The world is yours

3i Group plc Interim report
for the six months to 30 September 2001

Introduction to 3i

3i is Europe's leading venture capital company. We have operations in 12 European countries and are developing significant businesses in the United States and Asia Pacific. Our international network provides us with real competitive advantage.

We invest in ambitious, unquoted companies with high growth potential and strong management in a wide range of industry sectors. Investments are made at all stages of a company's development, from start-ups through to buy-outs.

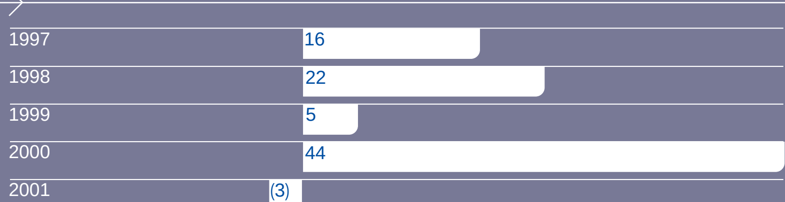
Our teams use our unique international network to access our in-depth knowledge of industry sectors and a wide range of contacts. This helps us to invest in the most attractive companies in international markets and bring added value to these businesses.

Financial highlights

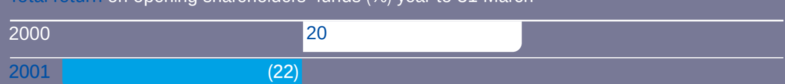
Total return	**£(1,097)m**
Return on opening shareholders' funds	**(22.1)%**
Revenue profit after tax	**£69m**
Net realised (loss)/profit over opening valuation	**£(5)m**
Unrealised value movement	**£(1,060)m**
Investment	**£600m**
Interim dividend per share	**4.9p**
Diluted net asset value per share	**631p**

Investment amounts referred to in this Interim report relate to investments made by 3i Group and unquoted funds managed by 3i unless otherwise stated.

Portfolio amounts referred to in this Interim report relate to assets owned by 3i Group and exclude assets managed on behalf of third parties unless otherwise stated.



Total return on opening shareholders' funds (%) year to 31 March



Total return on opening shareholders' funds (%) 6 months to 30 September

Chairman's statement

In this more challenging environment, 3i's portfolio diversity, international network and financial strength are particularly important.

Over the last year, most major economies have been slowing down and this trend has accelerated in recent months. The steep fall in the quoted smaller company and technology markets has particularly affected 3i's return for the six months. The Directors have announced an unchanged interim dividend of 4.9p.

In this more challenging environment, 3i's portfolio diversity, international network and financial strength are particularly important. We are committing significant resources to managing our investments and assisting our portfolio companies, as well as taking advantage of good investment opportunities at lower price levels.

We are continuing to strengthen our competitive position and the development of our teams with specialist skills across our international network. We are closing seven smaller offices so that all our offices will have the critical mass needed to be part of our international network. This change, together with further steps to reduce our staffing levels, enables 3i to match opportunities and resourcing in the short term while building a strong platform from which to move forward.

I will be retiring from 3i at the end of December after nearly 10 years. 3i has changed enormously during my involvement, from a primarily UK business to an international venture capital company while retaining the same strong core values. My time at 3i has been challenging, interesting and exciting; sometimes all three at once.

I have thoroughly enjoyed working with the people at 3i and being part of this great company. Sarah Hogg who succeeds me as Chairman on 1 January 2002, has been a Director of 3i since 1997 and has already made a valuable contribution to the Board. I am proud of the growth 3i has achieved and its long term financial performance and I have every confidence that this will continue under its new Chairman.

Comparative annualised total return (%)
since 31 March 1994 immediately prior to flotation in July 1994

Sir George Russell, Chairman
29 October 2001

Operating and financial review

Our longer term view of the venture and management buy-out markets remains very positive. There is uncertainty about the industry outlook in the short term, but on a medium term view, we expect that the market will return to its growth path.

Brian Larcombe, Chief Executive

A general slowdown in economies, particularly difficult conditions in some technology sectors and weak public stock markets for smaller companies have all made an impact on returns in this period.

Net asset value has fallen by 22.6%, an outperformance of the FTSE SmallCap (-24.1%) and the FTSE techMARK 100 (-40.2%).

Most of this fall results directly from the decline in smaller company and technology stock markets, much of which happened in September. Our portfolio has generally performed satisfactorily and, for that part of the portfolio which is valued on an earnings basis, there has been a small increase in overall earnings. This has not resulted in higher valuations as these assets are valued by reference to price earnings multiples based on the smaller company quoted markets which are now at the lowest point for many years.

