CHAIRMAN'S SCRIPT

ANNUAL RESULTS TO 31 MARCH 2010

Baroness Hogg - Chairman

Thank you Patrick and good morning everyone and welcome to our annual results presentation.

As you know, this will be the last time that I will be welcoming you here to our annual results presentation as I retire from the board in July. So it is good to have such a strong set of numbers for you. The past year, as I said in my statement this morning, has seen a transformation in 3i's finances and a marked improvement in performance. Net debt has been reduced from £1.9 billion at 31 March 2009 to just £258 million at 31 March 2010 and we delivered a total return on shareholders' funds of 16.2%

The board is recommending a final dividend of 2p per share which, with the interim dividend, makes 3p for the year as a whole. This reflects our commitment to return to a progressive approach following the rebasing last year.

Michael and Stephen will be taking you through these results shortly and I must be careful not to steal their thunder. However, I would like to thank our shareholders, management team and staff for their part in helping 3i to emerge from the sharpest economic downturn in its history in such a strong position.

The last two years have been an extraordinary time for any company, especially an international investor like 3i. With our regained financial strength, the important thing now is to use this as a platform to develop the business. So Michael will update you on what he and the team plan to do to grow the business.

As you know, we announced this week that my successor would be Sir Adrian Montague.

Sir Adrian Montague

Adrian, I am sure, is well known to many of you. He has a very broad range of experience of industry and the City as well as the public sector. Having led an investment business and been Chairman of one of our portfolio companies, he also has considerable knowledge of our industry and of 3i. I am delighted that the board chose him. He will be joining the board in June and will become chairman after the AGM in July.

Agenda

So here is our agenda for this morning. I would now like to hand over to Michael.

MICHAEL QUEEN SCRIPT

FULL YEAR RESULTS TO 31 MARCH 2010

MICHAEL QUEEN – CHIEF EXECUTIVE

Thank you Sarah. Good morning everyone.

KEY THEMES

Today we are reporting an improved financial performance; we have transformed our financial position and we have a focused business model that provides a good platform for growth.

Let me start by setting out the highlights of the year.

HIGHLIGHTS IN THE YEAR

Total return of £407 million was a significant improvement on last year and represents a 16.2% return on opening shareholders' funds.

When we presented our results last year, we indicated that we were looking for realisations of around £1 billon – the achievement of £1.4 billion has not only outperformed our target but also been achieved at good uplifts compared with the carrying value of these assets.

We were cautious on investment in the year, only completing two new investments, although our teams were active and looked at a large number of potential opportunities. Total investment of £386 million included £83 million of defensive investment to support portfolio companies. This was about half the level we thought would be required and reflects the improvement in health and performance of the portfolio.

Tight cost control was a consistent theme throughout the year with operating costs falling from £250 million to £221 million. The underlying fall is even greater, as last year variable remuneration was very low, whereas it has returned to more normal levels this year given the stronger financial performance.

Net asset value has increased to 321 pence per share and the Board are recommending a final dividend of 2 pence, which is higher than indicated in the rights issue prospectus.

The financial position of 3i has dramatically improved. The support shown by our shareholders, together with net realisations and the disposal of non-core activities, has reduced net debt from £1.9 billion to £258 million. As a result, gearing is now 8%.

In addition to reducing the debt, the maturity profile of remaining debt has been improved and we end the financial year with liquidity of £2.7 billion.

We have also been active in ensuring 3i is well placed for its next phase of development. We have raised the first external fund for our growth capital business, which means all our business lines are now managing or advising third party capital.

The closure and sale of most of our non-core businesses means that the remaining non-core assets only amount to 5% of our total assets.

We have refreshed our business model and identified the areas we need to improve and develop. I will give you more detail on this in a few minutes, but first, a reminder of the shape of our business.

3i's CORE BUSINESS

3i now has £9.6 billion of assets under management across our three main areas of business: buyouts, growth capital and infrastructure. The portfolio of 128 core assets is significantly smaller than historically, allowing us to focus on adding value to each company. It does, however, still provide significant diversification.

We will not set AUM targets going forward, but instead focus on returns.

