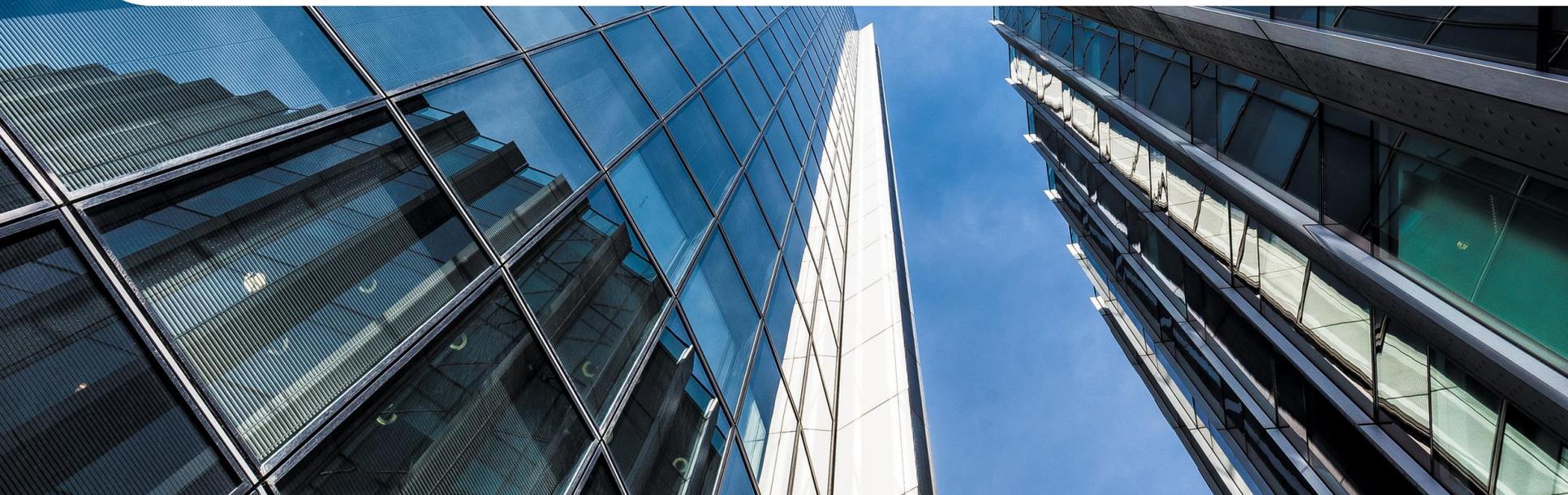




Results for the year to 31 March 2017

18 May 2017



Our strategy is clear and consistent



- 1 Grow investment portfolio earnings
- 2 Realise investments with good cash-to-cash returns
- 3 Maintain an operating cash profit
- 4 Use our strong balance sheet
- 5 Increase shareholder distributions

Good progress against all KPIs

Year to 31 March 2017



Group

Total return on equity

36%

Total dividend
per share

26.5p

NAV per share

604p

Operating cash profit¹

£33m

Private Equity

Cash invested

£478m

Realisation proceeds

£982m

Infrastructure

Advised 3iN on six
new investments

£479m

Operating cash income

£59m

¹ Operating cash profit redefined in the financial year to be cash portfolio and fee income less cash expenses (previously cash portfolio and fee income less accrued expenses).

Our post-restructuring track record continues to improve



	Year to 31 Mar 2017 ¹	Year to 31 Mar 2016	Year to 31 Mar 2015	Year to 31 Mar 2014	Year to 31 Mar 2013	Year to 31 Mar 2012
Total return % over opening net asset value	£1,592m 36%	£824m 22%	£659m 20%	£478m 16%	£373m 14%	£(656)m (20)%
Dividend per share (base/additional)	16.0p/10.5p	8.1p/13.9p	8.1p/11.9p	8.1/11.9p	8.1p	8.1p
Diluted NAV per share	604p	463p	396p	348p	311p	279p
Operating expenses	£117m	£134m	£131m	£136m	£170m	£180m
Gross investment return	£1,755m	£1,069m	£805m	£665m	£598m	£(429)m
3i portfolio value	£5,675m	£4,497m	£3,877m	£3,565m	£3,295m	£3,204m
Net cash/(debt)	£419m	£165m	£49m	£(160)m	£(335)m	£(464)m

3i is now performing as it should, with careful investment and active asset management generating strong returns

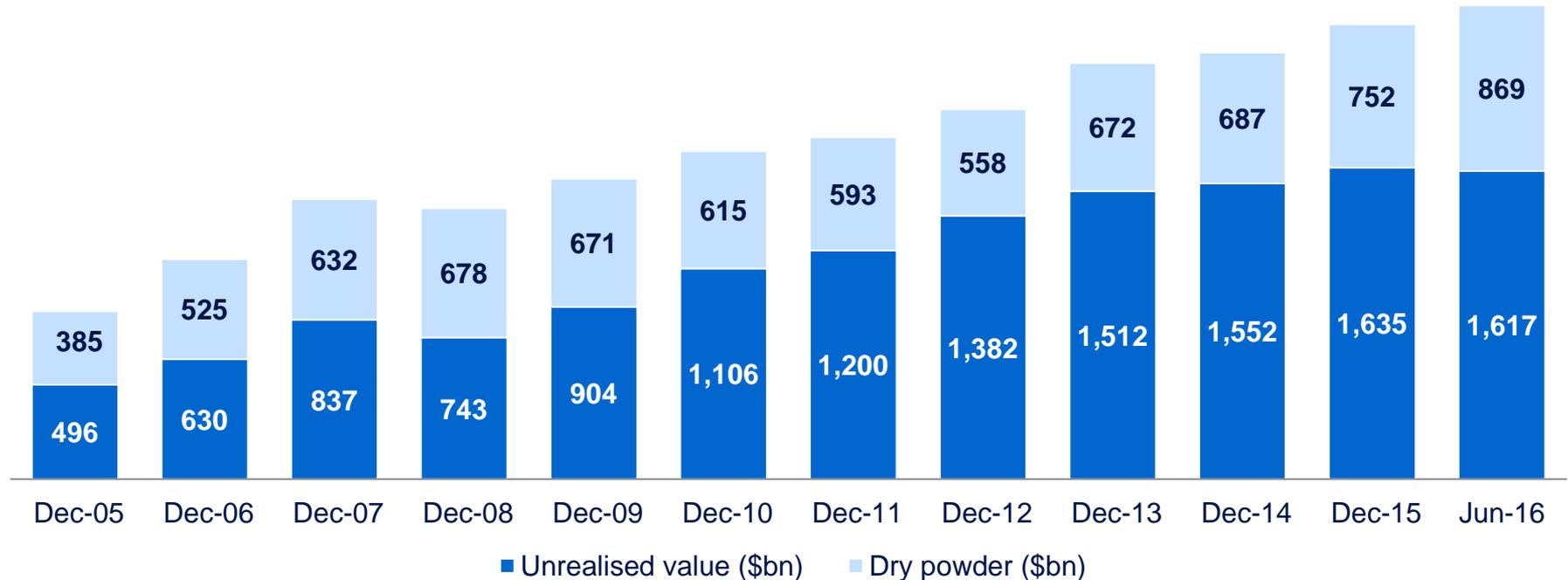
¹ As reported. Prior year figures not restated to reflect the sale of Debt Management.

Private equity market

Dry powder continues to grow; market environment supports valuations



Global private equity assets under management (\$bn)



Private Equity

An excellent year



Strong return for the year

- **£1,624m** gross investment return
- **43%** of opening book value

Resilient portfolio performance

- Portfolio value growth of **£1,274m** driven by growing earnings

Good momentum in investment activity

- **£478m** proprietary capital invested
- **Three** new investments and **one** further
- Three further new investments announced for FY2018

Continuing to realise assets at good returns

- **£982m** realisation proceeds
- **12** full realisations

Objective: generate an attractive investment return ✓

Private Equity

Robust portfolio performance continues to drive value growth



Largest value increases (>£20m)