Over the last two years, we have invested significantly in early stage companies where both the potential rewards and the risks of failure are high. It has always been the case that many of the weaker companies will fail before the winners come through and, as a result, provisions have increased.

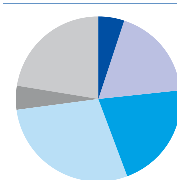
The short term outlook for business confidence remains weak, but when it recovers, the strongest performing businesses will be those operating in high growth markets.

The venture capital industry saw a very high level of activity last year, but this has fallen sharply since the summer. There are still substantial funds available for investment in the management buy-out market although there are now signs that the pricing of transactions is beginning to fall. In the technology markets many of the new entrants have either retreated or have left the market entirely. This has also led to better pricing and has enabled 3i to maintain its leading market position.

In the six months to 30 September 2001, we invested at a lower level. We have also seen lower levels of realisations as a result of the subdued mergers and acquisitions market and stock markets being virtually closed to new issues.

Our strategy is unchanged. We continue to invest in a broad range of businesses which have high growth potential, using our network to add value to our investment process and to our portfolio. This strategy produces a portfolio which is well balanced by sector, maturity of company and geography. This is not the first time we have experienced difficult conditions and we will continue to invest through the cycle. Venture capital is a long term business.

The 3i business model of combining our local knowledge with sector expertise has continued to strengthen. Our increasing focus on specific sectors, such as healthcare and oil and gas, has led to the further development



Resources	256
Industrials	920
Consumer goods	1,058
Services and utilities	1,443
Financials	236
Information technology	1,131
Total	5,044

Portfolio value by FTSE classification (£m)
as at 30 September 2001

of specialist teams within the network. We have also developed a more focused approach to the management of the portfolio.

These approaches require a minimum level of resourcing that is not feasible in some of our smaller locations and seven offices in Europe will be closed. We will then have 36 offices operating in 16 countries.

Our longer term view of the venture and management buy-out markets remains very positive. There is uncertainty about the industry outlook in the short term, but on a medium term view, we expect that the market will return to its growth path.

Despite this, the slowdown in activity means that our current staffing levels are too high and we have announced 185 job losses.

With the acquisition of Atle in Sweden in April 2001 and the opening of an office in Copenhagen, we have now completed our European network. We have also opened an office in Hong Kong.

This international network is unique in the venture capital industry and provides great benefits to us and our portfolio companies. Its value continues to grow as we share knowledge, experience and contacts across the business. Industry sector and product teams have continued to develop across the Group. This adds value to our investment process and to our portfolio companies. These developments are now being supported by some organisational changes. Rod Perry, Director, will take on responsibility for our technology investment across the business, co-ordinating our market approach and delivering best practice in all sectors. Jonathan Russell will take on a similar responsibility for our larger management buy-out business. Martin Gagen, Director of our US business, will also take on responsibility for our Asia Pacific business.

Financial review

Total return Total return for the six months to 30 September 2001 was £(1,097) million, which represents a reduction of 22.1% on shareholders' funds at 31 March 2001. This result is due almost entirely to a fall in the valuation of the portfolio. Most of this fall results directly from the decline in smaller company and technology stock markets, much of which occurred in September. Our portfolio has generally performed satisfactorily but there has been an increase in provisions for companies which may fail, largely resulting from increased technology investment over the last two years.

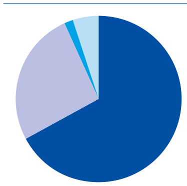
Our European business accounted for almost all the total return, with small negative returns in our developing businesses in the US and Asia Pacific.

Technology investments accounted for £(715) million of the total return, mainly because of a reduction in the valuation of quoted investments as well as an increase in provisions for companies which may fail. Over the past year technology companies, particularly those in the software and telecommunications sectors, have suffered

3i's performance against the most commonly used indices during the period.

3i	(22.1)
FTSE All-Share	(12.5)
FTSE SmallCap	(24.1)
FTSE techMARK 100	(40.2)

Total return (%)
6 months to 30 September 2001



UK	3,382
Continental Europe	1,321
Asia Pacific	86
US	255
Total	5,044

Portfolio value by geography (£m)
as at 30 September 2001

a sharp contraction in demand which has resulted in significant over capacity. Non technology investments have also seen more difficult trading conditions but their total return of £(308) million is largely due to falls in price earnings ratios used to value these companies.

