



3i Group plc

(Incorporated in England and Wales under the Companies Acts 1948 to 1967
with registered number 1142830)

as Issuer and Guarantor

3i Holdings plc

(Incorporated in England and Wales under the Companies Act 1985
with registered number 2591431)

as Issuer

£2,000,000,000

Note Issuance Programme

Arranger

UBS Investment Bank

Dealers

Barclays Capital

Deutsche Bank

HSBC

Mizuho International plc

Citigroup

Goldman Sachs International

Lehman Brothers

The Royal Bank of Scotland

UBS Investment Bank



Each of 3i Group plc ("3i Group" or, in its capacity as guarantor of the other Issuer (as defined below), the "Guarantor") and 3i Holdings plc ("3i Holdings") (each an "Issuer" and together, the "Issuers") accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuers and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents incorporated by reference" on page 4). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular but not part of the Listing Particulars (as defined below).

Any reference in this document to listing particulars means this document excluding all information incorporated by reference. The Issuers have confirmed that any information incorporated by reference, including any such information to which readers of this document are expressly referred, has not been and does not need to be included in the listing particulars to satisfy the requirements of the Financial Services and Markets Act 2000 or the Listing Rules. The Issuers believe that none of the information incorporated therein by reference conflicts in any material respect with the information included in the listing particulars.

The notes (the "Notes") issued under this £2,000,000,000 Note Issuance Programme (the "Programme") may be issued to one or more of the Dealers specified on page 5 (each a "Dealer" and together, the "Dealers", which expression shall include any additional Dealer appointed under the Programme from time to time which appointment may be for a specific issue or on a continuing basis). References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

Application has been made to the Financial Services Authority in its capacity as UK Listing Authority (the "UK Listing Authority") for Notes issued during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the "Official List") and application has also been made to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading by the London Stock Exchange on its market for listed securities which together, under the listing rules of the UK Listing Authority, will constitute official listing on the London Stock Exchange.

Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to each Tranche (as defined on page 17) of Notes will be set forth in a pricing supplement (the "applicable Pricing Supplement") which, with respect to Notes to be admitted to the Official List and admitted to trading by the London Stock Exchange on its market for listed securities, will be delivered to the UK Listing Authority and to the London Stock Exchange on or before the date of issue of the Notes of such Tranche. Copies of this Offering Circular, which comprises listing particulars approved by the UK Listing Authority as required by the Financial Services and Markets Act 2000 as amended (the "Listing Particulars") in relation to Notes admitted to the Official List and admitted to trading by the London Stock Exchange on its market for listed securities issued under the Programme during the period of 12 months from the date of this Offering Circular have been delivered for registration to the Registrar of Companies in England and Wales. Copies of each Pricing Supplement in respect of Notes admitted to the Official List will be available from FT Business Research Centre, operated by FT Interactive Data at Fitzroy House, 13-15 Epworth Street, London EC2A 4DL, and from the specified office of each of the Paying Agents (as defined below).

The Programme provides that Notes may be listed on such other or further stock exchange as may be agreed between the relevant Issuer and the relevant Dealer in relation to each issue. Each Issuer may also issue unlisted Notes.

The Issuers and the Guarantor have given an undertaking to the Dealers to comply with section 83 of the Financial Services and Markets Act 2000 and the listing rules made by the United Kingdom Listing Authority (the "Listing Rules") in that regard. In the event that supplementary listing particulars are produced pursuant to such undertaking, the Issuers and the Guarantor shall supply to each Dealer such number of copies of the supplementary listing particulars as such Dealer may reasonably request.

Neither the Dealers nor The Law Debenture Trust Corporation p.l.c. (the "Trustee") have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the

Issuers and/or the Guarantor in connection with the Notes. Neither the Dealers nor the Trustee accept any liability in relation to the information contained in this Offering Circular or any other information provided by the Issuers and/or the Guarantor in connection with the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuers, the Guarantor, the Dealers or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Dealers or the Trustee that any recipient of this Offering Circular should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of any of the Issuers, the Guarantor, the Dealers or the Trustee to any person to subscribe for or to purchase any of the Notes.

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Issuers and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor or any of the Guarantor's subsidiaries during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the relevant Issuer and the Guarantor when deciding whether or not to purchase any of the Notes.

The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Notes in the United States, the United Kingdom, Japan, Germany, the Republic of France and The Netherlands (see "Subscription and sale" on page 43 below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and are subject to U.S. tax law requirements. Notes may not be offered, sold or delivered within the United States or to U.S. persons or to U.S. Residents (as defined herein) in connection with the offering of any Notes. As further provided herein, it is prohibited to use any means of United States interstate commerce (including mail, telecopy and telephone) to offer, sell or deliver any Notes after sale in connection with the offering of such Notes. A further description of certain restrictions on the offering and sale of Notes and on the distribution of this document is given under "Subscription and Sale".

Persons into whose possession offering material comes must inform themselves about and observe any such restrictions. This Offering Circular does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such offer or a solicitation by anyone not authorised so to act.