PERFORMANCE BY BUSINESS LINE

We have reviewed our return targets by business line and have set objectives based on cash to cash vintage year returns. This is not the same as the annual gross portfolio return numbers that we report in our accounts each year, but over a 5 to 7 year period the average of the gross portfolio returns should equal the target vintage return.

This slide shows the targets alongside the gross portfolio returns for this year and last year. Targets for Buyouts, Growth and Indian Infrastructure are 20%, while European and US Infrastructure is 12%. It is clear from the results that Buyouts and Infrastructure had strong performances and Growth was below target, largely due to the failure of one company, British Seafood. As this investment is the subject of legal action, I can’t go into more detail today on the reasons for failure but, having conducted a detailed review, we are satisfied that the reasons for failure were company specific and there is not a systemic issue that could result in similar failures.

You can also see that the disposal of non-core activities did not have a material impact on return.

THE EUROPEAN MARKET

Our returns are not achieved in a vacuum. The financial crisis has shown how macro factors have a major impact on both returns and the business environment in which we operate. This climate is still uncertain with anaemic growth in Europe, the overhang of public sector debt, unwinding of quantitative easing and further liquidity pressures on banks, all creating potential instability.

Similar conditions exist in the US. However, we are seeing strong growth in the major Asian economies.

Today I wanted to focus on the external climate in relation to the private equity industry. Investment activity in the last year has fallen sharply from the peak in 2007. Equity available for investment remains high as funds that were raised in the 2005 – 2008 period are still looking to be invested and, as a result, there is an overhang of capital. Those deals that are completing are priced very highly as funds seek to deploy capital before the end of the investment period, which is usually 3 to 4 years. We estimate that this overhang will remain a feature of the buyout market for the next 18 months.

Debt is more freely available than 6 months ago, but this is dependent on the banks capital and liquidity positions, which could be stretched over the next year.

New fund raising has been challenging as limited partner investors are still over allocated to the asset class and need to see realisations from existing funds before making new commitments. We are also seeing some of the larger buyout investors move into the mid-market given the lack of larger deals.

In this environment, 3i is well positioned – our mid-market international model is well suited to allow us to be selective from a wide range of potential investment opportunities. We have been cautious and we are looking for transactions that play to our strengths. Companies that have good business models are returning to growth agendas and we are seeing an increase in demand for growth capital.

OUR APPROACH

I mentioned earlier that we had refreshed our business model. In the next few minutes I will describe and show how our new initiatives are complementing an already strong model.

To make our business easier to understand we have used this diagram to highlight the key elements of our model.

Everything that 3i does is based on a set of core values that are enduring and our brand is the outward representation of this. Our strategy is to invest in our network of offices, people and contacts and to build our sector knowledge.

This gives us access to the best investment opportunities in the markets we choose to focus on. Combining excellent opportunities with innovative financial solutions creates the potential to build great companies delivering good returns. These returns are only achieved if we work closely with companies ensuring that they achieve their full potential. Delivering top quartile returns gives us access to multiple capital sources and provides shareholders with a combination of dividends and capital growth.

Clearly, this model is a reinforcing cycle if we get it right. Performance over the last few years at a group and individual asset level clearly showed there was room for improvement, so I want to take you through each element of the model in more detail to emphasise the improvements that we are making.

INVEST IN OUR NETWORK

Our international network is an important source of competitive advantage for 3i. We operate in 12 countries and will be looking to build on our success in Asia by expanding our teams in China and India.

The Business Leaders network consists of 12 senior advisers and over 200 active relationships. We intend to develop this further and ensure it is fully linked into our sector initiatives and active partnership.

We have consolidated our sector focus into 6 core sectors and are increasingly focusing on particular sub-sectors that offer the best opportunities.

SEE THE BEST INVESTMENT OPPORTUNITIES

A good example of our network, contacts and sector expertise coming together was the recent investment by 3i Infrastructure plc in Elgin. Elgin is a joint venture with Robertson Group – a developer of PFI projects in the health and education sectors. We originated this transaction through relationships that were forged during our investment in I squared and our contact with Robertson. Our sector understanding and awareness of the opportunity meant that we were able to conduct bilateral negotiations over the terms of our investment. This investment also provides a good platform to deploy further capital over the next few years.

