



10 November 2016

3i Group plc announces half-year results to 30 September 2016

An excellent first half performance

- Strong progression in NAV per share to **551 pence** (31 March 2016: 463 pence), after payment of 16 pence FY2016 final dividend and total return of **£1,006m** or **23%** of opening shareholders' funds
- Private Equity gross investment return of **£989m** underpinned by continued strong financial and operational performance across the portfolio
- Very busy period for Private Equity realisations with proceeds of **£654m** at a money multiple of over **2x**. Patient approach to investing in an environment where valuations remain high; invested **£287m** in two new Private Equity investments, Schlemmer and BoConcept
- Good progress in Infrastructure with the particularly strong performance from 3i Infrastructure plc ("3iN") contributing to a gross investment return of **£90m** in addition to fee income. 3i invested **£131m** in 3iN's equity raise, all of which has now been invested or committed
- Debt Management launched two new CLOs in Europe and one in the US despite challenging markets
- On 25 October 2016 3i announced the sale of the Debt Management business to Investcorp for gross cash proceeds of **£222m**. The sale is expected to complete by 31 March 2017 subject to closing conditions
- Interim dividend of **8.0 pence** in line with our dividend policy
- We expect to recommend a total dividend for the year of no less than the 22.0 pence total dividend paid in respect of the year to 31 March 2016

Simon Borrows, 3i's Chief Executive, commented:

"3i continues to benefit from its clear strategy and a portfolio with limited exposure to the repercussions caused by the current geopolitical and financial market volatility. We are navigating these challenges from a position of strength; our diverse portfolio, rigorous investment processes and robust balance sheet underpin our confidence about the future success of the Group."

Financial highlights¹

	Six months to/as at 30 September 2016	Six months to/as at 30 September 2015	Year to/as at 31 March 2016
Group			
Total return including discontinued operations	£1,006m	£168m	£824m
Total return ¹	£922m	£163m	£805m
Operating expenses including discontinued operations	£66m	£63m	£134m
Operating expenses ¹	£54m	£50m	£106m
Operating cash profit including discontinued operations	£34m	£17m	£37m
Operating cash (loss) ¹	£(4)m	£(3)m	£(9)m
Dividend per ordinary share	8.0p	6.0p	22.0p
Proprietary Capital			
Realisation proceeds	£666m	£358m	£794m
- Uplift over opening book value ²	£51m/9%	£29m/9%	£70m/13%
- Money multiple	2.3x	1.7x	2.4x
Gross investment return	£1,079m	£269m	£1,058m
- As a percentage of opening 3i portfolio value	25.3%	7.3%	28.6%
Operating profit ³	£1,042m	£207m	£919m
Cash investment	£422m	£208m	£365m
3i portfolio value	£5,073m	£4,037m	£4,497m
Gross debt	£844m	£819m	£837m
Net cash/(debt)	£187m	£(12)m	£165m
Gearing ⁴	nil	0.3%	nil
Liquidity	£1,360m	£1,157m	£1,352m
Net asset value	£5,320m	£3,851m	£4,455m
Diluted net asset value per ordinary share	551p	401p	463p

1 The sale of our Debt Management business was announced on 25 October 2016. Debt Management's total return for the six months to 30 September 2016 has been classified as discontinued operations and the prior period results have been represented. Unless stated, all balances are on continuing operations.

2 Uplift over opening book value excludes refinancings.

3 Operating profit excludes carried interest and performance fees payable/receivable.

4 Gearing is net debt as a percentage of net assets.

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For further information regarding the announcement of 3i's half yearly results to 30 September 2016, including a live videocast of the results presentation at 10.00am, please visit www.3i.com.

Notes to editors

3i is a leading international investment manager focused on mid-market Private Equity, Infrastructure and Debt Management. Our core investment markets are northern Europe and North America. For further information, please visit: www.3i.com.

Notes to the announcement of the results

Note 1

All of the financial data in this announcement is taken from the Investment basis financial statements. This Half-yearly report has been prepared solely to provide information to shareholders. It should not be relied on by any other party or for any other purpose.

The financial information for the year ended 31 March 2016 contained within this announcement does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory accounts for the year to 31 March 2016, prepared under IFRS, have been reported on by Ernst and Young LLP and delivered to the Registrar of Companies. The report of the Auditor on these statutory accounts was unqualified and did not contain a statement under section 498(2) or section 498(3) of the Companies Act 2006.

Note 2

A pdf of the 3i Group plc Half-yearly report 2016 will be available on our website www.3i.com and is also attached below.

Note 3

This announcement may contain statements about the future including certain statements about the future outlook for 3i Group plc and its subsidiaries ("3i"). These are not guarantees of future performance and will not be updated. 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.

Note 4

The interim dividend is expected to be paid on 4 January 2017 to holders of ordinary shares on the register on 9 December 2016.