In this Offering Circular, references to "€" or "euro" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. References to "\$", "U.S.\$" and "U.S. dollars" are to United States dollars, references to "Yen" and "¥" are to Japanese yen and references to "Pounds sterling", "sterling" and "£" are to Pounds sterling.

In connection with the issue and distribution of any Tranche of Notes, the Dealer (if any) specified as the stabilising manager in the applicable Pricing Supplement or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the stabilising manager or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular (provided, however, that such incorporated documents do not form part of the Listing Particulars):

- (a) the audited financial statements of the Issuer contained in its most recently published annual report and accounts and in any semi-annual report and accounts or interim financial statement published by the Issuer (if published later than the most recently published annual report and accounts);
- (b) the audited financial statements of the Guarantor and its subsidiaries contained in the Guarantor's most recently published annual report and accounts and in any semi-annual report and accounts or interim financial statement published by the Guarantor (if published later than the most recently published annual report and accounts); and
- (c) all supplements to this Offering Circular circulated by any Issuer and/or the Guarantor from time to time in accordance with the undertaking given by the Issuers and the Guarantor in the Programme Agreement described in "Subscription and Sale" on page 43 below,

save that any statement contained herein or in a document all or the relative portion of which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular (but not the Listing Particulars) to the extent that a statement contained in any such subsequent document all or the relative portion of which is or is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Guarantor will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the written request of such person, a copy of any or all of the documents which, or portions of which, are incorporated herein by reference. Written requests for such documents should be directed to the Guarantor at its registered office set out at the end of this Offering Circular.

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Summary of the Programme and of the Terms and Conditions of the Notes

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this document and, in relation to the terms and conditions of any particular Tranche of Notes, is to be read in conjunction with the applicable Pricing Supplement. Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this summary.

Issuers: 3i Group plc
3i Holdings plc

Guarantor (of 3i Holdings plc): 3i Group plc

Description: Note Issuance Programme

Arranger: UBS Limited

Dealers: Barclays Bank PLC
Citigroup Global Markets Limited
Deutsche Bank AG London
Goldman Sachs International
HSBC Bank plc
Lehman Brothers International (Europe)
Mizuho International plc
The Royal Bank of Scotland plc
UBS Limited

Under the Programme Agreement, other institutions may be appointed Dealers either in relation to the Programme as a whole or in relation to specific issues of Notes.

Trustee: The Law Debenture Trust Corporation p.l.c.

Agent: Citibank, N.A., London.

Distribution: Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. Each Issuer may also sell Notes to persons who are not Dealers pursuant to a separate agreement with such persons.

Notes having a maturity of less than one year: Notes issued by 3i Holdings having a maturity of less than one year from the date of issue will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

Amount: Up to £2,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any one time. The Issuers will have the option at any time to increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Currencies: Notes may be denominated in any currency or currencies subject in all cases to the prior approval of the Trustee and the Agent and to compliance with all applicable laws, regulations and directives.

Summary of the Programme and of the Terms and Conditions of the Notes

Maturities:	Any maturity greater than one month as specified in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body, however called) or any laws or regulations applicable to the relevant currency or the relevant Issuer.
Issue price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is par or at a discount to, or premium over, par.
Redenomination:	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro.
Fixed Rate Notes:	Interest on Fixed Rate Notes will be payable in arrear on a specified date or dates in each year (as indicated in the applicable Pricing Supplement) and on redemption and will be calculated on the basis of such Fixed Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer and as specified in the applicable Pricing Supplement.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest calculated:</p> <ul style="list-style-type: none">(i) on the basis of the screen quotation or the arithmetic mean of the screen quotations for the Specified Currency appearing on the Relevant Screen Page, failing which the arithmetic mean of the rates quoted by named reference banks; or(ii) on the same basis as the floating rate under a notional interest rate swap transaction in the Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or(iii) by reference to the arithmetic mean of the rates quoted by named reference banks; or(iv) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer, <p>(as indicated in the applicable Pricing Supplement).</p> <p>The Margin (if any) relating to any Floating Rate Note will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as is specified in the applicable Pricing Supplement.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both, as indicated in the applicable Pricing Supplement.</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Pricing Supplement and will be calculated on the basis of such Floating Day Count Fraction as is indicated in the applicable Pricing Supplement.</p>

