribed for additional shares, investing £25 million in the process.

Returns from Infrastructure (£m)
six months to 30 September

	2008	2007
Realised profits over value on the disposal of investments	**6**	-
Unrealised profits on the revaluation of investments	**7**	7
Portfolio income	**23**	6
Gross portfolio return	**36**	13
Fees receivable from external funds	**16**	4

Assets under management (£m)
as at 30 September

	2008	2007
Own balance sheet	**530**	502
Managed funds	**417**	-
Advised funds	**530**	392*
	1,477	894

*3i Infrastructure plc was launched in March 2007. The value of external funds was based on the share price at 30 September 2007. The Group now uses the latest published net asset value rather than the market price to measure external assets under management.

Quoted Private Equity ("QPE")

Returns

Returns from QPE are principally driven by the share price of 3i Quoted Private Equity plc and the advisory and performance fees generated from the fund. The negative gross portfolio return of £37 million was due to the reduction in the share price of 3i Quoted Private Equity plc.

Fees receivable from external funds

The advisory fee payable to 3i Group is based on 2% of the gross investment value of 3i Quoted Private Equity plc less uninvested cash. As at 30 September 2008, 44% of the fund had been invested.

Assets under management

These are based on the net asset value of 3i Quoted Private Equity plc at 30 September 2008. 3i Group plc holds 44.9% of the fund and the own balance sheet value is based on the share price of the company.

Returns from QPE (£m)
six months to 30 September

	2008	2007
Realised profits over value on the disposal of investments	**-**	-
Unrealised losses on the revaluation of investments	**(37)**	(9)
Portfolio income	**-**	-
Gross portfolio return	**(37)**	(9)
Fees receivable from external funds	**1**	-

Assets under management (£m)
as at 30 September

	2008	2007
Own balance sheet	**105**	176
External funds	**269**	210
	374	386

Venture Portfolio

On 1 April 2008, the Venture Portfolio Team was established to maximise value from a portfolio of 180 venture investments with a value of £738 million.

Returns
The Venture Portfolio generated a gross portfolio return of £(64) million in the period (2007: £31 million). This comprised realised profits of £25 million (2007: £41 million), an unrealised value movement of £(95) million (2007: £(13) million) and portfolio income of £6 million (2007: £3 million). Uplifts on realisation over opening portfolio value were strong at 52%.

Of the unrealised value movement of £(95) million, £12 million was accounted for by the fall in value of quoted assets in the portfolio.

Business activity
Consistent with strategy, the Venture Portfolio was a net divestor in the period with realisations of £73 million (2007: £111 million) and investment of £29 million (2007: £65 million). The largest realisation was the sale of Amaxa AG (£12 million), a German-based pharmaceuticals business.

Further investments in the portfolio are made on a selective basis where the team see the potential to enhance future returns. The largest investment in the period was £5 million in EUSA, a specialty pharmaceutical company focused on oncology, pain control and critical care in order to support the acquisition of Cytogen Corp.

Closing portfolio value
At 30 September, there were 164 companies in the Venture portfolio with a combined book value of £655 million.

Long-term performance

New investments made in the financial years ended 31 March Vintage year	Total investment £m	Return flow £m	Value remaining £m	**IRR to 30 September 2008**	IRR to 30 September 2007
2008	61	2	75	**12%**	n/a
2007	178	8	138	**(13)%**	3%
2006	110	18	112	**9%**	3%
2005	94	28	57	**(4)%**	3%
2004	144	98	71	**6%**	8%
2003	123	32	28	**(18)%**	(16)%
2002	341	162	65	**(8)%**	(11)%

Returns from Venture Portfolio (£m)
six months to 30 September

	2008	2007
Realised profits over value on the disposal of investments	**25**	41
Unrealised losses on the revaluation of investments	**(95)**	(13)
Portfolio income	**6**	3
Gross portfolio return	**(64)**	31
Fees receivable from external funds	**-**	-

Business activity – investment and divestment (£m)
six months to 30 September

	2008	2007
Realisation proceeds	**73**	111
Investment	**(29)**	(65)
Net divestment	**44**	46