Revenue profit Revenue profit before tax was £71 million, the same as in the period to September 2000. Underlying dividend income was lower than last year because of increased investment in lower income yielding assets. Dividend income of £77 million includes £31 million of dividends received on the sale or restructuring of investments (September 2000: £20 million). Fee income was £32 million which is £3 million lower than September 2000.

Administrative expenses amounted to £86 million compared with £78 million last year. The current period includes £3 million of operating expenses in respect of Atle which was acquired in the period. Expenses allocated to the capital reserve have decreased from £26 million to £23 million.

In addition, a provision of £18 million has been made for organisational changes and staff reductions. Of this, £9 million has been charged to the revenue account and £9 million to capital reserve.

Realised capital profits Corporate mergers and acquisitions markets have been much weaker throughout the period and there has been a lower level of sales to trade buyers and far fewer Initial Public Offerings (“IPO”) than in recent years.

Overall there was a net realised loss of £5 million on all investments realised compared with their valuation at 31 March 2001, (September 2000: £302 million profit), although a profit of £8 million was made on the sale of equity investments.

Proceeds from the sale of investments quoted at March 2001 amounted to £388 million and a further £14 million was received on the IPO of three companies during the period.

The sale of unquoted companies has resulted in equity proceeds of £123 million (2000: £251 million) and there were repayments of loans and preference shares of £87 million (2000: £168 million).

Overall 13% of the value of the equity portfolio at March 2001 has been realised. We have, despite a falling stock market, continued to realise equity investments at amounts over their valuation at 31 March 2001, with the average uplift on the sale of equity investments amounting to 2% (September 2000: 79%).

Unrealised value movement There has been a net reduction of £1,060 million in the valuation of the portfolio. The main driver has been the impact of falling stock markets, which led to a reduction in value of £430 million in quoted investments held throughout the period.

Investment by geography

	6 months to 30 September 2001 Number	6 months to 30 September 2001 £m	6 months to 30 September 2000 Number	6 months to 30 September 2000 £m
UK	153	273	229	496
Continental Europe*	170	246	195	367
Europe total	323	519	424	863
US	33	72	8	29
Asia Pacific	5	9	8	10
Total	361	600	440	902

* A detailed breakdown of investment by country in continental Europe is provided on page 12 of this report.

In addition, the fall in smaller company stock markets has resulted in a reduction in the average price earnings ratio used for earnings based valuations of the unquoted portfolio from 9.7 at 31 March to 7.9 at 30 September. This is the lowest average price earnings ratio used to value the portfolio at any time since 3i's flotation in 1994 when the average price earnings ratio was 14. The impact of this fall in price earnings ratios is to reduce the value of the portfolio by £314 million.

There has also been a reduction in valuation of £252 million in respect of those companies that we consider may fail, compared with a reduction of £144 million last period. Investee companies' earnings used as a basis of valuation at both 31 March and 30 September 2001 have increased on average by 5%.

Investment Total investment in the period amounted to £600 million (£498 million from 3i and £102 million from co-investment funds), 33% lower than investment to September 2000. Approximately 50% of investment has been in technology companies with 58% of this invested in existing portfolio companies.

Of total investment, 45% was in the UK, where £273 million was invested (September 2000: £496 million). In continental Europe £246 million was invested compared with £367 million last year. There has been growth in investment in the US, up to £72 million from £29 million in the period to September 2000.

Goodwill Outstanding goodwill arising on acquisitions of technology venture capital businesses made in previous years has been amortised in full in this period rather than, as previously, over a five year term. This has resulted in a charge of £74 million (£72 million to capital reserve and £2 million to the revenue account) instead of £9 million, based on a five year amortisation period. Full amortisation of goodwill is considered appropriate as market conditions facing technology companies have become tougher. The businesses acquired are no longer trading as separate entities and have been successfully integrated into the 3i network.

Acquisition In April, 3i together with a joint venture partner, Ratos AB, acquired Atle AB, a public company in Sweden and a leading venture capital investor. 3i's share of the consideration was £330 million. Since then most of the investments held by Atle have been transferred to either 3i or Ratos. Those transferred to 3i are included in the share and loan portfolio and the remaining investments are included as our share of joint venture assets. These assets have been valued in accordance with the 3i valuation policy.

Balance sheet and cash flow Since 31 March 2001, the valuation of the Group's investment portfolio has fallen by £761 million to £5,044 million. This is primarily due to the high level of disposals of quoted investments and the fall in value of the remaining portfolio. As a result quoted investments now represent 10% of the total portfolio.