Summary of the Programme and of the Terms and Conditions of the Notes

Dual Currency Interest Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Interest Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree and as are specified in the applicable Pricing Supplement.
Instalment Notes:	Notes may be issued which are repayable in instalments prior to maturity.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	<p>The Pricing Supplement applicable to each Tranche of Notes will indicate either that the Notes of that Series cannot be redeemed prior to their stated maturity except following an Event of Default or for taxation reasons, or that such Notes will be redeemable at the option of the relevant Issuer ("Issuer Call") and/or at the option of the holders(s) of such Notes ("Investor Put") upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other period as may be specified in the applicable Pricing Supplement) to the relevant Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be indicated in the applicable Pricing Supplement.</p> <p>Notes issued by 3i Holdings having a maturity of less than one year from the date of issue are subject to restrictions on their denomination and distribution see "Notes having a maturity of less than one year" above.</p>
Denomination of Notes:	Such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement, in all cases subject to such minimum denominations as may be allowed or required from time to time by the relevant central bank (or equivalent body, however called) or any laws or regulations applicable to the relevant currency or the relevant Issuer. See "Notes with a maturity of less than one year" above.
Taxation:	All payments in respect of the Notes made by the relevant Issuer or the Guarantor shall be made without withholding of or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the United Kingdom or any political sub-division thereof or by any authority therein or thereof having power to tax, unless otherwise required by applicable law, as more fully set out in Condition 10.
Negative pledge:	The Conditions will contain a negative pledge given by 3i Group plc, as more fully described in Condition 4.
Cross default:	The Notes will have the benefit of a cross default clause in respect of indebtedness for moneys borrowed of the relevant Issuer, the Guarantor or any Material Subsidiary, as more fully set out in Condition 11.
Status of the Notes:	The Notes (subject to the negative pledge) will constitute direct unsecured obligations of the relevant Issuer ranking <i>pari passu</i> and rateably, without any preference among themselves, with all other existing and future unsecured and unsubordinated indebtedness of the relevant Issuer, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Status of the Guarantee:	The guarantee of the Notes by the Guarantor (subject to the negative pledge) will constitute an unsecured obligation of the Guarantor ranking <i>pari passu</i> and rateably with all its other unsecured and unsubordinated obligations present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Summary of the Programme and of the Terms and Conditions of the Notes

Listing:	Application has been made to admit Notes issued under the Programme to the Official List and to admit them to trading on the London Stock Exchange's market for listed securities. Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the Notes are to be listed.
Governing law:	The Notes will be governed by, and construed in accordance with, English law.
Selling restrictions:	United States, United Kingdom, Japan, Germany, the Republic of France, The Netherlands and such other restrictions as may be specified in the applicable Pricing Supplement. See "Subscription and Sale" on page 43 below.

This Offering Circular and any supplement will only be valid for admitting Notes to the Official List in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed £2,000,000,000 or its equivalent in other currencies. For the purpose of calculating the sterling equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the sterling equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes and the Pricing Supplement*") shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of such Notes or on the preceding day on which commercial banks and foreign exchange markets are open for general business in London, in each case on the basis of the spot rate for the sale of sterling against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the sterling equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes and the Pricing Supplement*") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the sterling equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes and the Pricing Supplement*") and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

Form of the Notes and the Pricing Supplement

Each Tranche of Notes will initially be represented by a temporary global Note, without Receipts, Coupons or Talons, which will be delivered to a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). Whilst any Note is represented by a temporary global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made against presentation of the temporary global Note only to the extent that (i) certification of beneficial ownership as required by U.S. Treasury regulations (in the form set out in the Trust Deed) has been received by Euroclear and/or Clearstream, Luxembourg and (ii) Euroclear and/or Clearstream, Luxembourg as applicable has given a like certification (based on the certification it has received) to the Agent. On and after the date (the "Exchange Date") which is 40 days after the date on which any temporary global Note is issued, interests in such temporary global Note will be exchangeable (free of charge to the relevant Noteholders) in accordance with the terms of the temporary global Note, either for interests in a permanent global Note or, if so specified in the applicable Pricing Supplement, for definitive Notes with, where applicable, Receipts, Coupons and Talons attached as indicated in the applicable Pricing Supplement (and subject in the case of definitive Notes to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as required by U.S. Treasury regulations as specified in the temporary global Note unless certification has already been given pursuant to the second sentence of this paragraph. The holder of a temporary global Note will not be entitled to receive any payment of interest or principal due on or after the Exchange Date. Pursuant to the Agency Agreement (as defined on page 17) the Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned a Common Code and an ISIN which are different from the Common Code and ISIN assigned to Notes of any other Tranche of the same Series until at least 40 days (as notified by the Agent to the relevant Dealer) after the completion of the distribution of the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer, the Agent and the Trustee.

Payments of principal and interest (if any) on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the permanent global Note without any requirement for certification. Unless otherwise specified in the Pricing Supplement, a permanent global Note will be exchangeable (free of charge to the relevant Noteholders), in whole but not in part, for definitive Notes with, where applicable, Receipts, Coupons and Talons attached (i) upon the happening of any of the events defined in the Trust Deed (as defined below) as an "Event of Default", (ii) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearance system satisfactory to the Trustee is available, or (iii) if the relevant Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect is given to the Trustee.

Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

The following legend will appear on all global Notes, definitive Notes, Receipts, Coupons and Talons:

"Any United States person (as defined in the Internal Revenue Code of the United States) who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, Receipts or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition or payment of principal in respect of Notes, Receipts or Coupons.