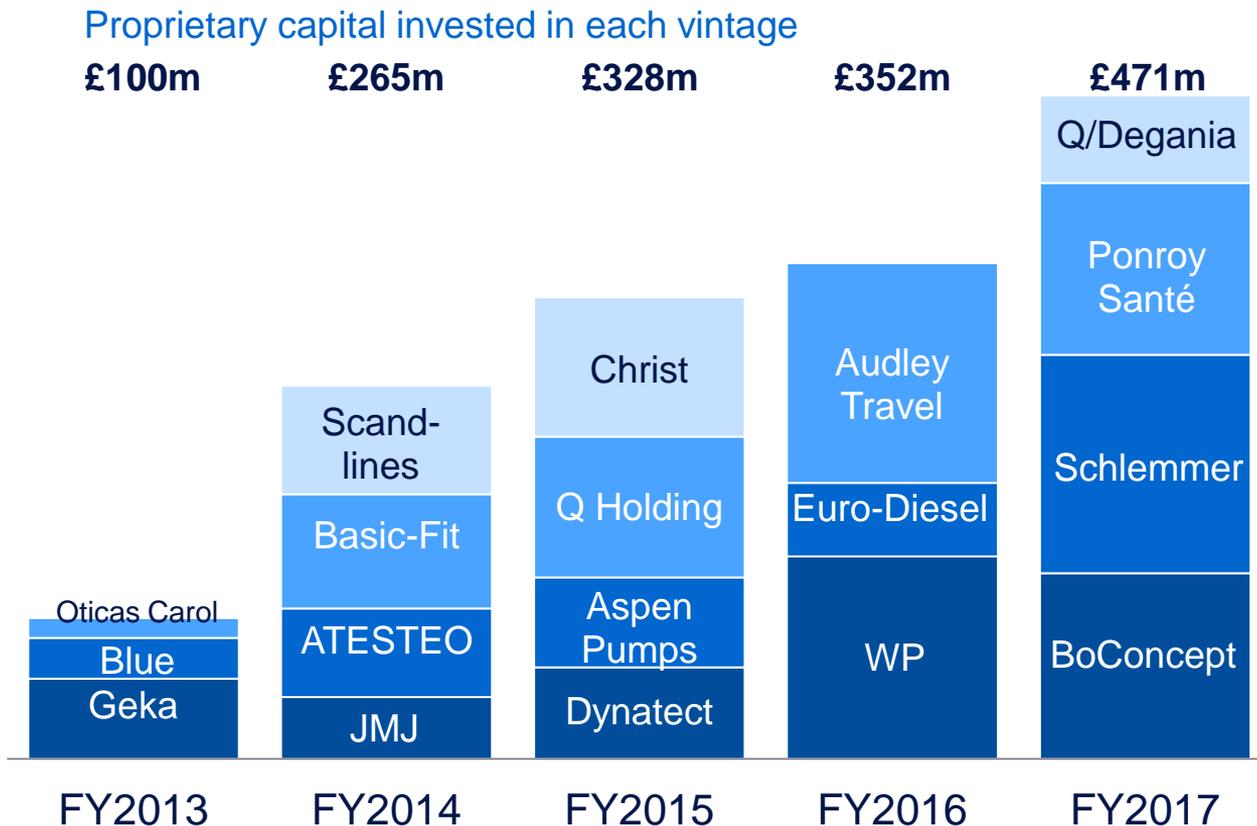
Portfolio company	Value growth (excl FX)	Value at 31/3/17	Key driver of value movement
Action	£911m	£1,708m	↑ Earnings ↑ Multiple
Scandlines	£155m	£538m	↑ DCF assumptions ↑ Earnings
Basic-Fit	£51m	£184m	↑ Share price
Q Holding	£24m	£222m	↑ Multiple ↑ Earnings
Audley Travel	£27m	£185m	↑ Multiple ↑ Earnings
ATESTEO	£68m	£160m	↑ Earnings
AES Engineering	£21m	£113m	↑ Earnings ↑ Multiple
Tato	£32m	£112m	↑ Earnings ↑ Multiple
Euro-Diesel	£27m	£95m	↑ Multiple ↑ Earnings
Aspen Pumps	£20m	£88m	↑ Earnings

Largest value declines (>£20m)

Portfolio company	Value decline (excl FX)	Value at 31/3/17	Key driver of value movement
Agent Provocateur	£(49)m	-	Realised loss
Christ	£(31)m	£98m	↓ Earnings

Private Equity

FY2013+ vintages continue to perform well



£1.5bn invested since FY2013

Aggregate MM of **1.7x¹**

¹ Excludes new investments made in FY2017 but includes the further investment in Q/Degania. Sterling MM

Private Equity

£478m invested in FY2017 and a further €470m announced for FY2018



Formel D

c€150m
announced
May 2017



Hans Anders

€200m
announced
April 2017



Lampenwelt

€120m
announced
March 2017

Ponroy Santé

£122m
January 2017



Q/Degania

£62m
December 2016



Schlemmer

£155m
August 2016



BoConcept

£132m
July 2016

Private Equity

Continuing to reshape the portfolio through realisations



Selected full realisations

Mayborn £136m; 3.5x	Quintiles £107m; 3.3x	Amor £88m; 2.3x	Geka £85m; 1.8x
Polyconcept £44m; 2.1x	UFO Moviez £16m; 2.9x	Loxam £40m; 1.9x	Lekolar £34m; 1.6x

Selected partial realisations¹

Basic-Fit £82m; 3.3x	Scandlines £16m; 4.6x	Refresco £11m; 1.8x
--------------------------------	---------------------------------	-------------------------------

Refinancings¹

Action £187m; 20.8x	ATESTEO £48m; 2.7x
-------------------------------	------------------------------

FY2017 realisations

£982m total proceeds

12 full realisations

2 refinancings

¹ For partial realisations and refinancings, valuations of any remaining investment are included in the multiple.
Note: Full detail in the appendix.

Private Equity

A portfolio weighted towards our better assets



	The buckets	Selected examples	% of value	
			FY2017	FY2016
1	Longer-term hold and value creation	Action, Scandlines, Aspen Pumps, ATESTEO	c.64%	c.62%
2	Strong performers; performing in line with investment case	WP, Q Holding, BoConcept, Schlemmer	c.22%	c.22%
3	Manage intensively; potential value upside	OneMed, Etanco, SLR	c.9%	c.10%
4	Low or nil-valued assets	Indiareit	0.4%	0.3%
5	Quoted assets	Basic-Fit, Refresco	c.5%	c.5%

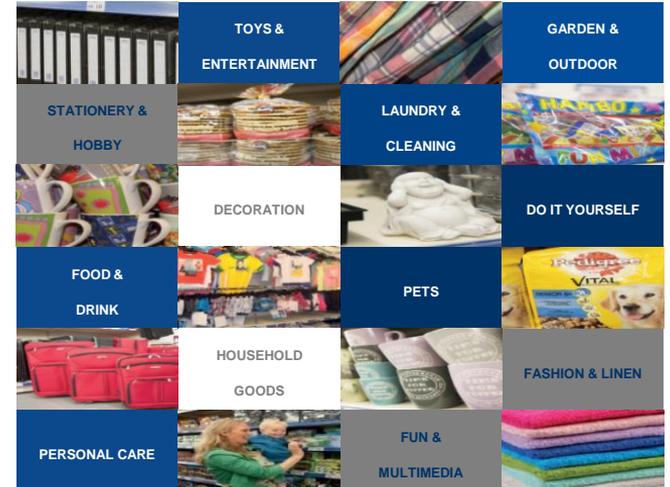
37 portfolio companies and 3 quoted holdings at 31 March 2017, down from 47 portfolio companies and 5 quoted holdings at start of FY2017

Private Equity - Action

Action continues to exceed expectations



- 3i acquired Action in September 2011 at 8.3x EBITDA
- Executive team completed in 2015 with recruitment of CEO and CFO
- Number of stores has grown from 269 to over 890 currently
- Carrying value increased from £106m to £1,708m based on 16.0x run-rate earnings to the end of March 2017
- 4.9x money realised from refinancing distributions
- Money multiple and IRR to date of 20.8x and 84% respectively

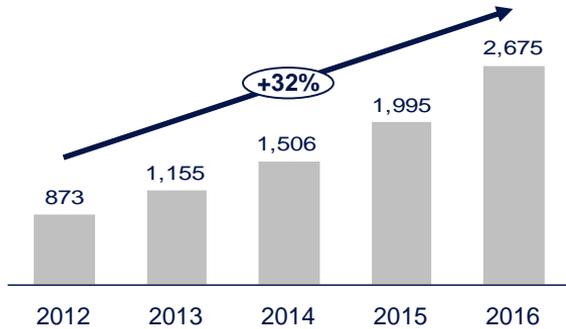


Private Equity - Action

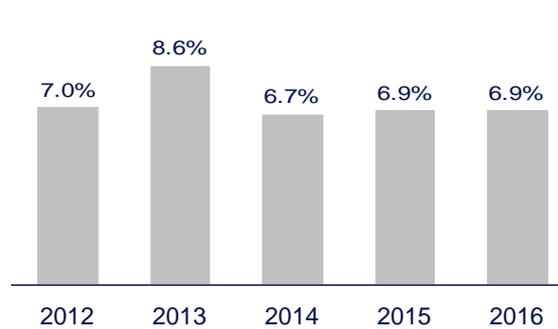
Strong financial track record across all KPIs



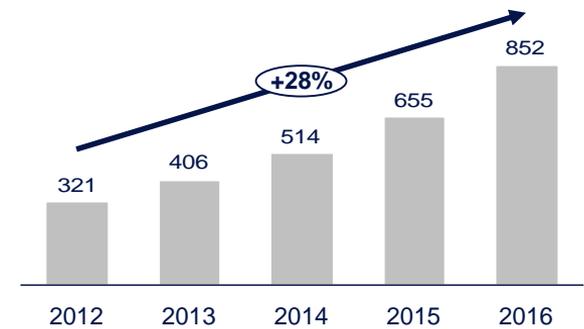
Net sales (EURm)



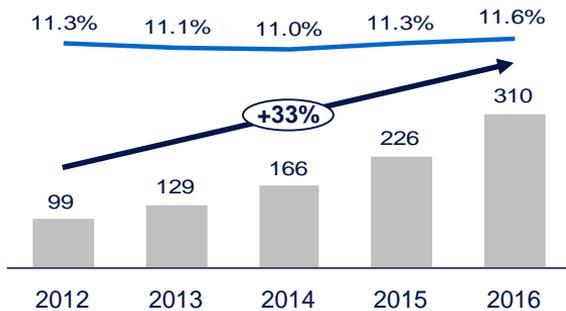
Like-for-like sales growth (%)



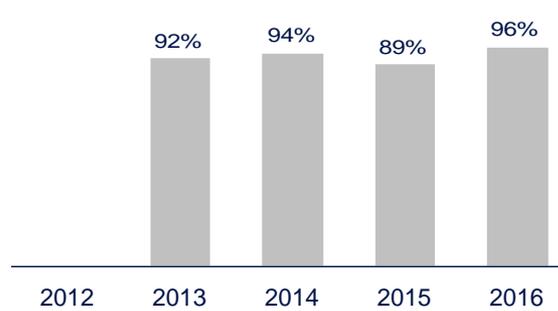
stores



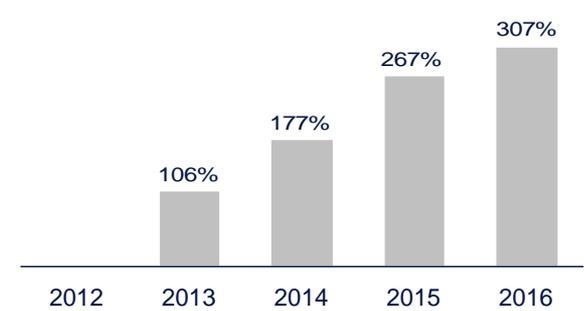
EBITDA (EURm)