Consolidated income statement

for the six months to 30 September 2008

	Notes	**6 months to 30 September 2008 (unaudited) £m**	6 months to 30 September 2007 (unaudited) £m	12 months to 31 March 2008 (audited) £m
Realised profits over value on the disposal of investments		**190**	337	523
Unrealised (losses)/profits on the revaluation of investments		**(411)**	183	291
		(221)	520	814
Portfolio income				
Dividends		**51**	34	56
Income from loans and receivables		**89**	57	149
Fees receivable		**3**	11	22
Gross portfolio return	1	**(78)**	622	1,041
Fees receivable from external funds	1	**38**	22	60
Carried interest				
Carried interest receivable from external funds		**10**	36	60
Carried interest and performance fees payable		**33**	(98)	(152)
Operating expenses		**(131)**	(129)	(274)
Net portfolio return		**(128)**	453	735
Interest receivable		**36**	61	89
Interest payable		**(78)**	(62)	(105)
Movements in the fair value of derivatives		**(2)**	81	158
Exchange movements		**32**	(16)	(44)
Other income		**–**	–	1
(Loss)/profit before tax		**(140)**	517	834
Income taxes		**(3)**	(2)	(6)
(Loss)/profit after tax and profit for the period		**(143)**	515	828
Earnings per share				
Basic (pence)	2	**(38.4)**	122.0	207.9
Diluted (pence)	2	**(38.4)**	100.6	173.4

Consolidated statement of recognised income and expense

for the six months to 30 September 2008

	6 months to 30 September 2008 (unaudited) £m	6 months to 30 September 2007 (unaudited) £m	12 months to 31 March 2008 (audited) £m
(Loss)/profit for the period	**(143)**	515	828
Exchange differences on translation of foreign operations	**(21)**	1	6
Revaluation of own use property	**–**	–	(1)
Actuarial losses	**(18)**	(4)	(41)
Total recognised income and expense for the period	**(182)**	512	792
Analysed in reserves as:			
Revenue	**95**	46	111
Capital	**(256)**	465	675
Translation reserve	**(21)**	1	6
	(182)	512	792

Consolidated reconciliation of movements in equity

for the six months to 30 September 2008

	6 months to 30 September 2008 (unaudited) £m	6 months to 30 September 2007 (unaudited) £m	12 months to 31 March 2008 (audited) £m
Total equity at start of period	**4,057**	4,249	4,249
Equity settled call option	**5**	–	–
Total recognised income and expense for the period	**(182)**	512	792
Share-based payments	**4**	(1)	8
Ordinary dividends	**(41)**	(47)	(70)
Issue of B shares	**–**	(808)	(808)
Issues of ordinary shares	**7**	16	19
Buy-back of ordinary shares	**–**	(64)	(120)
Own shares	**2**	(13)	(13)
Total equity at end of period	**3,852**	3,844	4,057