There has been a net cash outflow of £220 million in the period. This largely results from the acquisition of Atle for a purchase consideration of £330 million. Investment in the period, excluding co-investment funds, amounted to £498 million while the return flow from the sale and realisation of investments amounted to £613 million.

The fall in value of the portfolio and the increase in net borrowings has resulted in an increase in gearing from 22% at 31 March 2001 to 34%. Of the net borrowings of £1,316 million, £600 million has a maturity in excess of 20 years.

Summary The results for the six months to September represent an outperformance of the FTSE SmallCap and the FTSE techMARK 100 indices. The negative total return results largely from the fall in smaller company and technology stock markets and, to a lesser extent, from an increase in provisions. The majority of the portfolio continues to perform satisfactorily.

The Group continues to strengthen the working of its international network. The balance sheet is strong which enables 3i to take advantage of good investment opportunities in the markets in which it operates.

Balance sheet (£m) at 31 March 2001

Balance sheet (£m) at 30 September 2001
1 Portfolio and other net assets
2 Net borrowings
3 Shareholders' funds

Brian Larcombe, Chief Executive
29 October 2001

Consolidated statement of total return
for the six months to 30 September 2001

	6 months to 30 September 2001 (unaudited)			6 months to 30 September 2000 (unaudited)			12 months to 31 March 2001 (audited)		
	Revenue £m	Capital £m	Total £m	Revenue £m	Capital £m	Total £m	Revenue £m	Capital £m	Total £m
Capital profits									
Net realised (losses)/ profits over opening valuation		(5)	(5)		302	302		453	453
Net unrealised value movement in the period		(1,060)	(1,060)		712	712		(676)	(676)
		(1,065)	(1,065)		1,014	1,014		(223)	(223)
Total operating income before interest payable	204		204	182		182	358		358
Interest payable	(59)	(3)	(62)	(59)	(1)	(60)	(117)	(4)	(121)
	145	(1,068)	(923)	123	1,013	1,136	241	(227)	14
Administrative expenses	(63)	(23)	(86)	(52)	(26)	(78)	(121)	(49)	(170)
Amortisation of goodwill	(2)	(72)	(74)	–	(8)	(8)	–	(18)	(18)
Cost of changes to organisational structure	(9)	(9)	(18)						
Return before tax and currency translation adjustment	71	(1,172)	(1,101)	71	979	1,050	120	(294)	(174)
Tax	(2)	8	6	(2)	(9)	(11)	(4)	19	15
Return for the period before currency translation adjustment	69	(1,164)	(1,095)	69	970	1,039	116	(275)	(159)
Currency translation adjustment	–	(2)	(2)	(7)	8	1	–	17	17
Total return	69	(1,166)	(1,097)	62	978	1,040	116	(258)	(142)
Total return per share									
Basic (pence)	11.4p	(191.8)p	(180.4)p	10.2p	161.7p	171.9p	19.1p	(42.5)p	(23.4)p
Diluted (pence)	11.4p	(191.3)p	(179.9)p	10.1p	159.5p	169.6p	18.9p	(42.0)p	(23.1)p

Movement in shareholders' funds
for the six months to 30 September 2001

	6 months to 30 September 2001 (unaudited) £m	6 months to 30 September 2000 (unaudited) £m	12 months to 31 March 2001 (audited) £m
Opening balance	4,973	5,174	5,174
Revenue return	69	62	116
Capital return	(1,166)	978	(258)
Total return	(1,097)	1,040	(142)
Dividends	(29)	(29)	(78)
Proceeds of issues of shares	7	12	19
Movement in the period	(1,119)	1,023	(201)
Closing balance	3,854	6,197	4,973

Consolidated revenue statement
for the six months to
30 September 2001

	6 months to 30 September 2001 (unaudited) £m	6 months to 30 September 2000 (unaudited) £m	12 months to 31 March 2001 (audited) £m
Interest receivable on loan investments	60	51	99
Fixed rate dividends	9	12	21
Other interest receivable and similar income	26	20	43
Interest payable	(59)	(59)	(117)
Net interest income	36	24	46
Dividend income from equity shares	68	64	123
Share of net profits/(losses) of joint ventures	8	(1)	(2)
Fees receivable	32	35	72
Other operating income	1	1	2
Total operating income	145	123	241
Administrative expenses and depreciation	(63)	(52)	(121)
Amortisation of goodwill	(2)	–	–
Cost of changes to organisational structure	(9)		
Profit on ordinary activities before tax	71	71	120
Tax on profit on ordinary activities	(2)	(2)	(4)
Profit for the period	69	69	116
Dividends			
Interim	(29)	(29)	(29)
Final			(49)
Profit retained for the period	40	40	38
Dividends per share (pence)	4.9p	4.9p	13.0p
Earnings per share			
Basic (pence)	11.4p	11.5p	19.2p
Diluted (pence)	11.4p	11.3p	18.9p