Cash conversion



ROCE

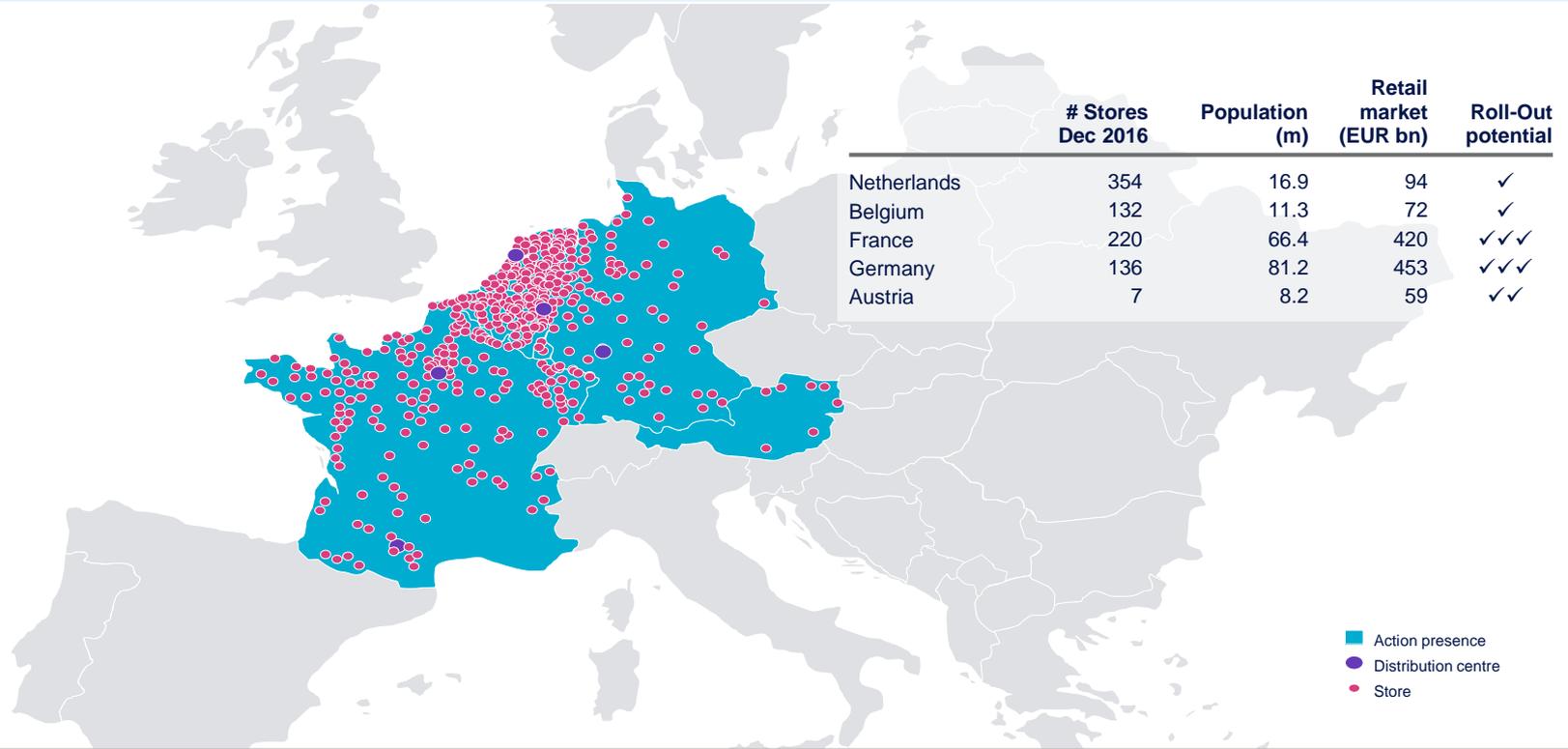


EBITDA margin

Cash conversion: (EBITDA-maintenance CAPEX)/EBITDA
 ROCE: EBIT/Capital Employed (excluding Goodwill)

Private Equity - Action

Tangible growth and value creation opportunity



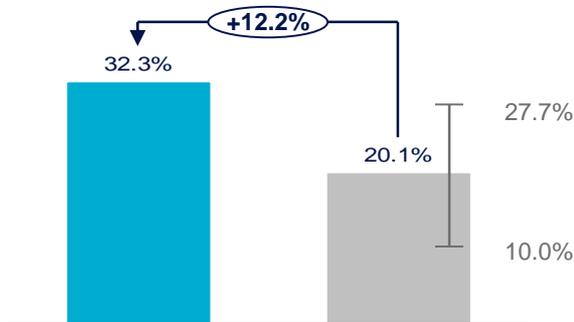
Significant roll-out potential in existing markets and beyond

Private Equity - Action

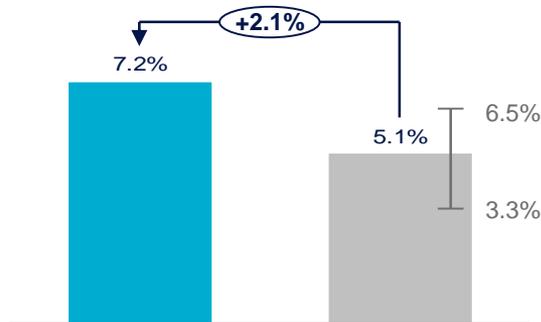
Leading KPIs versus Inditex, Dollarama, Five Below, XXL and B&M



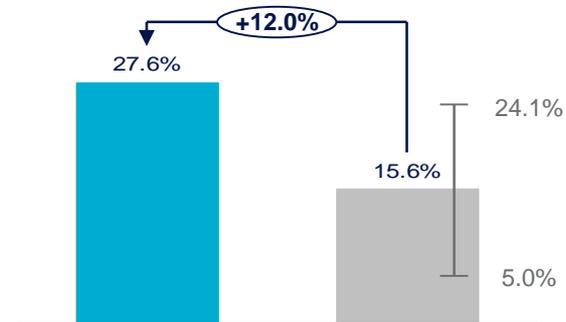
Sales growth, 2012-16 (%)



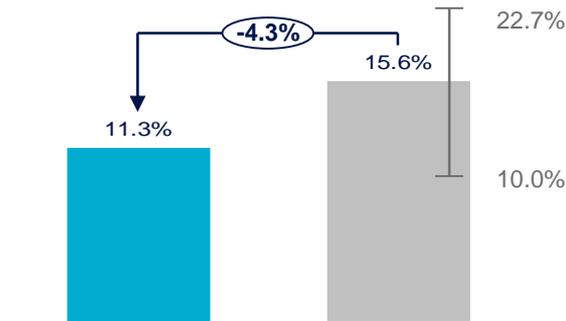
Like-for-like sales growth, 2012-2016 (%)



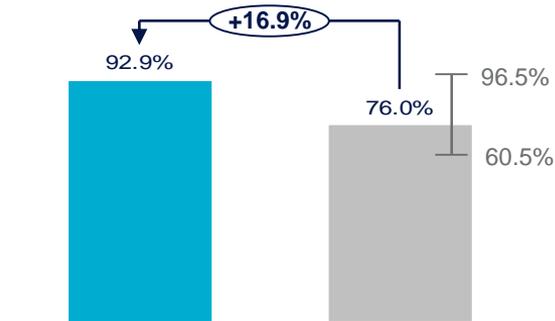
New store growth, 2012-16 (%)



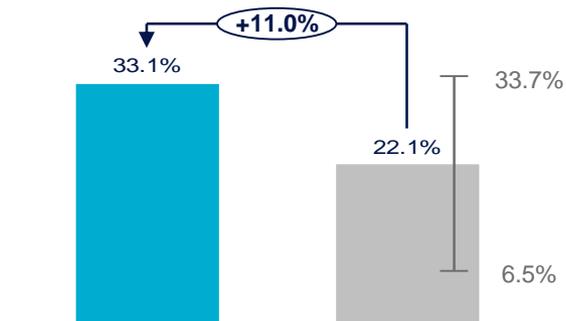
EBITDA Margin, 2012-2016 (%)



Cash Conversion, 2012-2016 (%)



EBITDA growth, 2012-16 (%)



