

Operating on a world-wide scale

3i in Europe

From our roots in the UK, over the last two decades 3i has developed a network of teams throughout Europe. Our local teams, based in 10 European countries, draw on the resources within the region and elsewhere in the world to win business and create value.

3i in Asia

Since 1997 3i has been developing a business in Asia. Today, we have teams in Singapore, Hong Kong, Mumbai and Shanghai and are in the process of establishing a presence in Beijing. We also have investments in the CDH China Growth Capital Fund II and the MKS Japan Fund IV buyout fund. Our business in Asia delivers considerable value to our portfolio companies elsewhere in the world.

3i in the US

Our teams in the US in Silicon Valley, California and Waltham, Massachusetts are focused on venture capital, investing in early and late-stage technology. 3i's ability to benchmark opportunities globally and be a truly international syndicate partner is attractive to those in the US market with international ambition.

3i's recently established New York team provides a growth capital investing capability. It also increases 3i's market access in a key economy and enhances our ability to add additional value to portfolio companies in Europe and Asia.

Extending our reach

Building on 3i's strong position in Europe, we have been growing our presence in Asia and the US with new 3i teams in Mumbai, Shanghai and New York. Additionally, through investing in funds, we are gaining experience of markets in eastern Europe, the Middle East, Russia and Japan.

The right culture

3i is located in many markets but operates as a "one room company", with a strong culture of working across borders, harnessing knowledge and skills from across the world. Operating with an "international mindset" requires constant investment in our people and in our communications.

Our financial strength, local presence, global access and ability to deliver complex transactions are sources of competitive advantage, as is our culture.



Producing consistent market-beating returns

Performance culture

From the setting of objectives for individuals to the development of value creation plans for specific investments, 3i's culture is one of ambition. Setting ambitious goals, measuring progress and facing up to issues and dealing with them are key aspects of this.

Clear targets

Having clear targets for our own business, as well as for each investment, is an essential component of delivering value. 3i's published targets for each of our business lines, using the standard industry measure, cash-to-cash returns, are shown in the table below. Also shown, is the variability that we consider appropriate to reflect our risk profile in terms of cyclical and vintage volatility. The transparency of these targets and the focus that they bring is healthy for 3i and reinforces our straightforward approach to doing business.

Also shown is the cyclical and vintage volatility that we consider appropriate to reflect our risk profile.

Targets	Cash-to-cash return pa %	Cycle volatility %	Vintage year volatility %
Buyouts	20	+/-5	+/- 10
Growth Capital	20	+/-3	+/- 7
Venture Capital	25	+/-7	+/- 15

Note: For an explanation of cash-to-cash returns and volatilities, please see pages 98 to 99.

Aligned interests

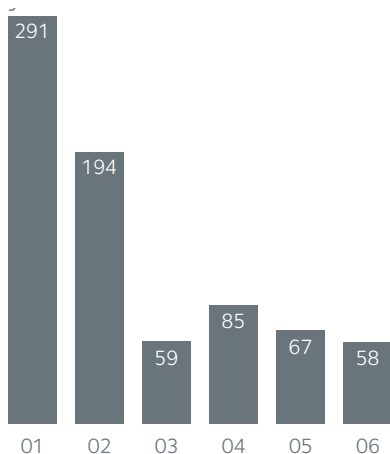
An important aspect of creating value is aligning our interests with the interests of other shareholders and key stakeholders in the businesses in which we invest. This is especially important in minority equity investing. Establishing the right investment agreements at the outset, clarity on roles and responsibilities and what is expected of each party in delivering a plan for creating value, are essential.

Focus

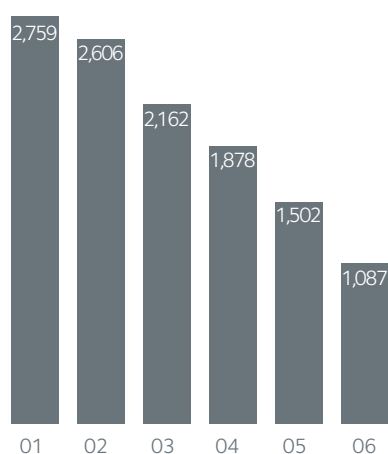
To invest in the highest quality businesses, and to grow 3i returns, requires focus. Focus on identifying the right opportunities, focus on the key areas which will create value and then focus on delivering that value. Since 2002 3i has become a much more focused business, as the charts below demonstrate.

A more focused business since 2002

Number of new investments
year to 31 March



Number of portfolio companies
at 31 March



Acknowledged for our partnership style

Long-term relationships

3i's reputation is critically dependent upon the relationships that we have built with business leaders around the world. We know that years of good work can be undone with one poorly handled interaction. In highly charged business situations, where views can easily differ, being able to put an alternative view in a straightforward and engaging way can go a long way to building good relationships. The importance attached to long-term relationships is a significant feature of 3i's culture.

With shareholders

As an investor ourselves, we appreciate the importance of good communications with our shareholders and providing opportunities for shareholders to express their views. Our investor relations website www.3igroup.com embodies our open approach.

With the teams we back

At 3i we recognise that our success depends upon the success of the management teams we back. We recognise that aligning interests, motivating the leaders of our portfolio companies to achieve exceptional performance and adding value to their boards and businesses is not just in 3i's short-term interests, but also central to our reputation.

With staff

Compelling employment propositions are just the start of attracting and retaining high-calibre staff around the world. 3i also offers a development culture and an organisation which is challenging, enjoyable and rewarding and where teamwork and a spirit of partnership are real.

With partners

There are many other people who contribute to making our business successful. These include professional advisers, vendors of businesses and buyers of our portfolio companies as well as suppliers to the Group. We aim to treat people with respect and to be a valued partner to them.



Winning through our unparalleled resources

A knowledge culture

3i's culture is one of sharing information, where good communications are valued, and where looking at a piece of information in a different way is seen as key to harnessing 3i's capability. There is acknowledgement for those who deliver knowledge to others.

Sector strength

Sixty years of investing in a broad range of sectors has provided a wealth of knowledge and considerable experience and relationships. Sector-based marketing is increasingly relevant and 3i has built sector-based communities of investee companies as a powerful source of added value. Our most developed sector teams are in Oil, Gas and Power, in Media and in Healthcare. The benefits which can be derived across business lines and geographies are considerable.

People programmes

3i operates well-established programmes for chairmen, chief executives, chief financial officers and non-executive directors. These are designed to offer participants access to 3i's deal flow and priority consideration for appointments in our portfolio as well as high-quality and experienced peer groups. The programmes also provide 3i with privileged access to high-quality business leaders around the world and across the many sectors in which we invest. Additionally, they provide further knowledge and network benefit and a centre of excellence and best practice to a key driver of investment success - "talent".

The best team for the job

Key to leveraging 3i's scale is our "best team for the job" approach. This applies to projects within 3i as much as to making and managing investments. We achieve this through drawing on the most relevant internal and external resources from across the world.

Combining capabilities

3i's ability to combine the capabilities of highly experienced specialist investors with sector knowledge, and people who can operate skilfully at a local level, is a considerable source of competitive advantage. It also adds significant value to asset management and underpins our ability to source the right team.