Consolidated balance sheet
as at 30 September 2008

	Notes	30 September 2008 (unaudited) £m	30 September 2007 (unaudited) £m	31 March 2008 (audited) £m
Assets				
Non-current assets				
Investments				
Quoted equity investments		**812**	778	889
Unquoted equity investments		**3,204**	2,743	3,209
Loans and receivables		**1,918**	1,609	1,918
Investment portfolio	1	**5,934**	5,130	6,016
Carried interest receivable		**62**	94	75
Property, plant and equipment		**29**	32	30
Total non-current assets		**6,025**	5,256	6,121
Current assets				
Other current assets		**64**	156	49
Derivative financial instruments		**67**	24	24
Deposits		**48**	617	44
Cash and cash equivalents		**620**	583	752
Total current assets		**799**	1,380	869
Total assets		**6,824**	6,636	6,990
Liabilities				
Non-current liabilities				
Carried interest payable		**(79)**	(145)	(110)
Loans and borrowings		**(1,746)**	(1,087)	(1,509)
B shares		**(12)**	(21)	(21)
Convertible bonds		**(379)**	(377)	–
Subordinated liabilities		**(8)**	(11)	(14)
Retirement benefit obligation		**(56)**	(4)	(38)
Deferred income taxes		**(2)**	(1)	(2)
Provisions		**(8)**	(9)	(5)
Total non-current liabilities		**(2,290)**	(1,655)	(1,699)
Current liabilities				
Trade and other payables		**(197)**	(185)	(166)
Carried interest payable		**(83)**	(71)	(140)
Convertible bonds		**–**	–	(433)
Loans and borrowings		**(290)**	(740)	(373)
Derivative financial instruments		**(102)**	(131)	(108)
Current income taxes		**(4)**	(3)	(5)
Provisions		**(6)**	(7)	(9)
Total current liabilities		**(682)**	(1,137)	(1,234)
Total liabilities		**(2,972)**	(2,792)	(2,933)
Net assets		**3,852**	3,844	4,057
Equity				
Issued capital		**284**	287	283
Share premium		**403**	394	397
Capital redemption reserve		**42**	38	42
Share-based payment reserve		**23**	18	21
Translation reserve		**(10)**	6	11
Capital reserve		**2,769**	2,868	3,026
Revenue reserve		**413**	317	359
Other reserves		**5**	–	–
Own shares		**(77)**	(84)	(82)
Total equity		**3,852**	3,844	4,057

Consolidated cash flow statement

for the six months to 30 September 2008

	6 months to 30 September 2008 (unaudited) £m	6 months to 30 September 2007 (unaudited) £m	12 months to 31 March 2008 (audited) £m
Cash flow from operating activities			
Purchase of investments	**(550)**	(1,216)	(2,072)
Proceeds from investments	**597**	1,105	1,824
Interest received	**15**	22	47
Dividends received	**51**	34	56
Portfolio fees received	**8**	12	22
Fees received from external funds	**24**	21	61
Carried interest received	**23**	25	67
Carried interest paid	**(53)**	(109)	(154)
Operating expenses	**(202)**	(155)	(243)
Income taxes paid	**(3)**	(2)	(7)
Net cash flow from operations	**(90)**	(263)	(399)
Cash flow from financing activities			
Proceeds from issues of share capital	**7**	16	19
Buy-back of ordinary shares	**–**	(64)	(120)
Purchase of own shares	**–**	(21)	(21)
Disposal of own shares	**2**	8	8
Repurchase of B shares	**(9)**	(798)	(798)
Dividend paid	**(41)**	(47)	(70)
Interest received	**22**	58	95
Interest paid	**(24)**	(46)	(125)
Net premium on call options	**(49)**	–	–
Proceeds from long-term borrowings	**685**	529	591
Repayment of long-term borrowings	**(465)**	(200)	(413)
Net cash flow from short-term borrowings	**(164)**	(121)	(133)
Net cash flow from deposits	**(4)**	1,051	1,624
Net cash flow from financing activities	**(40)**	365	657
Cash flow from investing activities			
Purchases of property, plant and equipment	**(1)**	(2)	(6)
Sales of property, plant and equipment	**–**	–	1
Net cash flow from investing activities	**(1)**	(2)	(5)
Change in cash and cash equivalents	**(131)**	100	253
Cash and cash equivalents at 1 April	**752**	486	486
Effect of exchange rate fluctuations	**(1)**	(3)	13
Cash and cash equivalents at the end of the period	**620**	583	752