Cash conversion: (EBITDA-maintenance CAPEX)/EBITDA

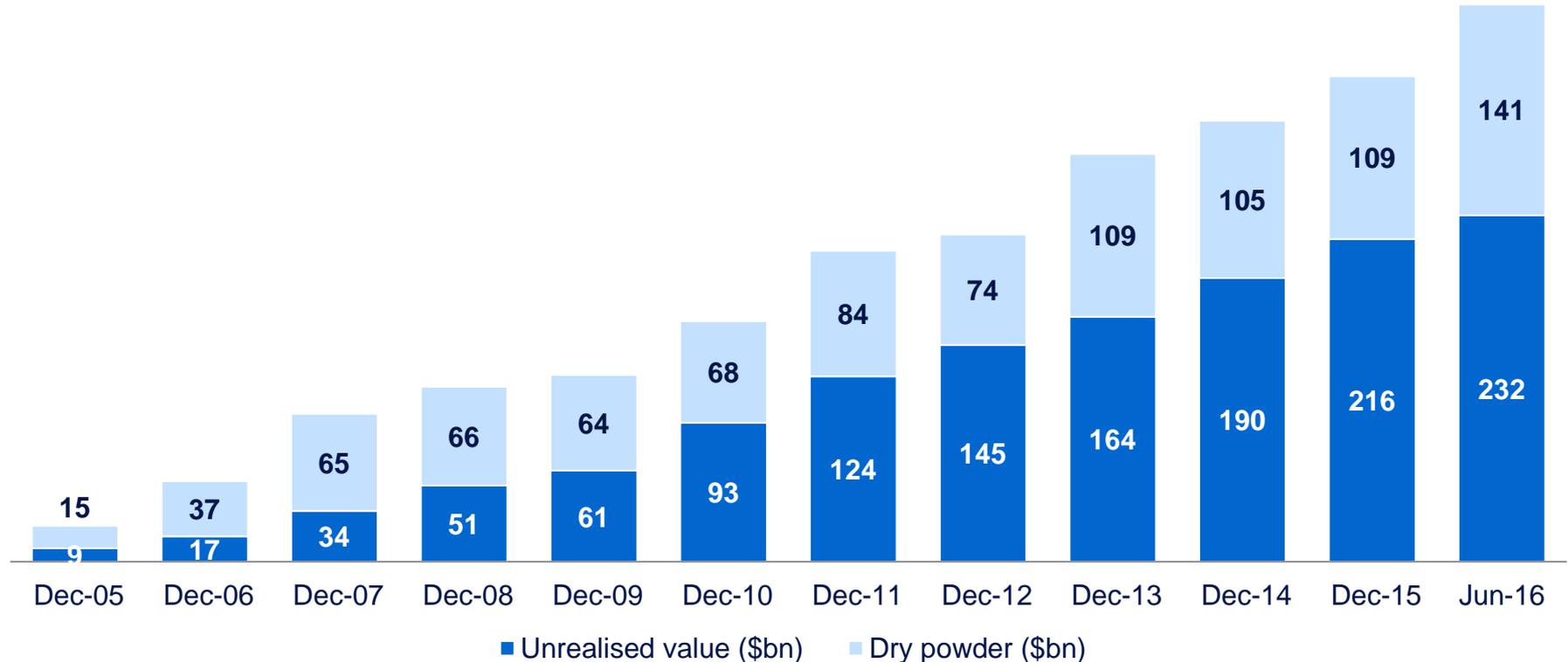
■ Action ■ Core comparators

Infrastructure

Inflows in the asset class continue to grow and asset values are rising



Global unlisted infrastructure assets under management (\$bn)



Infrastructure

A year of increased activity



Contributing to capital and income returns

- **£87m** gross investment return, or **17%** of opening book value
- **£59m** operating cash income

3iN continues to perform strongly

- Advised 3iN on new investment of **£479m**
- Total return of **9%** and TSR of **16%** in FY2017

Supporting growth in the franchise and in fee income

- 3iN raised **£385m** in new equity in June, of which £131m from 3i
- Two new funds launched, raising a total of **c£800m** in AUM

Objective: grow fee and portfolio income ✓

Infrastructure

3iN: robust returns and strong momentum in investment activity



- New capital of £385m raised in June 2016
- All deployed in 6 new investments worth £479m
- £131m investment by 3i to maintain its 34% holding
- TSR of 16% in FY2017

3iN to remain our key infrastructure investment vehicle, with new funds raised to leverage our capabilities

3iN relative share price performance

(rebased to 100)



Infrastructure

New developments



Managed Infrastructure Acquisitions Fund

- New fund to manage assets acquired from EISER Global Infrastructure Fund
- Commitments of c£700m from APG and ATP
- 3i proprietary capital investment of £35m



3i European Operational Projects Fund

- First close in April at €155m, of which up to €40m from 3i
- Focus on operational PPP projects across Europe
- Final close within 12 months



North America Infrastructure platform

- Team of four investors and two support staff in place
- Economic infrastructure and project investments
- Initial funding from 3i's balance sheet; third-party capital in due course



Our strategy is clear and consistent

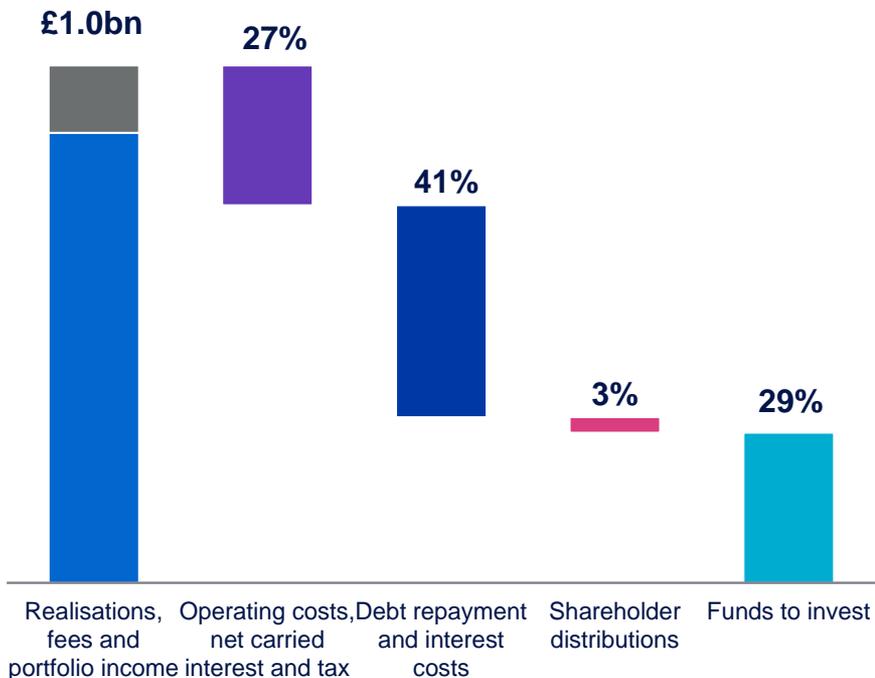


- 1 Grow investment portfolio earnings
- 2 Realise investments with good cash-to-cash returns
- 3 Maintain an operating cash profit
- 4 Use our strong balance sheet
- 5 Increase shareholder distributions

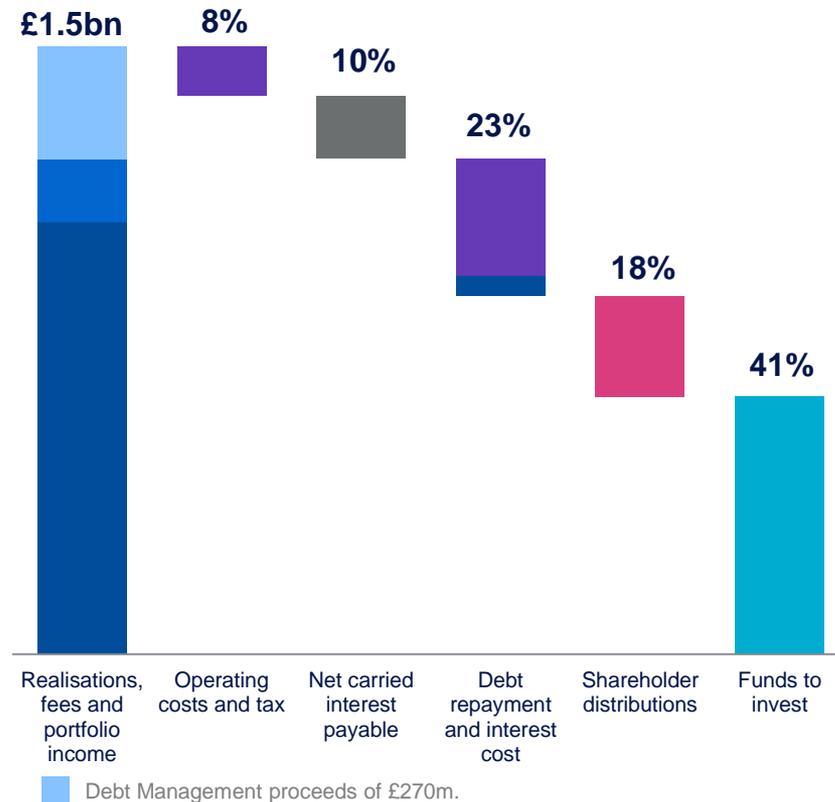
Continuing to improve capital efficiency and allocation



Average over FY2010-FY2012



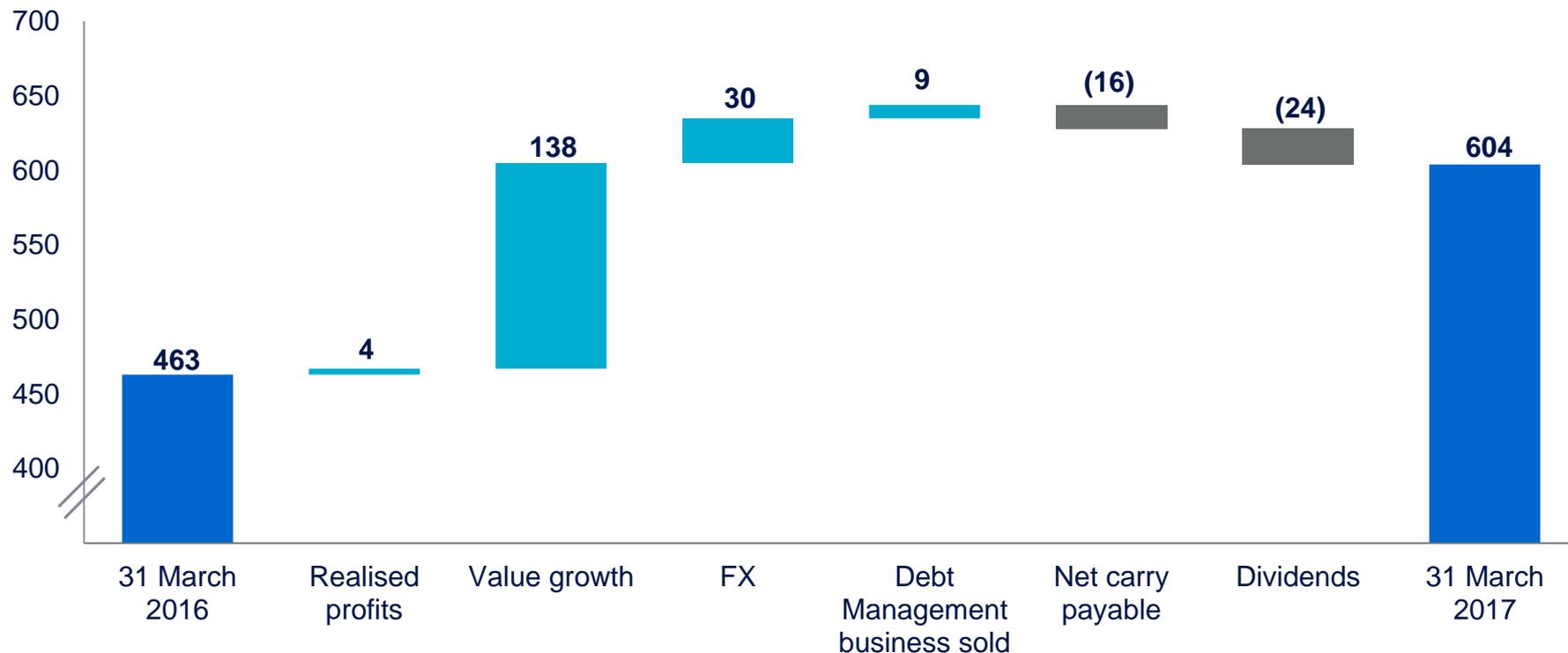
Year to 31 March 2017



NAV up 30% to 604 pence driven by strong portfolio performance



NAV per share (pence)