Consolidated balance sheet
as at 30 September 2001

Assets	30 September 2001 (unaudited) £m	30 September 2001 (unaudited) £m	30 September 2000 (unaudited) £m	30 September 2000 (unaudited) £m	31 March 2001 (audited) £m	31 March 2001 (audited) £m
Treasury bills and other eligible bills		1		–		1
Loans and advances to banks		673		515		890
Debt securities held for treasury purposes		216		237		201
Debt securities and other fixed income securities held as financial fixed asset investments						
Loan investments	1,477		1,363		1,522	
Fixed income shares	390		504		434	
Equity shares						
Listed	406		1,869		971	
Unlisted	2,771		3,355		3,030	
		5,044		7,091		5,957
Interests in joint ventures						
Share of gross assets	267		55		46	
Share of gross liabilities	(152)		–		–	
		115		55		46
Goodwill		–		72		74
Tangible fixed assets		60		54		60
Other assets		220		253		210
Total assets		6,329		8,277		7,439

Liabilities	30 September 2001 (unaudited) £m	30 September 2000 (unaudited) £m	31 March 2001 (audited) £m
Deposits by banks	632	140	617
Debt securities in issue	1,487	1,606	1,503
Other liabilities	269	285	276
Subordinated liabilities	87	49	70
	2,475	2,080	2,466
Called up share capital	304	303	304
Share premium and redemption reserve	341	328	334
Capital reserve	2,917	5,319	4,083
Revenue reserve	292	247	252
Shareholders' funds	3,854	6,197	4,973
Total liabilities	6,329	8,277	7,439

Net asset value per share	30 September 2001	30 September 2000	31 March 2001
Basic (pence)	633p	1022p	819p
Diluted (pence)	631p	1011p	815p

Approved by the Board
29 October 2001

Consolidated cash flow statement
for the six months to
30 September 2001

	6 months to 30 September 2001 (unaudited) £m	6 months to 30 September 2000 (unaudited) £m	12 months to 31 March 2001 (audited) £m
Operating activities			
Interest received and similar income arising from debt securities and other fixed income securities held as financial fixed asset investments	59	56	103
Other interest received and similar income	26	19	43
Interest paid on borrowings	(56)	(57)	(115)
Dividends received from equity shares	68	63	121
Fees and other net cash receipts	34	34	75
Operating and administrative costs paid	(75)	(55)	(94)
Net cash inflow from operating activities	56	60	133
Taxation (paid)/received	(2)	(2)	12
Capital expenditure and financial investment			
Investment in equity shares, fixed income shares and loans	(493)	(715)	(1,541)
Investment in equity shares acquired from joint venture	(174)	–	–
Sale, repayment or redemption of equity shares, fixed income shares and loan investments	617	834	1,586
Investment administrative expenses	(23)	(26)	(49)
Investment interest paid	(3)	(1)	(4)
Investment in joint ventures	(330)	(1)	(4)
Divestment or repayment of interests in joint ventures	223	22	27
Disposal of investment properties	–	2	2
Purchase of tangible fixed assets	(4)	(4)	(11)
Sale of tangible fixed assets	–	1	2
Net cash (outflow)/inflow from capital expenditure and financial investment	(187)	112	8
Acquisitions			
Acquisition of subsidiary undertakings	(46)	(4)	(11)
Equity dividends paid	(48)	(45)	(74)
Management of liquid resources	183	(81)	(378)
Net cash (outflow)/inflow before financing	(44)	40	(310)
Financing			
Debt due within one year	(223)	(19)	(20)
Debt due after more than one year	241	(31)	352
Issues of shares	7	12	18
Net cash inflow/(outflow) from financing	25	(38)	350
(Decrease)/increase in cash	(19)	2	40

Notes to the financial statements
for the six months to
30 September 2001

1 Reconciliation of revenue profit before tax to net cash inflow from operating activities

	6 months to 30 September 2001 (unaudited) £m	6 months to 30 September 2000 (unaudited) £m	12 months to 31 March 2001 (audited) £m
Revenue profit before tax	71	71	120
Depreciation of equipment and vehicles	4	3	8
Amortisation of goodwill	2	–	–
Increase in other assets associated with operating activities	(3)	(15)	(2)
Tax on investment income included within income from overseas companies	–	(1)	(2)
Increase in prepayments and accrued income associated with operating activities	(19)	(19)	(7)
Increase in accruals and deferred income associated with operating activities	9	20	14
Reversal of (profits)/losses of joint ventures less distributions received	(8)	–	2
Loss on sale of tangible fixed assets	–	1	–
Net cash inflow from operating activities	56	60	133