Notes to the accounts

1 Segmental analysis

6 months to 30 September 2008 (unaudited)	Buyouts £m	Growth Capital £m	Infra-structure £m	Quoted Private Equity £m	Smaller Minority Invest-ments £m	Venture Capital £m	Total £m
Gross portfolio return							
Realised profits over value on the disposal of investments	**115**	**40**	**6**	**–**	**4**	**25**	**190**
Unrealised (losses)/profits on the revaluation of investments	**(51)**	**(237)**	**7**	**(37)**	**2**	**(95)**	**(411)**
Portfolio income	**67**	**39**	**23**	**–**	**8**	**6**	**143**
	131	**(158)**	**36**	**(37)**	**14**	**(64)**	**(78)**
Fees receivable from external funds	**21**	**–**	**16**	**1**	**–**	**–**	**38**
Net (investment)/divestment							
Realisation proceeds	**326**	**169**	**8**	**–**	**21**	**73**	**597**
Investment	**(338)**	**(279)**	**(22)**	**–**	**–**	**(29)**	**(668)**
	(12)	**(110)**	**(14)**	**–**	**21**	**44**	**(71)**
Balance sheet							
Value of investment portfolio at end of period	**2,084**	**2,332**	**530**	**105**	**228**	**655**	**5,934**

6 months to 30 September 2007 (unaudited)	Buyouts £m	Growth Capital £m	Infra-structure £m	Quoted Private Equity £m	Smaller Minority Invest-ments £m	Venture Capital £m	Total £m
Gross portfolio return							
Realised profits over value on the disposal of investments	256	37	–	–	3	41	337
Unrealised (losses)/profits on the revaluation of investments	101	110	7	(9)	(13)	(13)	183
Portfolio income	48	33	6	–	12	3	102
	405	180	13	(9)	2	31	622
Fees receivable from external funds	18	–	4	–	–	–	22
Net (investment)/divestment							
Realisation proceeds	540	273	32	17	71	111	1,044
Investment	(436)	(493)	(58)	(182)	–	(65)	(1,234)
	104	(220)	(26)	(165)	71	46	(190)
Balance sheet							
Value of investment portfolio at end of period	1,571	1,854	502	176	312	715	5,130

1 Segmental analysis continued

12 months to 31 March 2008 (audited)	Buyouts £m	Growth Capital £m	Infra-structure £m	Quoted Private Equity £m	Smaller Minority Invest-ments £m	Venture Capital £m	Total £m
Gross portfolio return							
Realised profits over value on the disposal of investments	370	75	6	–	7	65	523
Unrealised (losses)/profits on the revaluation of investments	245	160	43	(42)	(27)	(88)	291
Portfolio income	116	67	18	–	20	6	227
	731	302	67	(42)	–	(17)	1,041
Fees receivable from external funds	39	2	18	1	–	–	60
Net (investment)/divestment							
Realisation proceeds	858	503	57	18	136	170	1,742
Investment	(788)	(990)	(38)	(182)	(6)	(156)	(2,160)
	70	(487)	19	(164)	130	14	(418)
Balance sheet							
Value of investment portfolio at end of year	2,025	2,366	501	142	244	738	6,016

2 Per share information

The earnings and net assets per share attributable to the equity shareholders of the Company are based on the following data:

	6 months to 30 September 2008 (unaudited)	6 months to 30 September 2007 (unaudited)	12 months to 31 March 2008 (audited)
Earnings per share (pence)			
Basic	**(38.4)**	122.0	207.9
Diluted	**(38.4)**	100.6	173.4
Earnings (£m)			
(Loss)/profit for the period attributable to equity holders of the Company	**(143)**	515	828
Effect of dilutive ordinary shares	**–**	(60)	(87)
	(143)	455	741

	6 months to 30 September 2008 (unaudited) Number	6 months to 30 September 2007 (unaudited) Number	12 months to 31 March 2008 (audited) Number
Weighted average number of shares in issue			
Ordinary shares	**383,162,777**	432,213,305	408,633,804
Own shares	**(10,623,552)**	(9,967,948)	(10,458,932)
	372,539,225	422,245,357	398,174,872
Effect of dilutive potential ordinary shares			
Share options*	**–**	5,672,514	4,663,864
Convertible bonds	**–**	24,408,684	24,408,684
Diluted shares	**372,539,225**	452,326,555	427,247,420

* The potential effect of share options is excluded from the dilution calculation for the period, as the impact is anti-dilutive.