Private Equity

Strong performance



£ million	2017	2016
Gross investment return	1,624	1,011
% of opening portfolio	43%	32%
Realised profit	38	69
Uplift over book value ¹	5%	14%
Money multiple	3.7x	2.6x
Realisations	982	743
Cash Investment	478	365
Portfolio value	4,831	3,741

Portfolio now 37 assets and 3 quoted stakes

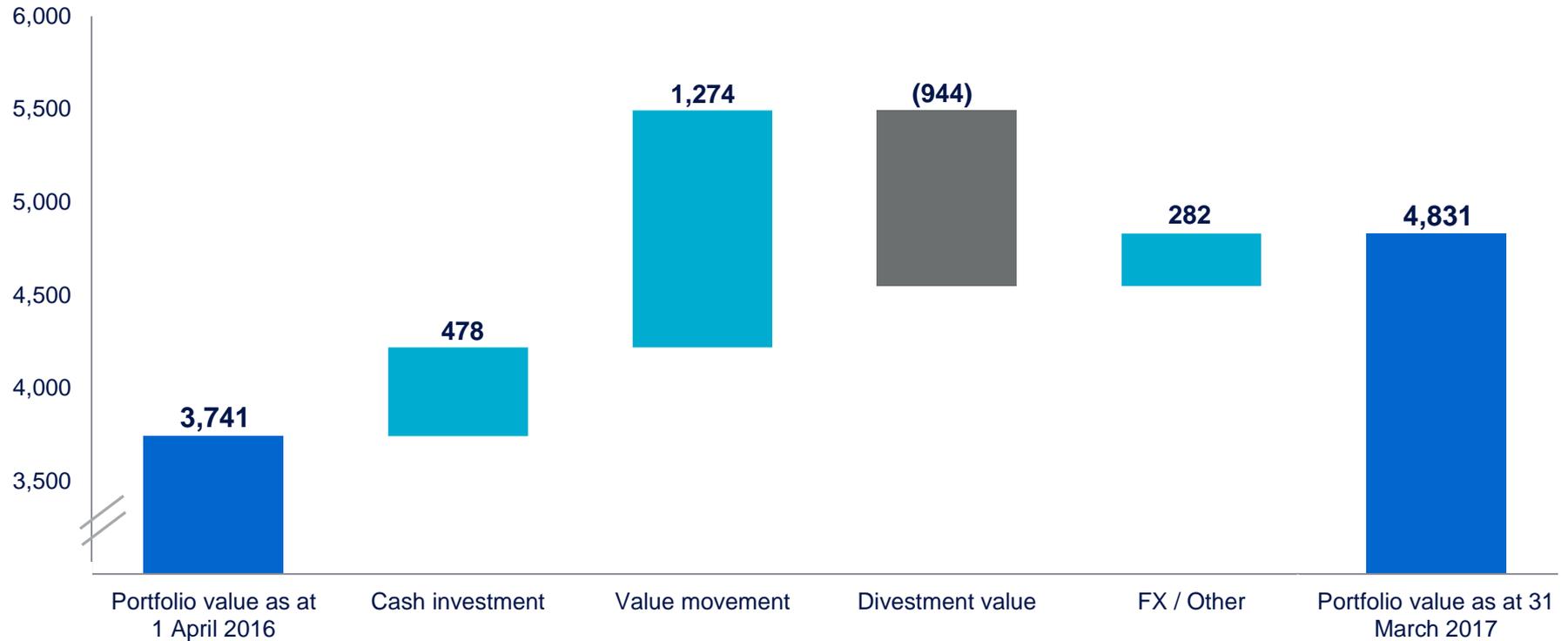
¹ Excludes refinancings.

Private Equity

Strong performance



£ million

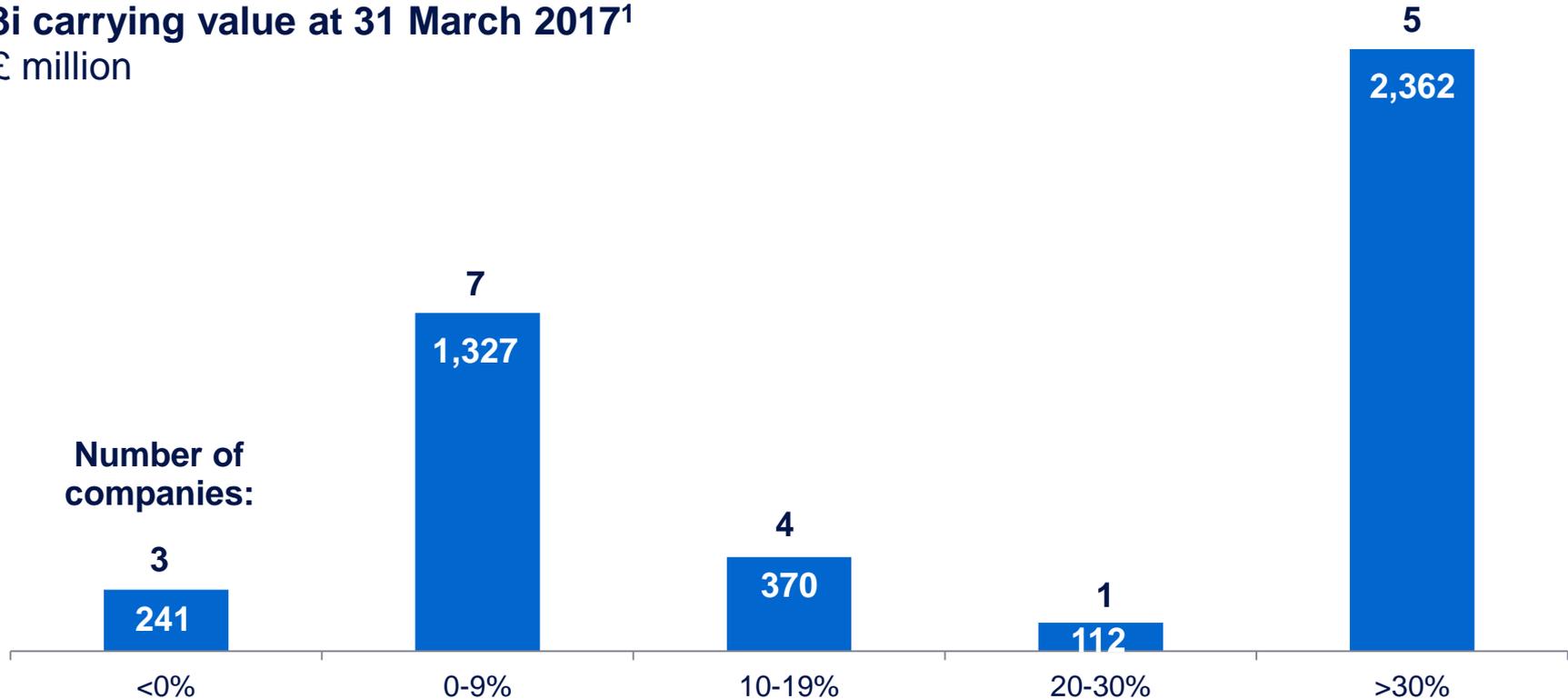


Private Equity

High quality portfolio with strong earnings growth



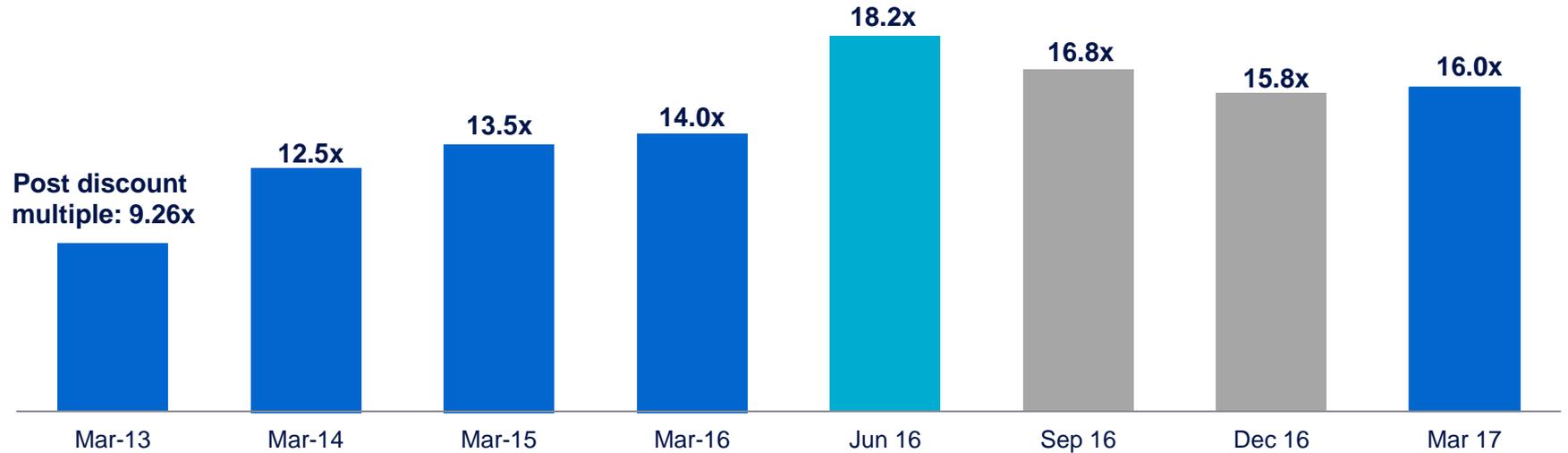
3i carrying value at 31 March 2017¹
£ million