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Form of the Notes and the Pricing Supplement

9. Interest Basis: [[] per cent. Fixed Rate]
[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
(further particulars specified below)
11. Change of Interest Basis or Redemption/Payment Basis: [*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12. Put/Call Options: [Investor Put]
[Issuer Call]
(further particulars specified below)]
13. Listing: [Official List of the UK Listing Authority and trading on the London Stock Exchange/specify other/[None]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate{(s)} of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
- (iii) Fixed Coupon Amount(s): [] per [] in nominal amount
- (iv) Broken Amount(s): [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount*]
- (v) Fixed Day Count Fraction: [Actual/Actual – ISMA or 30/360 or specify other]
(Note that if interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual – ISMA will not be a suitable Fixed Day Count Fraction)
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Form of the Notes and the Pricing Supplement

- (vi) Determination Date(s): ☐ in each year
[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]
(NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)
(NB: Only relevant where Fixed Day Count Fraction is Actual/Actual (ISMA))
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: ☐ [None/Give details]
16. Floating Rate Note Provisions ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: ☐ []
- (ii) Business Day Convention: ☐ [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (iii) Additional Business Centre(s): ☐ []
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: ☐ [Screen Rate Determination/ISDA Determination/Reference Bank Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): ☐ []
- (vi) Screen Rate Determination:
- Reference Rate: ☐ []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including the fallback provisions in the Agency Agreement)
- [– Specified Reference Banks (if any) ☐ {fall-back list}]
- Interest Determination Date(s): ☐ []
(Second London business day prior to the start of each Interest Period if LIBOR and second TARGET day prior to the start of each Interest Period if EURIBOR)
- Relevant Screen Page: ☐ []
(In the case of EURIBOR, if not Telerate 248 ensure it is a page which shows a composite rate)

Form of the Notes and the Pricing Supplement

- (vii) ISDA Determination:
 - Floating Rate Option: ☐ ☐
 - Designated Maturity: ☐ ☐
 - Reset Date: ☐ ☐
- (viii) Reference Bank Determination:
 - Reference Rate: ☐ ☐
 - Specified Reference Banks: ☐ ☐
 - Interest Determination Date(s): ☐ ☐
- (ix) Margin(s): ☐ ☐ per cent. per annum
- (x) Minimum Rate of Interest: ☐ ☐ per cent. per annum
- (xi) Maximum Rate of Interest: ☐ ☐ per cent. per annum
- (xii) Floating Day Count Fraction: ☐ ☐
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: ☐ ☐
- 17. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Accrual Yield: ☐ ☐ per cent. per annum
 - (ii) Reference Price: ☐ ☐
 - (iii) Any other formula/basis of determining amount payable: ☐ ☐
- 18. Index Linked Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Index/Formula: [give or annex details]
 - (ii) Calculation Agent responsible for calculating the principal and/or interest due: ☐ ☐
 - (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable; ☐ ☐
 - (iv) Specified Period(s)/Specified Interest Payment Dates: ☐ ☐

Form of the Notes and the Pricing Supplement

- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (vi) Additional Business Centre(s): []
- (vii) Minimum Rate of Interest: [] per cent. per annum
- (viii) Maximum Rate of Interest: [] per cent. per annum
- (ix) Day Count Fraction: []
19. Dual Currency Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): []
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount []
- (b) Higher Redemption Amount []
- (iv) Notice period (if other than as set out in the Conditions): []
21. Investor Put [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): []
- (iii) Notice period (if other than as set out in the Conditions): []

Form of the Notes and the Pricing Supplement

22. Final Redemption Amount [Par/specify other/see Appendix]
23. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(g)): []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: Bearer Notes
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in certain limited circumstances specified in the Permanent Global Note.]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date].
25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details] (Note that this item relates to the place of payment and not Interest Period end dates to which item 16(iii) relates)
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes amount of each payment comprising the Issue Price and date on which each payment is to be made and, if different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
28. Details relating to Instalment Notes amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
29. Redenomination applicable: Redenomination [not] applicable (if Redenomination is applicable, specify full details)
30. Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

31. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager (if any): [Not Applicable/give name]
32. If non-syndicated, name of relevant Dealer: []
33. Whether TEFRA D rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA [not] applicable]
34. Additional selling restrictions: [Not Applicable/give details]

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OPERATIONAL INFORMATION

35. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
36. Delivery: Delivery [against/free of] payment
37. Additional Paying Agent(s) (if any): []

ISIN: []
Common Code: []

[LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the £2,000,000,000 Euro Medium Term Note Programme of 3i Group plc and 3i Holdings plc.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:

By:
Duly authorised

By:
Duly authorised]

Terms and Conditions of the Notes

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer, the Guarantor (if relevant) and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with such Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and definitive Note.

