

Our business focus

Buy-outs



In June 2003, 3i led the €109 million buy-out of **Gant**, an international, high-quality premium apparel business

3i's buy-out business is focused on the mid and smaller buy-out markets across Europe and Asia Pacific.

As with mergers and acquisitions activity, buy-out activity has shown an increase since the summer of 2003.

“After a slow start to the period, we have made attractive new investments such as Gant and expect second half buy-out investment to be higher than the first half.”

Jonathan Russell
Director – Buy-outs

Financial highlights (£m) for 6 months to 30 September 2003

Total return	91	110
Investment	125	16
Realisation proceeds	78	151
Realised profits	35	26
Unrealised value movement	57	79

■ Mid-market buy-outs ■ Smaller buy-outs

Growth capital



In June 2003, 3i committed to invest £12.5 million in **Revus Energy**, an oil and gas exploration and production company

Our growth capital business supports high growth businesses expanding organically or through acquisition.

We expect to see increased demand as companies return to growth agendas.

“On the back of a strong performance from our growth capital business in the first half, our focus is to capitalise on our market access and increase the level of new investment.”

Chris Rowlands
Director – Growth Capital

Financial highlights (£m) for 6 months to 30 September 2003

Total return	170
Investment	76
Realisation proceeds	197
Realised profits	47
Unrealised value movement	106

Early stage technology



3i has invested a total of £7 million in **Cambridge Silicon Radio**, a designer and manufacturer of single chip radio devices

3i's early stage technology business is focused on Healthcare, Software, Communications and Electronics in Europe, Asia Pacific and the US.

After three difficult years, the markets for some of these sectors are showing signs of picking up, together with mergers and acquisitions and IPO activity.

“The improvement in our performance is encouraging. We are now starting to see increased levels of technology spending by major corporates, which is feeding through to increased activity in our own portfolio.”

Rod Perry

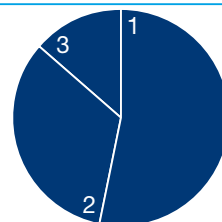
Director – Technology

Financial highlights (£m) for 6 months to 30 September 2003

Total return	(12)
Investment	56
Realisation proceeds	77
Realised profits	21
Unrealised value movement	(27)

Portfolio value by product (£m) as at 30 September 2003

1 Buy-outs*	2,131
2 Growth capital*	1,331
3 Early stage technology	544
Total	4,006



*Buy-outs and growth capital include a total of £723 million in late stage technology companies. See page 14 for further information.