2 Reconciliation of cash flows to movements in net debt

	6 months to 30 September 2001 (unaudited) £m	6 months to 30 September 2000 (unaudited) £m	12 months to 31 March 2001 (audited) £m
(Decrease)/increase in cash in the period	(19)	2	40
Cash (inflow)/outflow from management of liquid resources	(183)	81	378
Cash (inflow)/outflow from debt financing	(1)	66	(296)
Cash (inflow) from subordinated liabilities	(17)	(16)	(36)
Change in net debt from cash flows	(220)	133	86
Foreign exchange movements	2	(9)	(17)
Movement in net debt in the period	(218)	124	69
Net debt at start of period	(1,101)	(1,170)	(1,170)
Net debt at end of period	(1,319)	(1,046)	(1,101)

3 Analysis of net debt

	1 April 2001 £m	Cash flow £m	Exchange movement £m	Other non-cash changes £m	30 September 2001 £m
Cash and deposits repayable on demand	87	(19)	–	–	68
Treasury bills, other loans, advances and treasury debt securities	1,005	(183)	–	–	822
Deposits and debt securities repayable within one year	(663)	223	4	(13)	(449)
Deposits and debt securities repayable after one year	(1,457)	(224)	(2)	13	(1,670)
Subordinated liabilities	(70)	(17)	–	–	(87)
Finance leases	(3)	–	–	–	(3)
	(1,101)	(220)	2	–	(1,319)

Basis of preparation

The accounting policies used in the preparation of this Interim report are the same as those used in the statutory accounts for the year to 31 March 2001. The adoption of Financial Reporting Standards, which become effective for the first time during the year to 31 March 2002, will not give rise to any changes to these policies in the accounts at 31 March 2002. The six month period is treated as a discrete period except in so far as tax in the revenue account is charged on the basis of an estimated annual effective rate.

The figures for the year to 31 March 2001 have been extracted from the accounts filed with the Registrar of Companies on which the auditors issued an unqualified report. This Interim report does not constitute statutory accounts.

Independent review report to 3i Group plc

Introduction We have been instructed by the Company to review the financial information for the six months ended 30 September 2001 which comprises Consolidated statement of total return, Consolidated revenue statement, Consolidated balance sheet, Consolidated cash flow statement and the related notes 1 to 3 and the basis of preparation. We have read the other information contained in the Interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities The Interim report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

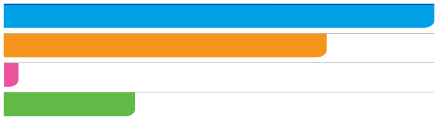
Review work performed We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 September 2001.

Ernst & Young LLP
London
29 October 2001

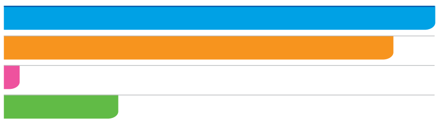
New investment analysis

Analysis of the equity, fixed income and loan investments made by 3i Group. The analyses below exclude investments in joint ventures. Graphical representations below are for the period to 30 September 2001.



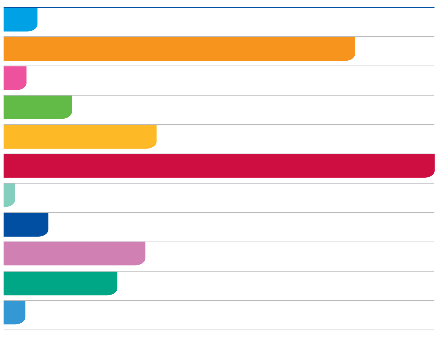
Investment by geography (3i only – excluding co-investment funds) (£m)

	6 months to 30 September 2001	6 months to 30 September 2000	12 months to 31 March 2001
UK	240	409	786
Continental Europe	179	255	560
Asia Pacific	7	8	49
US	72	29	134
Total	498	701	1,529



Investment by geography (including co-investment funds) (£m)

	6 months to 30 September 2001	6 months to 30 September 2000	12 months to 31 March 2001
UK	273	496	1,006
Continental Europe	246	367	770
Asia Pacific	9	10	62
US	72	29	134
Total	600	902	1,972