CREATE INNOVATIVE SOLUTIONS

Our flexibility and innovation was key to another recent investment. Refresco is a leading fruit juice supplier to retailers across Europe – it is a business we know well having previously been invested. The current owners were unable to fund some great acquisition opportunities but didn't want to sell the company. Many of our competitors don't have the flexibility to engage in this set of circumstances. However, we have put together a structure that aligns management, existing shareholders and 3i and committed €84 million to support their buy and build strategy.

ACHIEVE FULL POTENTIAL

Our target returns will only be achieved if having found a good company we can help them to become even better through our active partnership programme.

We currently have 90 active partnership projects in progress across the portfolio. We focus on improvements to the company's strategy, commercial approach and governance as well as the main functional drivers of the business.

One increasingly important area for us is the expertise provided by our banking team in support of portfolio companies. Their engagement on renegotiation of facilities, resetting covenants as well as on debt in new deals, has been vital in the last 18 months.

In terms of the health of the portfolio, one important measure is the number of companies in covenant negotiations. As a result of the banking team and our executives on the respective boards, we have seen the level of covenants at risk or under negotiation fall from 16 to 7 at March 2010 out of a portfolio of 128 companies.

Average leverage in the buyout portfolio as measured using net debt to EBITDA are 5 times, whereas in the growth portfolio it is much lower at 2.2 times. Another important metric on leverage is the repayment profile, where in both portfolios over 80% of debt is repayable after 2013.

Overall, our portfolio is performing well with budgets for 2010 showing encouraging growth.

ACHIEVE FULL POTENTIAL – INSPICIO

A good example of active partnership is Inspicio. This buyout investment is a testing and measurement business; that has seen a 45% increase in earnings as a result of 12 acquisitions, margin improvement and a strengthened management team.

ACHIEVE FULL POTENTIAL – INSPICIO

Active partnership initiatives include pricing, sales force effectiveness and procurement.

DELIVER OUTSTANDING INVESTMENT RETURNS

Most of our investments deliver good returns, but we are committed to improving on this and delivering outstanding returns - Ambea is a great example of this in practice.

We first invested in this Swedish healthcare business in 2005 and then supported and financed 24 further acquisitions including Mehilainen in Finland.

Growth of turnover and earnings were very strong with EBITDA increasing by 31% each year since we invested in the company. This was particularly impressive as the company was operating in a mature relatively low growth sector.

We sold the company in February 2010, generating a 42% IRR.

SECURE ACCESS TO CAPITAL

Results such as Ambea, accessing deals like Elgin or Refresco, and demonstrably adding value, as in Inspicio, enables us to access capital from multiple sources.

Raising our first growth fund in a difficult climate for fund raising was a great endorsement of our model. Degearing the balance sheet and the consequent improvement in our ratings outlook enabled us to raise €350 million in a 7 year bond. We will continue to follow a conservative approach to funding, ensuring we have the capacity and capability to invest when the time is right.

I will now hand over to Stephen who will go through the results in more detail.

END PIECE

MJQ TITLE SLIDE

Thank you Stephen.

KEY THEMES

I started by emphasising these key themes of this presentation. Our performance has improved, the financial position is very different from a year ago, and the business is focused with a clear model that provides a platform for growth.

3i is now positioned to withstand a wide range of economic outcomes and to take advantage of investment opportunities that will be available

LOOKING FORWARD –OUR PRIORITIES

In our statement today we set out four key elements of strategy, Invest, grow our business; grow our reputation and one 3i.

Our core business lines will be our principal focus for new investment. We will continue to invest in companies that fit with our values, we will invest with management teams and entrepreneurs to help them deliver their full potential, and we will invest in our own people and capabilities.

We will continue to look for value and will not deploy capital unless assets meet our stringent criteria. Having said that, our investment pipeline is the strongest it has been for 18 months.