This Note is one of a Series (as defined below) of notes (the notes of such Series being hereinafter called the "Notes", which expression shall mean (i) in relation to Notes represented by a Global Note, units equal to the lowest Specified Denomination in the Specified Currency, (ii) Definitive Notes issued in exchange for a Temporary or Permanent Global Note and (iii) any Global Note) constituted by a Trust Deed (as modified and/or supplemented from time to time, the "Trust Deed") dated 15th September, 1995 made between (*inter alios*) 3i Group plc ("3i Group"), 3i Holdings plc ("3i Holdings") and The Law Debenture Trust Corporation p.l.c. (the "Trustee", which expression shall include any successor as trustee). References herein to the "Issuer" shall be references to the party specified as such in the applicable Pricing Supplement (as defined below). References herein to the Guarantor shall not apply where 3i Group is the Issuer. Notes issued by 3i Holdings are guaranteed by 3i Group (in such capacity, the "Guarantor") pursuant to the terms of the Trust Deed and as described in Condition 3.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (as amended and/or supplemented from time to time, the "Agency Agreement") dated 16th July, 2001 made between 3i Group (as Issuer and Guarantor), 3i Holdings, Citibank, N.A., London office, as issuing agent, principal paying agent and agent bank (the "Agent", which expression shall include any successor as agent), the other paying agent named therein (together with the Agent, the "Paying Agents", which expression shall include any additional or successor paying agents) and the Trustee.

Interest-bearing Definitive Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons ("Coupons") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("Talons") attached on issue. Any reference in these Terms and Conditions to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes redeemable in instalments will have instalment receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue.

The Pricing Supplement in relation to this Note (or the relevant provisions thereof) is attached hereto or endorsed hereon and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the "applicable Pricing Supplement" are to the Pricing Supplement (or the relevant provisions thereof) attached hereto or endorsed hereon.

The Trustee acts for the benefit of the holders of the Notes (the "Noteholders", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the "Receiptholders") and the holders of the Coupons (the "Couponholders", which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

As used herein, "Tranche" means Notes which are identical in all respects (including as to listing) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement and each Pricing Supplement are available for inspection during normal business hours at the registered office of the Trustee, being at 16th July, 2001 at Fifth Floor, 100 Wood Street, London EC2V 7EX and at the specified office of each Paying Agent save that, in the case of

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any Pricing Supplement where the Note or Notes to which such Pricing Supplement relates are not listed on a stock exchange, such Pricing Supplement shall be available for inspection only, upon proof satisfactory to the Trustee or the relevant Paying Agent as to identity, by the holder of any Note to which such Pricing Supplement relates. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement, which are binding on them.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. Form, denomination and transfer

The Notes are in bearer form in the Specified Currency or Currencies and the Specified Denomination(s) and, in the case of Definitive Notes, are serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

If it is a Definitive Note, it is issued with Coupons and, if applicable, Receipts and/or Talons attached, unless it is a Zero Coupon Note in which case references to interest (other than interest due after the Maturity Date), Coupons and Couponholders in these Terms and Conditions are not applicable.

Without prejudice to the provisions relating to Global Notes set out below, title to the Notes, the Receipts and the Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not such Note, Receipt or Coupon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes. For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the bearer of the Global Note in accordance with and subject to its terms, or in the Trustee in accordance with the Trust Deed (and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

Any references herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Agent and the Trustee.

2. Status of the Notes

The Notes and the relative Receipts and Coupons (subject to the provisions of Condition 4) constitute direct unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among themselves, with all other existing and future unsecured and unsubordinated indebtedness of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. Guarantee of Notes issued by 3i Holdings

The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due payment of the principal and interest on the Notes issued by 3i Holdings and all other moneys payable by 3i Holdings under the Trust Deed. The guarantee (subject to the provisions of Condition 4) constitutes an unsecured obligation of the Guarantor ranking *pari passu* and rateably with all its other unsecured and unsubordinated obligations present and future but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. Negative pledge

So long as any Note remains outstanding (as defined in the Trust Deed) 3i Group shall not and shall procure that no Subsidiary (as defined in the Trust Deed) shall create or permit to subsist any mortgage, lien, pledge or other charge ("Security") upon any part of their respective undertakings or assets, present or future, (including uncalled capital) as security for any Obligation (as defined below) and 3i Group shall not permit any Material Subsidiary (as defined in Condition 11) other than 3i Holdings and 3i plc to give any guarantee of or indemnity in respect of any Obligation without in each case at the same time according to the Noteholders a *pari passu* and rateable interest in the same security and/or guarantee and/or indemnity or such other security and/or guarantee and/or indemnity or other arrangement (whether or not including the granting of security and/or a guarantee and/or an indemnity) as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall have been approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders provided that any Subsidiary acquired after 15th September, 1995 may have outstanding Security with respect to an Obligation of such Subsidiary (without the obligation to secure the Notes as aforesaid) so long as:

- (i) either such Security was outstanding on the date on which such Subsidiary became a Subsidiary and was not created in contemplation of such Subsidiary becoming a Subsidiary or such Security was created in substitution for or to replace either such outstanding Security or any such substituted or replacement Security; and
- (ii) the principal amount of the Obligation secured is not increased after the date such Subsidiary became a Subsidiary.