¹ Earnings growth in the top 20 investments

Action valuation

Consistency in performance and execution since our acquisition



- Updated valuation methodology
 - Run-rate earnings to **26 March 2017**
 - Run-rate multiple: **16.0x** (post discount)

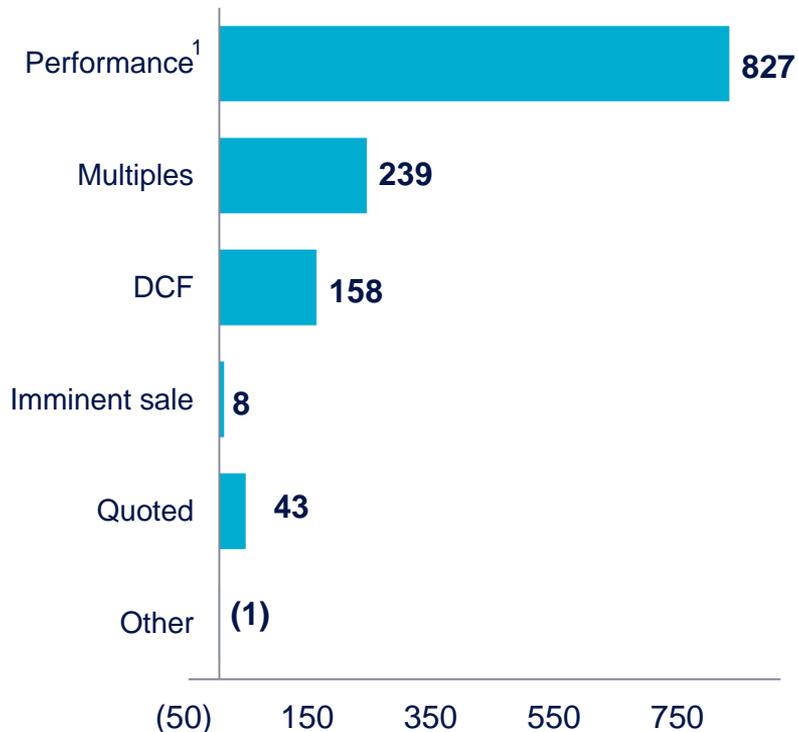
£1,708 million value at 31 March 2017, £911 million value growth in the year

Private Equity

£1,274 million value growth driven by Action, Scandlines and 2013-16 vintage



Value movement by basis (£ million)



Use of earnings	2017	2016
% value at end of the year valued on an earnings basis	78%	74%
Forecast indicates negative outlook (no.)	1	2

Multiples	2017	2016
FTSE 250	16.3x	14.3x
Action post-discount	16.0x	14.0x
3i portfolio ex. Action ²	9.9x	10.1x

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

² Multiples are stated post liquidity discount.

Private Equity

Carry receivable and payable a function of good performance



£ million	2017	2016
Income statement		
Carried interest receivable	275	58
Carried interest payable	(431)	(171)
Net total return charge	(156)	(113)
Balance sheet		
Carried interest receivable	359	92
Carried interest payable	650	356
Net cash paid	127	9

Infrastructure

Significant contribution to cash income



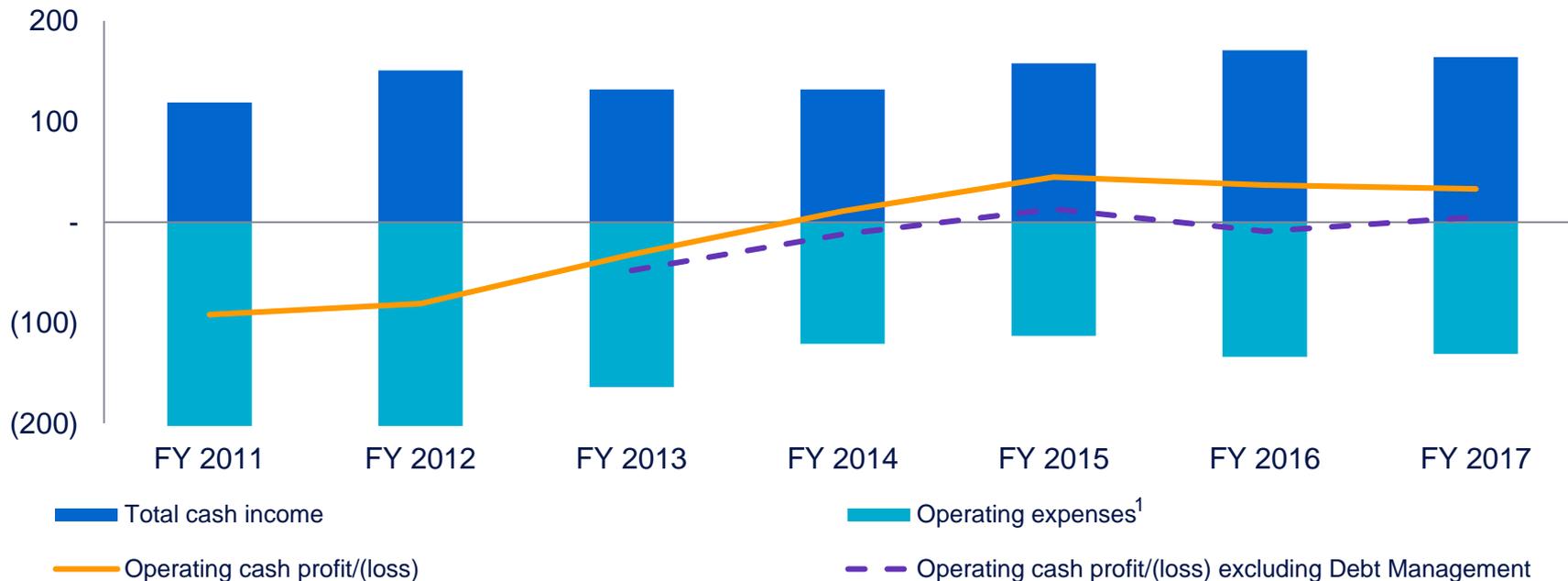
£ million	2017	2016
Gross investment return	87	47
% of opening portfolio	17%	8%
Fee income	36	28
Cash income	59	49
Cash investment	131	-
Portfolio value	706	527

3iN TSR of 16% in the year

Continuing to focus on operating cash profit



£ million



Significant progress since the 2012 strategic review

¹ Operating expenses have been shown on a cash basis

Well funded balance sheet for investment....



£ million	2017	2016
Portfolio value	5,675	4,497
Gross debt	(575)	(837)
Cash	994	1,002
Net cash	419	165
Liquidity	1,323	1,352

...and shareholder distributions



	2014	2015	2016	2017
Base	8.1p	8.1p	8.1p	16.0p
Additional	11.9p	11.9p	13.9p	10.5p
	20.0p	20.0p	22.0p	26.5p

- Base dividend of 16.0 pence (8.0 pence interim and 8.0 pence final)
- Additional dividend dependent on balance sheet strength and outlook for investments and realisations

Final dividend of 18.5 pence

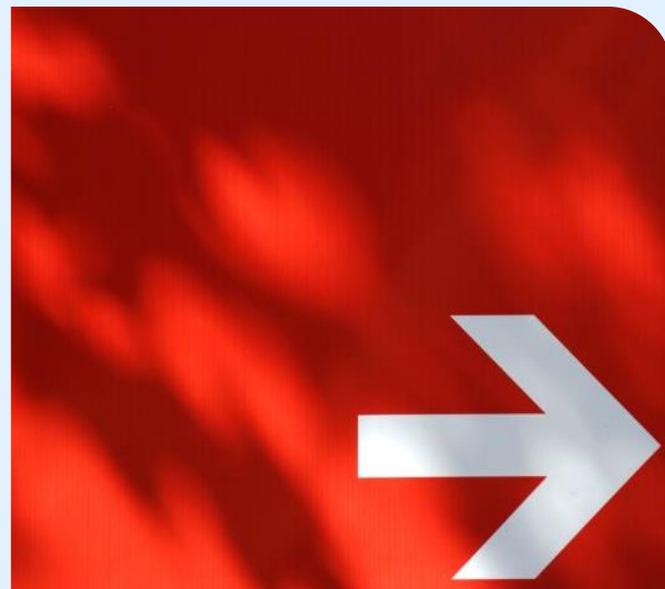
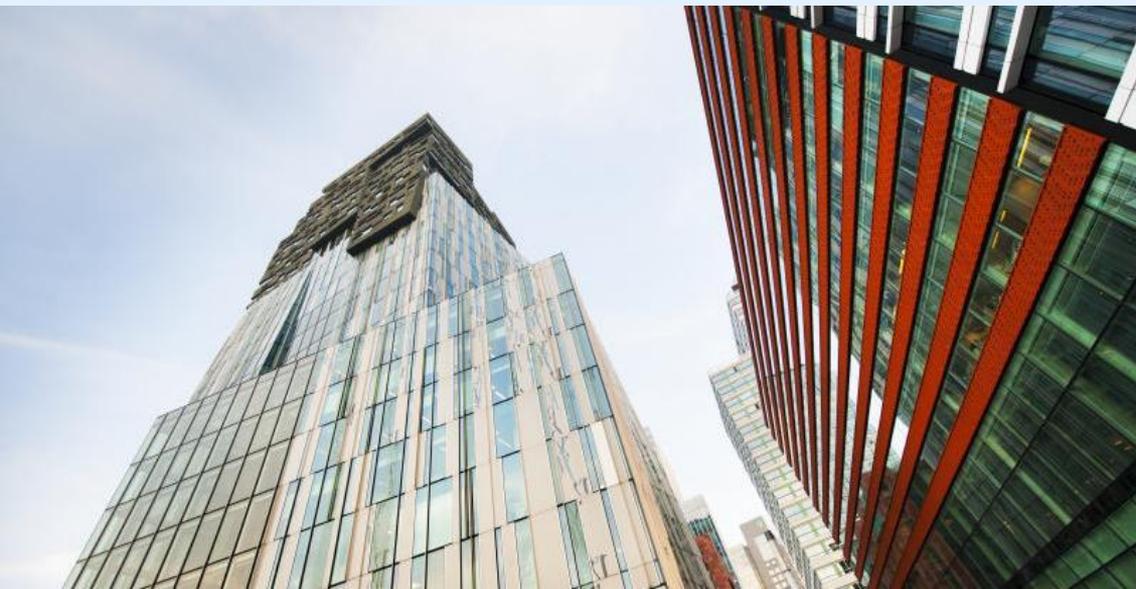
Our strategy is clear and consistent