We can also grow 3i in complementary areas consistent with our skills. For example, by buying portfolios of unlisted assets held by institutions for whom they no longer fit. We also expect governments across Europe to sell assets or enter into joint ventures for the management of these assets to alleviate deficit pressures. 3i is an excellent counterparty for these transactions.

Growth through strengthening our network, especially in Asia, is another priority and we are also evaluating new markets that would complement our existing network.

In all of this, we will maintain cost discipline and adopt a conservative funding structure. We have set a limit on our net debt of £1 billion during the next 3 years. Shareholder returns will be generated from asset performance rather than the impact of leverage at Group level.

We generate investment opportunities as a result of 3i’s reputation as a respected and responsible investor and we aim to build on this reputation by continuing to innovate and improve in everything that we do.

The final point on this slide - “One 3i” - is fundamental to all of this. This is about our culture. It means having a shared set of values right across the Group. It means a consistent approach to the way we do business, and it means a commitment to excellence in all of our activities. This is what underpins our market access, our ability to make the right investments, and is a key source of our influence with portfolio companies.

While economic conditions remain uncertain, our financial strengths, disciplined investment approach, and distinctive model means we face the future with confidence in our ability to deliver returns to shareholders.

As this will be the last results announcement before Sarah retires as Chairman, I would like to take this opportunity to formally thank her on behalf of the whole company for her leadership over the last eight years as Chairman. Sarah has been a strong advocate of 3i and provided great support to me over the last 15 months, as well as showing clear and decisive leadership at the Board. We all wish her well at the FRC.

We are happy to take questions.

ANNUAL RESULTS 31 MARCH 2010

SCRIPT FOR STEPHEN HALLIWELL

Thank you Michael and good morning.

SLIDE – KEY FINANCIALS

I will start by running through the key financials for the year.

As Michael said earlier, this has been a year of financial transformation and has seen a turnaround in performance in many areas.

And you can see how that transformation, year on year shows through in the key financials. I have also provided additional comparatives from our half year results at September as this provides a good sense of the increased momentum in the second half of the year.

Positive cash flow was generated from investment activity, achieving realisations for the year of £1.4 billion, with £878 million in the second half. I will show you later that those second half sales were very profitable.

Moving to returns; total return was £407 million, a 16.2% return on opening equity and clearly this is a significant turnaround from last year, but also well above the levels for the first half of the year.

Gross Portfolio Return was over 20% for the year, again showing an improvement in the second half of the year and importantly, which I will come back to, the second half was driven by improved earnings in our underlying portfolio companies.

The increase in Net Asset Value since March reflects this positive total return performance, bringing year-end net asset value per share to £3 and 21 pence. The comparative for March 2009 has been re-stated to include the impact of the Rights Issue and the QPE transaction.

Finally on this slide, as Michael has already mentioned, Net debt has reduced to £258 million at the year end.

SLIDE – TOTAL RETURN FOR THE YEAR TO 31 MARCH 2010

Before I move into the detail on the returns, I wanted to present our Total Return for the year in this format as it captures very clearly the core components of our returns.

The first block, gross portfolio return, is the return on assets, and comprises the profits we earned selling assets above their carrying value, the unrealised value movement being the profits or losses from revaluing assets, and finally any income generated from the portfolio.

This is an annual measure and stated as a percentage of opening portfolio value. This return is driven by our asset IRRs, so on an annual basis we would, on average, look to deliver around a 20% return. But as is evident from last year, this is heavily influenced year on year by changes in portfolio value which is derived from, and therefore impacted by, volatility in quoted equity markets.

Moving then to our net portfolio return. This incorporates the economic benefits provided through our asset management capabilities and captures our ability to manage cost-efficiency.

Here we will be extending our fee income generation through the recently raised Growth Capital Fund and we have considerably reduced costs over the past two years.

Our net portfolio return this year was 15.5%.

The final block of return takes us from the net portfolio to the total return, which includes the interest costs of our borrowings and other factors, such as the impact of currency movements and actuarial movements in the value of the pension fund. The critical driver of return here relates to the extent of our gearing and the cost of holding liquidity. Reflecting this, total return is stated as a percentage of equity and was a 16.2% return this year.