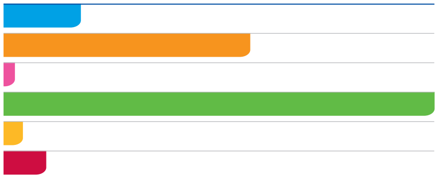


Continental European investment (£m)

	6 months to 30 September 2001	6 months to 30 September 2000	12 months to 31 March 2001
Austria	6	2	19
Benelux	62	16	63
Denmark	4	–	4
Finland	12	1	3
France	27	72	117
Germany	76	121	301
Ireland	2	10	17
Italy	8	35	64
Spain	25	84	131
Sweden	20	5	9
Switzerland	4	21	26
Other European[1]	–	–	16
Total	246	367	770

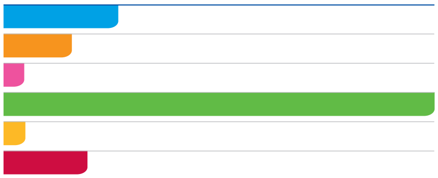
1 Other European includes investments in countries where 3i did not have an office at the period end.

Investment by product (£m)



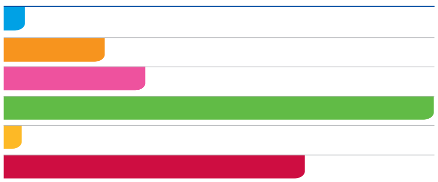
	6 months to 30 September 2001	6 months to 30 September 2000	12 months to 31 March 2001
Start-ups	56	140	278
Management buy-outs	179	261	617
Management buy-ins	7	39	88
Growth capital	313	392	852
Share purchase	14	56	90
Recoveries	31	14	47
Total	600	902	1,972

Number of investments by product



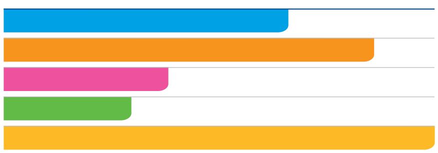
	6 months to 30 September 2001	6 months to 30 September 2000	12 months to 31 March 2001
Start-ups	56	120	187
Management buy-outs	33	36	64
Management buy-ins	10	9	14
Growth capital	210	212	369
Share purchase	11	26	34
Recoveries	41	37	58
Total	361	440	726

Investment by FTSE industrial classification (£m)



	6 months to 30 September 2001	6 months to 30 September 2000	12 months to 31 March 2001
Resources	13	53	67
Industrials	60	115	256
Consumer goods	84	150	371
Services and utilities	254	178	482
Financials	11	19	55
Information technology	178	387	741
Total	600	902	1,972

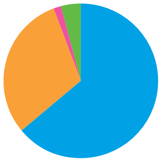
Technology investment by sector (£m)



	6 months to 30 September 2001	6 months to 30 September 2000	12 months to 31 March 2001
Life sciences and healthcare	62	51	136
Communications and networking	81	79	224
Electronics and other technologies	36	49	76
e Business	28	92	185
Software and computer services	94	288	485
Total	301	559	1,106

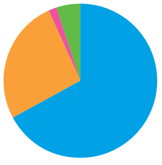
Portfolio analysis

The Group's equity, fixed income and loan investments total £5,044 million at 30 September 2001. The analyses below exclude investments in joint ventures. Graphical representations below are as at 30 September 2001.



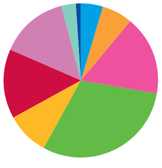
Portfolio value by geography (including co-investment funds) (£m)

	At 30 September 2001	At 31 March 2001
UK	4,023	4,792
Continental Europe	1,914	2,039
Asia Pacific	99	98
US	261	246
Total	6,297	7,175



Portfolio value by geography (3i only – excluding co-investment funds) (£m)

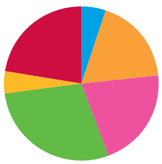
	At 30 September 2001	At 31 March 2001
UK	3,382	4,121
Continental Europe	1,321	1,363
Asia Pacific	86	86
US	255	235
Total	5,044	5,805



Continental European portfolio value (£m)

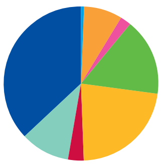
	At 30 September 2001	At 31 March 2001
Austria	12	18
Benelux	85	92
Denmark	10	10
Finland	17	5
France	220	254
Germany	400	456
Ireland	22	45
Italy	119	142
Spain	192	234
Sweden	190	11
Switzerland	40	82
Other European[1]	14	14
Total	1,321	1,363