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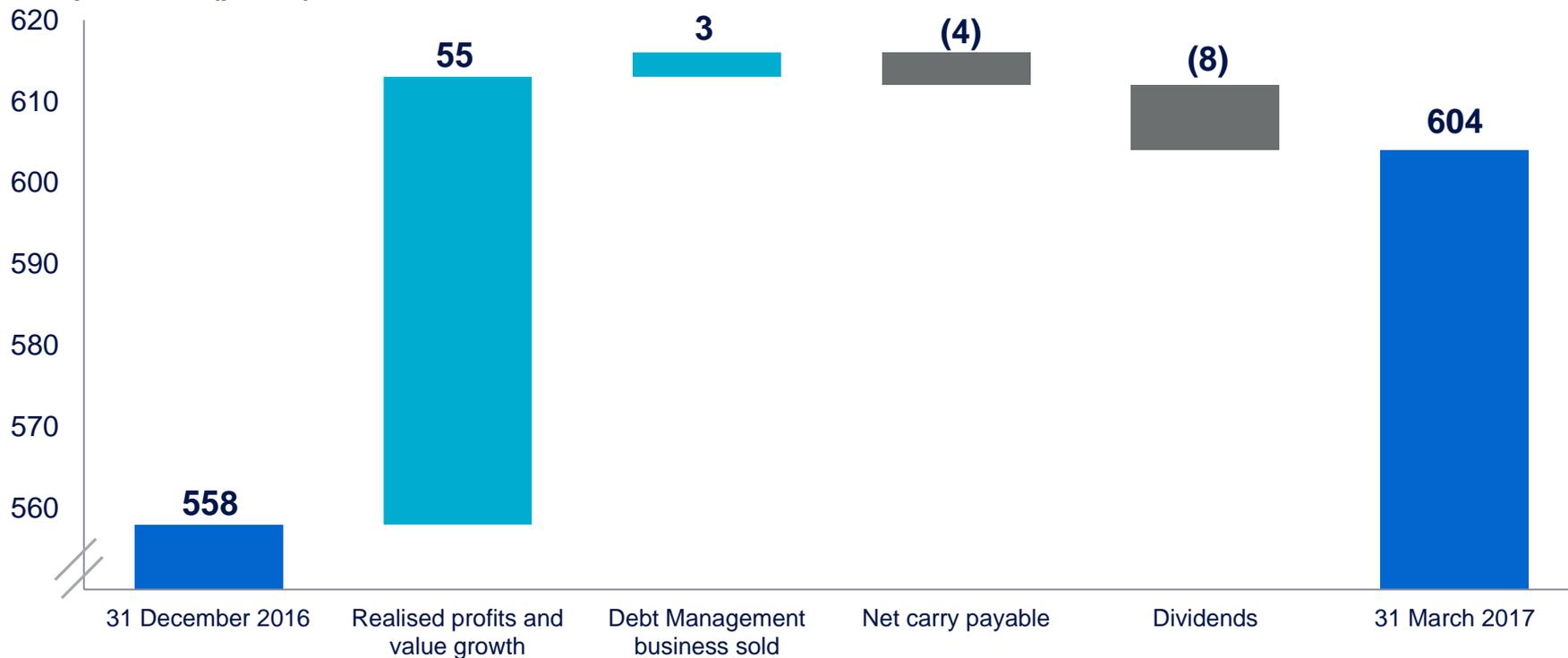
Additional information



Q4 NAV up from 558 pence to 604 pence



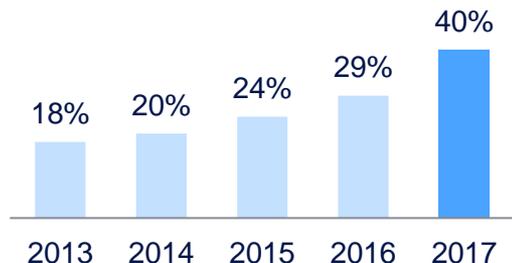
NAV per share (pence)



Key performance indicators



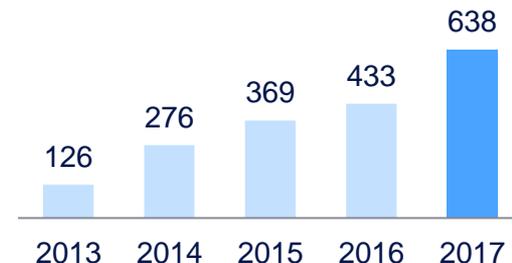
Gross investment return (%)



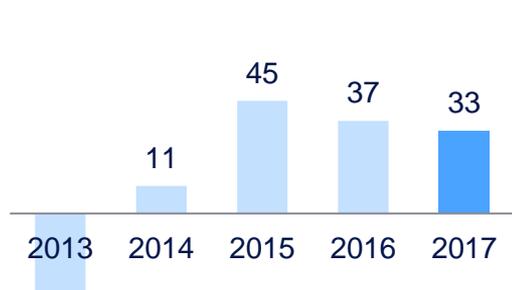
Cash realisations (£m)



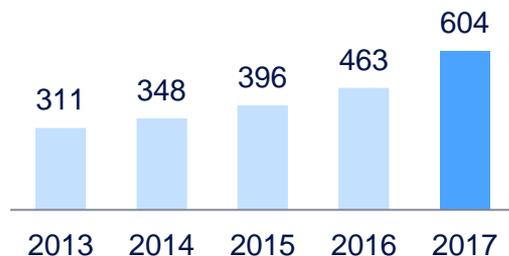
Cash investment (£m)



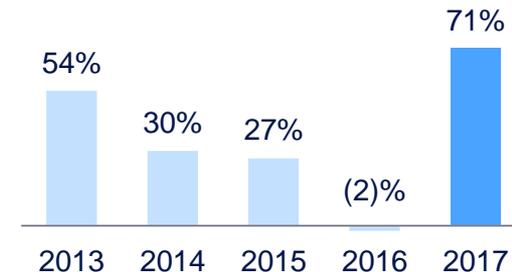
Operating cash profit (£m)²



NAV per share (GBP)



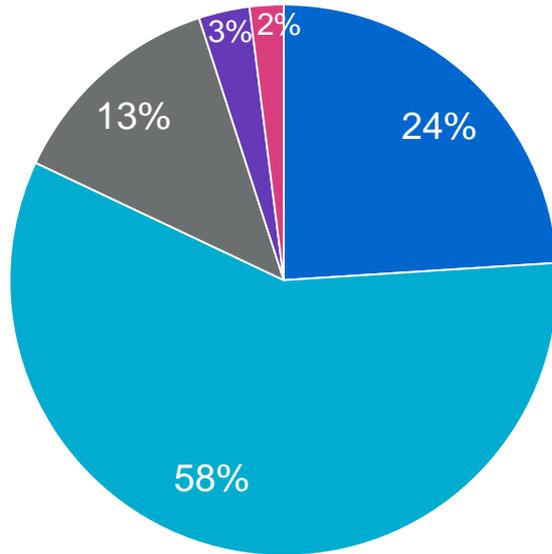
Total shareholder return(%)



¹ Includes proceeds from the sale of Debt Management of £270m.

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

Net asset exposure by currency



- Sterling/non-revaluing
- Euro
- US dollar
- Danish krone
- Other

Currency	Net assets	Change YTD	Impact ¹
GBP	£1,420m	n/a	n/a
Euro	£3,373m	(8.0)%	£203m
US dollar	£751m	(15.0)%	£84m
Danish krone	£147m	(8.2)%	-
Other ²	£145m	n/a	£17m
Total	£5,836m	n/a	£304m

1% movement in euro = £34 million, 1% in US dollar = £8 million

1. Foreign exchange impact includes discontinued operations.
 2. Other mainly includes Indian Rupee, Brazilian Real, Swedish Krona and Chinese Yuan.