So taking the first block, gross portfolio return, in more detail…….

SLIDE – GROSS PORTFOLIO RETURN

Realisations generated £218 million of realised profit and, as this includes write-offs, it is net of the £72 million loss for British Seafood.

Unrealised profits were the largest component of gross portfolio return, driven by the recovery in equity markets but also some positive earnings data in the second half.

Portfolio income at £167m continues to be lower than historic levels, as we do not recognise accrued income on any loans with value impairments. The majority of income is from capitalised interest and dividends.

The returns by business line have already been covered by Michael.

I will now provide more detail of the main drivers of return. And firstly looking at the realisations which underpinned the strong realised profits.

SLIDE – REALISATIONS - £1,385M FOR YEAR TO 31 MARCH 2010

Realisations of almost £1.4 billion for the year, again demonstrated the strength and depth of our portfolio as well as our progress in realising the non-core portfolio.

Realisations were ahead of last year's levels and overall at a stronger uplift. But the real story here is the two halves of the year.

We sold assets throughout the year and, as the chart shows, this was through a diverse range of exit routes. In the first half of the year, realisations where made only marginally ahead of their carrying value.

In the second half, with M&A activity picking up with increased IPOs and private equity funds looking to invest their capital – we were able to sell assets much more profitably at an uplift of 30%.

The three most significant individual sales from the portfolio were: Ambea, Venture Production and Telecity, each through a different exit strategy.

And, as I mentioned earlier, the good progress on selling the non-core assets delivered £294 million of realisations, over 20% of the total realisations.

SLIDE – UNREALISED VALUE MOVEMENT SUMMARY – £458M

Before setting out the details of the unrealised value movement, I wanted to summarise the key themes.

Firstly, the earnings we have used for valuation have improved since September. Many of the lower earnings forecasts, which we factored into September valuations, turned out better. And earnings data we are receiving for many companies' new financial year just started, is ahead of the equivalent period last year. And this is a trend we expect to continue into this financial year.

Earnings multiples have increased further in the second half, but not to the same extent of the first half as equity market growth has slowed.

And finally, the International Private Equity Valuation guidelines that were issued last year have been incorporated into these valuations.

The main change impacting 3i is how the marketability and liquidity discount is applied when calculating a valuation. The new guidelines require that the discount is applied earlier in the calculation, effectively alongside the assessment of the earnings multiple. Incorporating this change in methodology has not been material, with a positive value movement of £37 million.

SLIDE – MOVEMENT IN PORTFOLIO VALUE

So moving into the detail of the unrealised value growth, and firstly, putting the value movement in the context of the overall change in the portfolio, which is now valued at £3.5bn.

Tracking across the movements, you can see the low levels of investment and the impact of the realisations.

Within value movement, the market driven movement is from our quoted portfolio, increases from changes in earnings multiples and the recovery in value of the Debt Warehouse. The more investment specific**,** performance movements include the impact to our equity of changes in earnings and any provisions.

I will focus on the two main elements within the value movement, which are the movement in earnings multiples and the change in earnings.

SLIDE – EARNINGS MULTIPLES - £536M VALUE MOVEMENT

As I said earlier, earnings multiples have been the driver of the value uplift across the year and increased again in the second half.

78% of our unquoted portfolio is valued on an earnings basis and the most common measure of earnings we use is EBITDA.

We identify a best-fit set of comparable quoted companies and sectors to derive the earnings multiple to apply to our portfolio companies' EBITDA.

The weighted average EBITDA multiple derived from this process at 31 March 2010 was 9.5 times. This is 34% higher than last year. It remains slightly behind the equivalent equity market increases of over 40% but, as I noted at September, this is due to a number of factors, including the balance of sectors we invest in and the process of deriving comparator groups.

When discounted for marketability and liquidity, and in line with the new IPEV guidelines, the weighted average post-discount multiple applied was 8.8x times EBITDA.

SLIDE – VALUATION EARNINGS

Moving to earnings. Earnings in total are lower than those used last year. However, that does exclude some assets that we sold where earnings had increased, but that uplift is recorded in our realised profits.