1 Other European includes investments in countries where 3i did not have an office at the period end.



Portfolio value by FTSE industrial classification (£m)

	At 30 September 2001	At 31 March 2001
Resources	256	232
Industrials	920	1,081
Consumer goods	1,058	1,237
Services and utilities	1,443	1,538
Financials	236	256
Information technology	1,131	1,461
Total	5,044	5,805

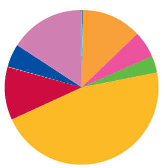


Portfolio value by valuation method (£m)

Imminent sale or IPO	32	106
Listed	406	818
Secondary market	115	266
Earnings	815	1,033
Cost	1,125	1,078
Net assets	165	147
Other	520	401
Loan investments and fixed income shares	1,866	1,956
Total	5,044	5,805

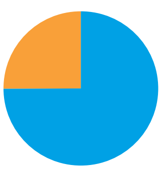
Technology portfolio value by sector (£m)

Life sciences and healthcare	451	526
Communications and networking	350	400
Electronics and other technologies	162	203
e Business	176	220
Software and computer services	750	980
Total	1,889	2,329



Technology portfolio value by valuation method (£m)

Imminent sale or IPO	5	44
Listed	238	475
Secondary market	105	248
Earnings	66	69
Cost	874	841
Further advance	209	227
Net assets	2	1
Other	91	79
Loan investments and fixed income shares	299	345
Total	1,889	2,329



Funds under management (£m)

Third party unquoted co-investment funds	1,960	2,131
Quoted investment companies[1]	656	870
Total	2,616	3,001

1 Includes the 3i Group Pension Plan.

Ten largest investments

At 30 September 2001, the Directors' valuation of the ten largest investments was a total of £414 million. These investments cost £339 million.

Investment (date first invested) and description of business	Cost[1] £m	Proportion of equity shares held	Directors' valuation[1] £m
Go Fly Ltd (2001) Low cost airline			
Equity shares	1	43.3%	1
Loans	57		57
	58		58
Beltpacker plc (2000) Manufacture/marketing of healthcare/beauty products, footwear and accessories			
Equity shares	12	35.6%	12
Loans	38		38
	50		50
Nordisk Renting AB (2001) Renting business in real estate			
Equity shares	58	35.0%	47
	58		47
Mettis Group Ltd (1999) Manufacture and sale of forgings			
Equity shares	1	40.0%	1
Loans	43		43
	44		44
Weston Medical Group plc[2] (1993) Needle-free medical device manufacture			
Equity shares	1	17.8%	43
	1		43
General London Construction Holdings Ltd (2001) Regional housebuilder			
Equity shares	1	41.6%	1
Loans	41		41
	42		42
ERM Plc (2001) Environmental consultancy			
Equity shares	1	42.4%	1
Loans	35		35
	36		36
Target Express Holdings Ltd (2000) Freight transport by road			
Equity shares	–[3]	33.8%	–[3]
Loans	33		33
	33		33
Morse plc[2] (1995) Leading technology integrator			
Equity shares	9	21.5%	32
	9		32
Venture Production Company Ltd (1997) Oil and gas production			
Equity shares	8	23.3%	29
	8		29

Notes
1 The investment information is in respect of 3i's holding and excludes any co-investment by 3i managed funds.
2 Quoted company (including secondary markets).
3 The cost and Directors' valuation of the equity held of Target Express Holdings Ltd is £106,000.

Information for shareholders

Financial calendar

Ex-dividend date	28 November 2001
Record date	30 November 2001
Interim dividend to be paid	2 January 2002

Location of investors at 30 September 2001

UK (including retail shareholders)	88%
Continental Europe	7%
USA	4%
Other International	1%

Shareholder enquiries

Administrative enquiries: For shareholder administration enquiries, including changes of address, please contact:

Lloyds TSB Registrars
The Causeway, Worthing, West Sussex BN99 6DA

Tel +44 (0)870 600 3953

For Dividend Reinvestment Plan enquiries, including obtaining a copy of the Terms and Conditions and an Application form, please telephone +44 (0)870 600 3953.

Please note that applications to join the Plan in time for the interim dividend must be received by Lloyds TSB Registrars by 7 December 2001.

Investor relations

For all investor relations and general enquiries about 3i Group plc please visit 3i's investor relations site at www.3i.com/investorrelations/ where you will find:

- the latest Annual and Interim reports;
- investor presentations in video and powerpoint formats;
- 3i's investor newsletter;
- answers to frequently asked questions; and
- investor relations contacts

or contact:

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M36601 29 October 2001