Private Equity

Twenty large investments



Investment ¹	Business description	Valuation Mar 17 £m	Valuation Mar 16 £m
Action	Non-food discount retailer	1,708	902
Scandlines	Ferry operator between Denmark and Germany	538	369
Q Holding	Precision engineered elastomeric components manufacturer	222	120
Weener Plastic	Supplier of plastic packaging solutions	200	173
Audley Travel	Provider of experiential tailor-made travel	185	158
Basic-Fit	Discount gyms operator	184	208
ATESTEO	International transmission testing specialist	160	130
Schlemmer	Producer of cable protection for automotive and industrial applications	154	-
BoConcept	Urban living designer	146	-
Ponroy Santé	European leader in dietary supplements and natural cosmetics, hygiene products	122	-
AES	Manufacturer of mechanical seals and support systems	113	92
Tato	Manufacturer and seller of speciality chemicals	112	80
Christ	Distributor and retailer of jewellery	98	117
Euro-Diesel	Manufacturer of uninterruptible power supply systems	95	59
Aspen Pumps	Manufacturer of pumps and accessories for the air conditioning, heating and refrigeration industry	88	64
MKM	Building materials supplier	68	53
OneMed Group	Distributor of consumable medical products, devices and technology	59	60
Dynatect	Manufacturer of engineered, mission critical protective equipment	56	63
Etanco	Designer, manufacturer and distributor of fasteners and fixing systems	44	36
BVG	Facility management services	40	31

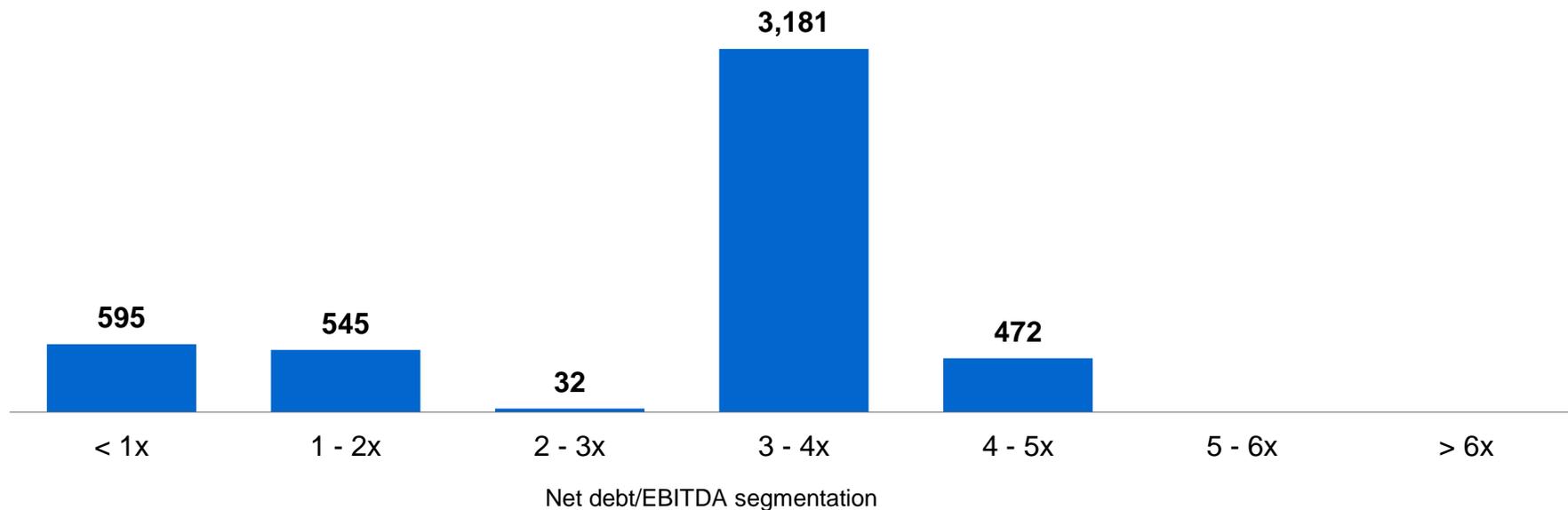
1. Two investments excluded for commercial reasons.

Private Equity leverage



Ratio of total net debt to EBITDA by 3i carrying value at 31 March 2017

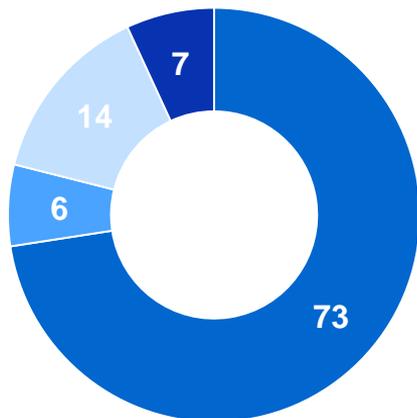
(£ million)



Note: The above table includes assets not valued on an EBITDA basis. This represents 99.9% of the Private Equity portfolio by value.

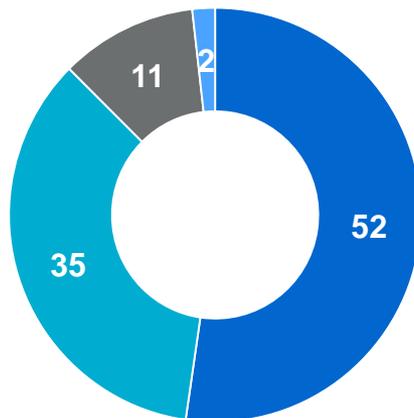


By region (%)



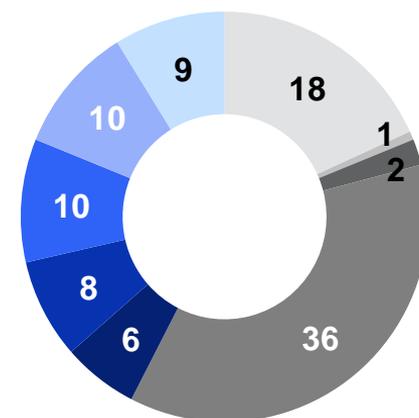
- Northern Europe
- North America
- UK
- Other

By sector (%)



- Consumer
- Industrial
- Business and Technology
- Other

By vintage (%)



- pre 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017

Portfolio of 40 investments, down from 52 at 31 March 2016



12 Private Equity realisations in the year

Full realisations	Calendar year invested	Realisation proceeds	Uplift to opening value	Money multiple ¹	Residual value (31 Mar 17)
Mayborn	2006	£136m	2%	3.5x	-
Quintiles	2008	£107m	10%	3.3x	-
Amor	2010	£88m	2%	2.3x	-
Geka	2012	£85m	47%	1.8x	-
Polyconcept	2005	£44m	7%	2.1x	-
Eltel	2007	£20m	5%	1.0x	-
UFO Moviez	2007	£16m	23%	2.9x	-
Go Outdoors	2012	£21m	31%	1.0x	-
Loxam	2011	£40m	67%	1.9x	-
Lekolar	2007	£34m	13%	1.6x	-
ESG	2007	£30m	36%	1.4x	-
Agent Provocateur	2006	-	(100)%	Nil	-

¹ Money multiple calculated using 3i sterling cash flows and for partial exits and refinancings includes 31 March 2017 residual value.

Refinancings, partial realisations and deferred consideration



Investment realised	Calendar year invested	Realisation proceeds	Uplift to opening value	Money multiple ¹	Residual value (31 Mar 2017)
Refinancings					
Action	2011	£187m	-	20.8x	£1,708m
ATESTEO	2013	£48m	-	2.7x	£160m
Partial realisations					
Basic-Fit	2013	£82m	-	3.3x	£184m
Scandlines	2007/13	£16m	-	4.6x	£538m
Refresco Gerber	2010	£11m	(15)%	1.8x	£32m
Other	n/a	£10m	n/a	n/a	£60m
Deferred consideration					
Other investments	n/a	£7m	n/a	n/a	£1m

¹ Money multiple calculated using 3i sterling cash flows and for partial exits and refinancings includes 31 March 2017 residual value.

Assets under management

Private Equity



	Close date	Original fund size	Original 3i commitment	Remaining 3i commitment ¹ at March 2017	% invested at March 2017	Gross money multiple ² at March 2017	AUM ³	Fee income received in the year
3i Growth Capital Fund	Mar 10	€1,192m	€800m	€346m	53%	1.9x	£50m	£1m
3i Eurofund V	Nov 06	€5,000m	€2,780m	€105m	94%	2.2x	£1,913m	£7m
3i Eurofund IV	Jun 04	€3,067m	€1,941m	€82m	95%	2.3x	£5m	–
Other (third party)	various	various	various	n/a	n/a	n/a	£121m	£2m
3i proprietary capital	n/a	n/a	n/a	n/a	n/a	n/a	£4,831m	n/a
Total Private Equity AUM							£6,920m	£10m

1 All funds are beyond their investment period.

2 Gross money multiple is the cash returned to the fund plus value as at 31 March 2017, as a multiple of cash invested.

3 AUM based on NAV.

Assets under management

Infrastructure



	Close date	Original fund size	Original 3i commitment	Remaining 3i commitment at March 2017	% invested at March 2017	Gross money multiple ¹ at March 2017	AUM ²	Fee income received in the year
3iN	Mar 07	n/a	n/a	n/a	n/a	n/a	£1,284m	£25m
India fund	Mar 08	US\$1,195m	US\$250m	US\$35m	73%	0.5x	£113m	£4m
BIIF	May 08	£680m	n/a	n/a	90%	n/a	£555m	£5m
BEIF II	Jul 06	£280m	n/a	n/a	97%	1.1x	£69m	£1m
Other (third party)	various	various	various	n/a	n/a	n/a	£155m	£1m
3i proprietary capital	n/a	n/a	n/a	n/a	n/a	n/a	£706m	n/a
Total Infrastructure AUM							£2,882m	£36m

¹ Gross money multiple is the cash returned to the fund plus value as at 31 March 2017, as a multiple of cash invested.

² AUM based on NAV.

Debt Management

Sale to Investcorp completed on 3 March 2017



- Sold:
 - Fund management platform in the US and Europe
 - **£185 million** CLO equity investment
- Retained
 - £51 million CLO equity/warehouse
 - £79 million Global Income Fund
 - £8 million Senior Loan Fund

£270 million proceeds; £48 million profit on disposal

Debt Management

Retained investments



£ million	2017 ¹	2016 ¹
Realised profit	1	-
Unrealised profits/(losses) on revaluation	9	(22)
Portfolio income	19	10
Foreign exchange on investments	15	5
Gross investment return/total return	44	(7)
Investments	29	68
Cash income from retained investments	19	10

¹ Numbers based on a continuing basis