2 Per share information continued

	30 September 2008 (unaudited)	30 September 2007 (unaudited)	31 March 2008 (audited)
Net assets per share (pence)			
Basic	**1,032**	1,020	1,091
Diluted	**1,019**	1,007	1,077
Net assets (£m)			
Net assets attributable to equity holders of the Company	**3,852**	3,844	4,057

	30 September 2008 (unaudited) Number	30 September 2007 (unaudited) **Number**	31 March 2008 (audited) **Number**
Number of shares in issue			
Ordinary shares	**383,748,638**	387,988,093	382,741,094
Own shares	**(10,413,397)**	(11,162,984)	(10,867,901)
	373,335,241	376,825,109	371,873,193
Effect of dilutive potential ordinary shares			
Share options	**4,731,712**	4,997,911	4,954,110
Diluted shares	**378,066,953**	381,823,020	376,827,303

3 Significant events

As a result of the bankruptcy filing in the US by Lehman Brothers in September 2008 and insolvency proceedings being commenced in respect of a number of its affiliates, the Company terminated the call spread overlay arrangements it had entered into with Lehman Brothers International (Europe) in May 2008 as part of the £430 million 3.625% three year convertible bond issued by the Company, details of which were explained in the 3i Group Report and accounts 2008. Termination of this call spread overlay arrangement resulted in a £12 million adjustment to the fair value of derivatives.

The original call spread overlay arrangement with Lehman Brothers International (Europe) has been replaced at a net cost of £13 million, with an equivalent arrangement with another counterparty, which will continue to offset the volatility within the convertible bond.

A claim has been filed against Lehman Brothers International (Europe) for the recovery of the economic loss of £15 million.

Accounting policies

Basis of preparation

These financial statements are the unaudited condensed half-yearly consolidated financial statements (the "Half-yearly Financial Statements") of 3i Group plc, a company incorporated in Great Britain and registered in England and Wales, and its subsidiaries (together referred to as the "Group") for the six-month period ended 30 September 2008. The Half-yearly Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") and should be read in conjunction with the Consolidated Financial Statements for the year to 31 March 2008 ("Report and accounts 2008"), as they provide an update of previously reported information.

The Half-yearly Financial Statements were authorised for issue by the Directors on 5 November 2008.

The Half-yearly Financial Statements have been prepared in accordance with the accounting policies set out in the Report and accounts 2008 as the new and revised International Financial Reporting Standards ("IFRS") and interpretations effective in the period have had no impact on the accounting policies of the Group. The presentation of the Half-yearly Financial Statements is consistent with the Report and accounts 2008. Where necessary, comparative information has been reclassified or expanded from the previously reported Half-yearly Financial Statements to take into account any presentational changes made in the Report and accounts 2008. The Half-yearly Financial Statements do not constitute statutory accounts. The statutory accounts for the year to 31 March 2008, prepared under IFRS, have been filed with the Registrar of Companies and the auditors have issued a report, which was unqualified and did not contain a statement under section 237(2) or section 237(3) of the Companies Act 1985.

The preparation of the Half-yearly Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most significant techniques for estimation are described in the accounting policies and in "portfolio valuation – an explanation" in the Report and accounts 2008.

The Group operates in business lines where significant seasonal or cyclical variations in activity are not experienced during the financial year.

Statement of Directors' responsibilities

The Directors confirm to the best of their knowledge that:

a) the condensed set of financial statements have been prepared in accordance with IAS 34 as adopted by the European Union; and
b) the interim management report includes a fair review of the information required by the FSA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

The Directors of 3i Group plc and their functions are set out below:

Baroness Hogg, Chairman
Oliver Stocken, Deputy Chairman and Senior Independent Director
Philip Yea, Chief Executive and Executive Director
Simon Ball, Finance Director and Executive Director
Richard Meddings, Non-executive Director
Willem Mesdag, Non-executive Director
Christine Morin-Postel, Non-executive Director
Michael Queen, Executive Director
Lord Smith of Kelvin, Non-executive Director
Robert Swannell, Non-executive Director
Julia Wilson, Finance Director Designate and Executive Director

By order of the Board
K J Dunn Secretary
5 November 2008

Independent review report to 3i Group plc

Introduction
We have been engaged by 3i Group plc to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2008 which comprises the Consolidated income statement, Consolidated statement of recognised income and expense, Consolidated reconciliation of movements in equity, Consolidated balance sheet, Consolidated cash flow statement and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in the accounting policies note, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of half-yearly financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
London
5 November 2008

Ten largest investments

The list below contains 10 of our 11 largest investments by value, with one excluded from the list for commercial reasons.