For the purpose of this Condition, "Obligation" means:

- (A) any present or future indebtedness of 3i Group or a Subsidiary having a stated maturity of not less than one year and represented by bonds, notes, debentures, debenture stock, loan stock or other securities which for the time being are, or are intended to be, dealt in on a stock exchange or other securities market and which either (a) is denominated or contains a right or requirement for any payment in respect thereof to be made in any currency other than Pounds sterling, or (b) is initially offered or distributed, directly or indirectly, primarily to persons resident outside the United Kingdom; and
- (B) any guarantee of any such indebtedness as is referred to in (A) above.

5. Interest

(a) Interest on Fixed Rate Notes

- (i) Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

Terms and Conditions of the Notes

- (ii) Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount(s) so specified.

As used in these Terms and Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

- (iii) If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Fixed Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if "Actual/Actual (ISMA)" is specified in the applicable Pricing Supplement:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

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(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "Business Day" means a day which is both:

- (I) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Pricing Supplement; and
- (II) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively or (2) in relation to any sum payable in euro, a day on which the TARGET System is open. In these Terms and Conditions, "TARGET

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System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(A) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fourth decimal place, 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR (as defined below), or Brussels time, in the case of EURIBOR (as defined below)) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(B) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

For the purpose of this sub-paragraph (B), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes and as published by the International Swaps and Derivatives Association, Inc. (the “ISDA Definitions”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is the period specified in the applicable Pricing Supplement; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“LIBOR”) or on the Euro-zone inter-bank offered rate

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("EURIBOR") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purpose of this sub-paragraph (B), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

When this sub-paragraph (B) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (B).

(C) Reference Bank Determination for Floating Rate Notes

Where Reference Bank Determination for Floating Rate Notes is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Agent shall request, if the Reference Rate is LIBOR, the principal London office and, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Specified Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the period specified in the Reference Rate to leading banks in the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR, as at 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question. If two or more of the Specified Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place, 0.00005 being rounded upwards) of such offered quotations plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date, where applicable, one only or none of the Specified Reference Banks provides the Agent with such an offered quotation, the Agent shall forthwith consult with the Issuer, the Guarantor (if relevant) and the Trustee for the purpose of agreeing two banks (or, where one only of the Specified Reference Banks provides such a quotation, a bank) (which bank or banks is or are in the opinion of the Trustee suitable for such purpose) to provide such a quotation or quotations to the Agent and the Rate of Interest for the relevant Interest Period shall be determined in accordance with the provisions set out above on the basis of the offered quotations of such bank as so agreed (or, as the case may be, the offered quotations of such bank as so agreed and the Specified Reference Bank) (but without exclusion as aforesaid). If no such bank or banks is or are so agreed, or such bank or banks as is or are so agreed does not or do not provide such a quotation or quotations, then the applicable Rate of Interest for the relevant Interest Period shall be the Rate of Interest determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of the Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of

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sub-paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, or the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest payable in respect of each Specified Denomination (each an "Interest Amount") for the relevant Interest Period. Each Interest Amount shall, unless otherwise specified in the applicable Pricing Supplement, be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such amount by the applicable Floating Day Count Fraction, (or Day Count Fraction in the case of Index Linked Interest Notes) and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Floating Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "Actual/365" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) *Notification of Rate of Interest and Interest Amounts*

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relative Interest Payment Date to be notified to the Trustee and to any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to be published in accordance with Condition 18 as soon as practicable after their determination but in no

event later than the fourth Business Day (as defined in Condition 5(b)(i) above) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 18.

(vi) *Determination or calculation by Trustee*

If for any reason at any time after the Issue Date the Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest in accordance with sub-paragraph (ii) or the Agent defaults in its obligation to calculate any Interest Amount in accordance with sub-paragraph (iv) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Agent or the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

(c) **Dual Currency Interest Notes**

In the case of Dual Currency Interest Notes, where the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest shall be determined in the manner specified in the applicable Pricing Supplement.

(d) **Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) **Interest accrual**

Each Note (or, in the case of redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused in which event interest will continue to accrue as provided in the Trust Deed.

6. Redemption and purchase

(a) **Final redemption**

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

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(b) Redemption for taxation reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political sub-division of, or any authority in, or of, the United Kingdom having power to tax, or any change in the application or official or generally accepted interpretation of such laws or regulations, which change or amendment becomes effective after the date on which agreement is reached to issue the first Tranche of the Notes, on the occasion of the next payment due in respect of the Notes either the Issuer would be required to pay additional amounts as provided or referred to in Condition 10 or (where applicable) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, the Issuer, with the consent of the Guarantor (if relevant), may at its option, having given not less than 30 nor more than 60 days' notice to the Trustee, the Agent and the Noteholders in accordance with Condition 18 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on the next Interest Payment Date (if this Note is a Floating Rate Note or an Index Linked Interest Note) at their Early Redemption Amount referred to in paragraph (g) below together, if applicable, with interest accrued to (but excluding) the date of redemption, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer or (where applicable) the Guarantor would be required to pay the additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer and/or (where applicable) two Directors of the Guarantor stating that the requirement referred to above will apply on the occasion of the next payment due in respect of the Notes and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, Receiptholders and Couponholders.