I will start by reiterating our methodology in relation to earnings. There are essentially three ways of measuring earnings. The audited accounts, which are historic; the latest management accounts from which we derive the latest twelve months earnings; and finally a forecast of current year earnings.

Throughout the year, we based valuations on latest management earnings of the past 12 months unless the current year forecast was lower or we believed a lower figure from the last audited earnings provided a more reliable picture of performance.

As you can see from the slide, the pattern over this year of the type of accounts used has changed significantly, which is reflected in the earnings data and therefore the value movement. Again, there is a clear distinction between the two halves of this year.

So, comparing the stack charts, since 30 September there are two trends emerging.

Firstly, there has been a significant fall in companies where we are using forecast earnings data. This is, of course, a positive trend as we only use company forecasts when they are lower than the latest 12 month position. This has considerably reduced the downward adjustment to the underlying earnings that we had to make at September when 39% of our companies were forecasting lower current year earnings.

Secondly, there is a big increase in valuations where we are using management accounts. This is where we have received latest 12 month data. And significantly, in many cases, Q1 2010 calendar year is showing an improved and reliable earnings position of the company compared to Q1 2009.

The combined impact of these two factors is that the earnings we are using for valuation now is up 5% from September, and has had a significant positive impact on our equity valuations of £151 million.

So, to conclude, earnings we used for valuations were 8% lower than at March 2009, which resulted in an equity loss of £171 million. But these falls remain concentrated in a small number of assets, in sectors and geographies that have been particularly affected by the economic downturn. Looking forward, our earnings forecasts are showing recovery, building on the 5% increase in the second half of this year.

SLIDE – TOTAL RETURN ANALYSIS

Returning to the other elements of total return.

Net carried interest is a £58 million charge driven by the increased asset returns and the realisations.

Operating expenses at £221 million are 12% down on last year.

Net interest payable is higher than in recent years, as the interest earned on cash balances has fallen more steeply than the more fixed levels on interest paid on our borrowings and we have strengthened our cash position.

There is a net foreign exchange loss of £35 million. This is an improved position from September. We continue to hedge our foreign exchange exposure only through the use of matched currency borrowings where possible. We are currently 76% hedged on the European and Nordic portfolios and 32% hedged on our US and Asian, dollar-denominated portfolios.

We have also recognised an accounting pension charge of £71 million in the year as the actuarial deficit on the pension rose. In the year, we announced the closure of our defined benefit scheme to future accrual from April 2011. Looking forward, operating cost savings will arise from this decision; however this year, there was an additional one off accounting charge.

The final total return of £407 million is a 16.2% return on average shareholders equity. This average includes the £732 million of equity raised through the rights issue in June.

SLIDE – FURTHER REDUCTION IN OPERATING COSTS

My final slide on returns sets out operating costs, and the ongoing downward trend in these costs. This is a result of the significant headcount reduction to 488 at 31 March, down from 607 at the beginning of the year, and other cost saving initiatives.

Operating costs include the cost of redundancies and restructuring, as well as staff bonuses. Excluding these items, which distort the underlying like for like comparison to last year, the year on year cost reduction was 16%.

We have reviewed our cost measures this year and are introducing a measure of total operating costs as a percentage of assets under management, which we will be reporting as a new Group key financial performance measure going forward. This is a more industry standard measure which we have introduced now that all our business lines are managing and have 3i commitments aligned to external funds.

So moving to the balance sheet.

SLIDE – BALANCE SHEET

The reduction in gearing to 8% from 103% at March 2009 is demonstrated through the balance sheet and comparatives. The rights issue proceeds and returns this year have strengthened our equity and increased our liquidity. Coupled with the focus on cash generation in the business, this has delivered net debt of £258 million at the year end. And additionally, through extending our borrowing facilities and issuing new long term debt, we have increased liquidity to £2.7 billion at the year end.

The increase in Net Asset Value per share to £3 and 21 pence reflects the total return profit in the year as the March Net Asset Value per share shown here is adjusted for the rights issue and the QPE transaction.

I will now hand back to Michael to conclude.