Investment	Business line	Geography	First invested in	Valuation basis	Proportion of equity shares held	Residual cost £m	Valuation £m
3i Infrastructure plc	Infrastructure	UK	2007	Quoted			
Quoted investment company, investing in infrastructure							
Equity shares					42.8%	349	380
						349	**380**
XB Luxembourg Holdings 1 SA (ABX)	Buyouts	Belgium	2006	Imminent sale			
Freight forwarding business							
Equity shares					41.1%	2	149
Loans						12	13
						14	**162**
Venture Production plc[1]	Growth	UK	2007	Quoted			
Oil and gas production							
Equity shares					5.4%	34	49
Loans						77	77
						111	**126**
Enterprise Group Holdings Limited	Buyouts	UK	2007	Cost			
UK utilities and public sector maintenance outsourcing							
Equity shares					32.2%	3	3
Loans						117	117
						120	**120**
Viridis Holdings S.p.A (Global Garden Products)	Buyouts	Italy	2007	Cost			
Garden power tools							
Equity shares					33.7%	4	5
Loans						100	110
						104	**115**
Quintiles Transnational Corporation	Growth	US	2008	Cost			
Clinical research outsourcing solutions							
Equity shares					7.0%	100	111
						100	**111**
ACR Capital Holdings Pte Limited	Growth	Singapore	2006	Other			
Reinsurance in large risk segments							
Equity shares					31.6%	105	107
						105	**107**
3i Quoted Private Equity plc	QPE	UK	2007	Quoted			
Quoted investment company, investing in quoted companies							
Equity shares					44.9%	180	104
						180	**104**
Inspicio Sarl	Buyouts	UK	2007	Cost			
Global testing and inspection							
Equity shares					38.2%	2	2
Loans						99	99
						101	**101**
Telecity Group plc	Buyouts	UK	1998	Quoted			
Services for internet service providers							
Equity shares					22.6%	16	98
						16	**98**

Note

1 Equity element is valued as listed, and loans are valued using amortised cost.

Forty other large investments

In addition to the investments shown in the Ten largest investments, detailed below are forty other large investments which are substantially all of the Group's investments valued over £32 million. This does not include two investments that have been excluded for commercial reasons.

Investment	Description of business	Business line	Geography	Valuation basis	First invested in	Residual cost £m	Valuation £m
Anglia Water Group Limited	Provider of drinking water and waste water services	Infrastructure	UK	Other	2006	86	94
Hyva Investments BV	Branded hydraulics for commercial vehicles	Buyouts	Netherlands	Earnings	2004	4	86
Ambea AB (H-Careholding)	Elderly, primary and specialist care	Buyouts	Sweden	Earnings	2005	20	84
Sortifandus, S.L. (GES – Global Energy Services)	Wind power service provider	Buyouts	Spain	Earnings	2006	36	82
MWM GmbH (DEUTZ Power Systems)	Provider of decentralised power generation systems	Buyouts	Germany	Earnings	2007	68	81
Sociedad de Servicios Radiofonicos Union Radio, S.L.	Hispanic radio operator	Growth	Spain	Cost	2008	80	79
DNA Oy	Telecom operator	Growth	Finland	Earnings	2007	88	78
Eltel Networks Oy	Network services	Buyouts	Finland	Other	2007	86	77
Butterfield Fulcrum Group Limited	Hedge fund administrator	Growth	Bermuda	Cost	2007	74	76
British Seafood Distribution Group Holdings Limited	Seafood sourcer, processor and importer from Far East	Growth	UK	Cost	2007	73	73
Mold Masters Luxembourg Holdings Sarl	Leading plastic processing technology provider	Growth	Canada	Cost	2007	68	72
CDH China Growth Capital Fund II LP	China growth capital fund	Growth	China	Other	2005	11	64
Planet Acquisitions Holdings Limited (Chorion)	Owner of intellectual property	Buyouts	UK	Earnings	2006	64	63
Jake Holdings Limited (Mayborn)	Manufacturer and distributor of baby products	Buyouts	UK	Earnings	2006	62	62
Laholm Intressenter AB (DIAB)	Polymer-based sandwich construction laminates	Growth	Sweden	Earnings	2001	9	61
Cornwall Topco Limited (Civica)	Public sector IT and services	Buyouts	UK	Cost	2008	60	60
NORMA Group Holding GmbH	Provider of plastic and metal connecting technology	Buyouts	Germany	Earnings	2005	31	57
3i India Infrastructure Holdings Limited	Fund investing in Indian infrastructure	Infrastructure	India	Other	2007	33	54
Otnortopco AS (Alpharma)	Developer and supplier of pharmaceutical ingredients	Buyouts	Norway	Cost	2008	57	54