(c) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, with the consent of the Guarantor (if relevant), having given (unless otherwise specified in the applicable Pricing Supplement) not less than 30 nor more than 60 days' notice to the Trustee, the Agent and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable), redeem all or some only (as specified in the applicable Pricing Supplement) of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) as specified in, or determined in the manner specified in, the applicable Pricing Supplement, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly. In the event of a redemption of some only of the Notes, such redemption must be for an amount not less than the Minimum Redemption Amount or not higher than the Higher Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by Definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 18 not less than 30 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of all Notes outstanding, in each case on the Selection Date, provided that any such nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the lowest Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 18 at least 30 days prior to the Selection Date.

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(d) Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Pricing Supplement, upon the holder of this Note (unless otherwise specified in the applicable Pricing Supplement) giving to the Issuer, in accordance with Condition 18, not less than 30 nor more than 60 days' notice (which notice shall be irrevocable), the Issuer shall, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole (but not in part), such Note on any Optional Redemption Date and at the relevant Optional Redemption Amount(s) as specified in, or determined in the manner specified in, the applicable Pricing Supplement, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver this Note, on any Business Day (as defined in Condition 5(b)(i)) falling within the notice period, to the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

(e) Purchases

The Issuer with the consent of the Guarantor (if relevant), the Guarantor or any Subsidiary may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts and Coupons appertaining thereto are surrendered therewith) in any manner and at any price. If purchases are made by tender, tenders must be available to all Noteholders alike.

(f) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraphs (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (g)(iii) below as though the references therein to the date fixed for redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (ii) the day after the date on which the full amount of moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders either in accordance with Condition 18 or individually.

(g) Early Redemption Amounts

For the purposes of paragraph (b) above and Condition 11, the Notes will be redeemed at an amount (the "Early Redemption Amount") determined or calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes but including Instalment Notes and Partly Paid Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Pricing Supplement, or, if no such amount or manner is so set out, at their nominal amount; or

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- (iii) in the case of Zero Coupon Notes, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

(h) Instalments

Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (g) above. In the case of Definitive Notes, all instalments (other than the final instalment) will be paid against surrender of the relevant Receipt (which must be presented with the Definitive Note to which it appertains) and in the case of the final instalment against surrender of the relevant Definitive Note, all as more fully described in Condition 7.

(i) Cancellation

All Notes which are redeemed in full will forthwith be cancelled (together with, in the case of Definitive Notes, all unmatured Receipts and Coupons presented therewith) and accordingly may not be re-issued or resold. Notes purchased by the Issuer, the Guarantor or any Subsidiary may be held, resold or cancelled.

7. Payments

(a) Method of payment

Subject as provided below:

- (i) payments in a currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the holder, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.

(b) Presentation of Notes, Receipts and Coupons

Subject as provided below, payments in respect of principal and interest (if any) in respect of Definitive Notes (if issued) will be made against surrender (or, in the case of part payment only, endorsement) of the Definitive Notes or, as the case may be, Coupons, in each case, at any specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia, its territories, its possessions and other areas subject to its

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jurisdiction)). Payments of instalments (if any) of principal, other than the final instalment, will (subject as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. If any Definitive Note is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable only on surrender of such Note together with all unmatured Receipts appertaining thereto. Receipts presented without the Definitive Note to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer.

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made on such Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by such Paying Agent and such records shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of the relevant Global Note (or the Trustee, as the case may be). No person other than the holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer or, as the case may be, the Guarantor in respect of any payments due on that Global Note.

Notwithstanding the foregoing, payments of interest in U.S. dollars will be made at the specified office of any Paying Agent in the United States (1) if (a) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due, (b) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (c) such payment is then permitted under United States law and/or (2) at the option of the relevant holder if the payment is then permitted under United States law without involving, in the opinion of the Issuer or the Guarantor, adverse tax consequences for the Issuer or the Guarantor.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Index Linked Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons), failing which an amount equal to the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupons as the sum so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of ten years after the relevant date (as defined in Condition 10) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 12) or, if later, five years from the date on which such Coupon would otherwise have become due.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Note, Dual Currency Note or Index Linked Note in definitive form, all unmatured Coupons and Talons (if any) relating to such Note (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any interest-bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such interest-bearing Note from (and

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including) the last preceding due date for the payment of interest (or from (and including) the Interest Commencement Date, as the case may be) will be paid only against surrender of such interest-bearing Note.

(c) Payment Day

If any date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day (as defined below), then the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition (unless otherwise specified in the applicable Pricing Supplement), "Payment Day" means any day which (subject to Condition 13) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation, London and any Additional Business Centre specified in the applicable Pricing Supplement; and
- (ii) a Business Day (as defined in Condition 5(b)(i)).