Forty other large investments continued

Investment	Description of business	Business line	Geography	Valuation basis	First invested in	Residual cost £m	Valuation £m
Gain Capital Holdings Inc	Retail online foreign exchange trading	Growth	US	Cost	2008	48	54
Navayuga Engineering Company Limited	Engineering and construction	Growth	India	Earnings	2006	23	52
APB SpA (AP Bags)	Luxury handbags	Buyouts	Italy	Cost	2008	52	52
Ultralase Group Limited	Laser vision correction surgery	Buyouts	UK	Other	2008	64	50
Inspecta Holding Oy	Supplier of testing and inspection services	Buyouts	Finland	Cost	2007	42	48
Labco SAS	Clinical laboratories	Growth	France	Cost	2008	48	47
Hobbs Holding No. 1 Limited	Retailer of women’s clothing and footwear	Buyouts	UK	Earnings	2004	46	45
Delta Hydrocarbons	Oil and gas exploration	Growth	Netherlands	Cost	2007	41	44
EUSA Pharma Inc	Business focused on pain control, oncology and critical care	Venture	UK	Other	2007	30	37
Mundra Port & Special Economic Zone (MPSEZ)	Port and Special Economic Zone operator	Growth	India	Quoted	2006	28	36
Alö Intressenter AB	Manufacturer of front end loaders	Growth	Sweden	Earnings	2002	32	36
Dockwise	Specialist in heavy transport shipping within the marine and oil and gas industry	Buyouts	Netherlands	Quoted	2007	1	35
Pearl (AP) Group Limited (Agent Provocateur)	Women’s lingerie and associated products	Buyouts	UK	Cost	2007	35	35
Everis Participaciones S.L.	IT consulting business	Growth	Spain	Other	2007	30	35
Scandferries Holding GmbH (Scandlines)	Ferry operator in the Baltic Sea	Buyouts	Germany	Other	2007	31	35
Nimbus Communications Limited	Media and entertainment services	Growth	India	Other	2005	35	33
Demand Media Inc.	Internet/media domain name registry services	Venture	US	Other	2006	31	33
Goromar XXI, S.L. (Esmalglass)	Manufacture of frites, glazes and colours for tiles	Buyouts	Spain	Earnings	2002	19	33
Consulting 1 S.p.A (Targetti Sankey)	Design and manufacture of lighting fixtures	Growth	Italy	Other	2007	38	33
SLR Holdings Limited	Specialist environmental consultancy	Growth	UK	Cost	2008	33	33
Sistemas Technicos de Encofrados S.A. (STEN)	Sale and rental of formwork and scaffolding equipment	Growth	Spain	Earnings	2006	78	32

Note A
The half-yearly report 2008 will be posted to shareholders on 17 November 2008 and thereafter copies will be available from the Company Secretary, 3i Group plc, 16 Palace Street, London SW1E 5JD.

Note B
The interim dividend is expected to be paid on 7 January 2009 to holders of ordinary shares on the register on 5 December 2008. The ex-dividend date will be 3 December 2008.