(d) Interpretation of principal and interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 10 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Accrued Face Amount;
- (vii) any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes; and
- (viii) in relation to Dual Currency Notes, the principal payable in any relevant Specified Currency.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

8. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 12. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

9. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below. In the event of the appointed office of the Agent being unable or unwilling to continue to act as the Agent, or failing duly to determine the Rate of Interest (if applicable) or to calculate the Interest Amounts for any Interest Period, the Issuer and the Guarantor shall appoint the London office of such other bank as may be approved by the Trustee to act as such in its place as Agent. The Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid. The Issuer and the Guarantor may, with

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the prior approval of the Trustee, vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts provided that the Issuer will, so long as any of the Notes is outstanding, maintain a Paying Agent (which may be the Agent) having a specified office in a city approved by the Trustee in continental Europe and, so long as any of the Notes are listed on or admitted to any stock exchange, a Paying Agent (which may be the Agent) having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority or authorities.

If any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to such Directive is introduced, the Issuer and the Guarantor will ensure that they maintain a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to any such Directive or law.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the fourth paragraph of Condition 7(b). Notice of any such variation, termination, appointment or change will be given by the Issuer to the Noteholders in accordance with Condition 18.

10. Taxation

All payments of principal and interest (if any) in respect of the Notes, Receipts and Coupons will be made without withholding of or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the United Kingdom or any political sub-division thereof or by any authority therein or thereof having power to tax, unless the Issuer or, as the case may be, the Guarantor is compelled by law to withhold or deduct any such taxes, duties, assessments or governmental charges. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders, Receiptholders and Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes and/or Receipts and/or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amount shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment in the United Kingdom; or
- (ii) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom otherwise than by reason only of his holding such Note, Receipt or Coupon; or
- (iii) presented for payment by or on behalf of a holder who would not be liable or subject to such withholding or deduction if he were to make a declaration of non-residence or other similar claim for exemption but fails to do so; or
- (iv) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (v) presented for payment more than 30 days after the relevant date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days assuming that day to have been a Payment Day; or
- (vi) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

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For this purpose, the "relevant date" means whichever is the later of the date on which the moneys in respect of the Note, Receipt or Coupon (as the case may be) first become due and payable and, if the full amount of the moneys payable on such date has not been received by the Agent or the Trustee on or prior to such date, the date on which such moneys shall have been so received and notice to that effect shall have been given to the Noteholders in accordance with Condition 18.

11. Events of Default and enforcement

- (a) The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified to its satisfaction), (but, in the case of the happening of any of the events mentioned in sub-paragraphs (ii) to (vii) inclusive below (other than the winding up or the appointment of an administrative or other receiver of the whole or any material part of the undertaking or assets of the Issuer or the Guarantor) only if the Trustee shall have certified in writing that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer that the Notes are, and they shall accordingly thereby immediately become, due and repayable at their Early Redemption Amount (together with interest accrued to the date upon which, the Early Redemption Amount of the Notes having been received by the Agent or the Trustee, notice is duly given to the Noteholders in accordance with Condition 18) if any of the following events shall occur and be continuing:
- (i) default is made for a period of seven days or more in the payment of any principal due on the Notes or any of them or 21 days or more in the payment of any interest due on the Notes or any of them; or
 - (ii) an order is made or an effective resolution passed for winding up the Issuer, the Guarantor or any Material Subsidiary (except, in the case of a Material Subsidiary, a winding up for the purpose of a reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or a voluntary solvent winding up in connection with the transfer of all or the major part of the business, undertaking and assets of such Material Subsidiary to 3i Group or another Subsidiary) or an administration order is made in relation to the Issuer, the Guarantor or any Material Subsidiary; or
 - (iii) if 3i Group or any Material Subsidiary ceases to carry on the whole of its business or (in the case of 3i Group) a substantial part of its business or (in the case of a Material Subsidiary) substantially the whole of its business (except (1) (in each case) where such cessation is for the purpose of a reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or (2) (in the case of 3i Group) where such cessation is in connection with the transfer of all or a substantial part of the business of 3i Group to a Material Subsidiary or a sale of assets of 3i Group at fair market value where the proceeds of such sale are reinvested in the business of 3i Group or (3) (in the case of a Material Subsidiary) where such cessation is in connection with a solvent winding up of such Material Subsidiary (provided such Material Subsidiary is not the Issuer) or the transfer of the whole or substantially the whole of the business of such Material Subsidiary to 3i Group or to any company which is at the time thereof or will immediately thereafter be a wholly-owned Subsidiary or a sale of assets of such Material Subsidiary at fair market value where the proceeds of such sale are reinvested in the business of 3i Group or any wholly-owned Subsidiary);
 - (iv) an encumbrancer takes possession or an administrative or other receiver is appointed of the whole or any material part of the undertaking or assets of the Issuer, the Guarantor or any Material Subsidiary or a distress or execution is levied or enforced upon or sued out against all or any material part of the assets of the Issuer, the Guarantor or any Material Subsidiary and is not removed, discharged or paid out within 30 days; or
 - (v) the Issuer, the Guarantor or any Material Subsidiary stops or threatens to stop making payments of its debts generally or is deemed to be unable to pay its debts within the meaning of Section 123(1)(e) and Section 123(2) of the Insolvency Act 1986 of Great Britain; or
 - (vi) any indebtedness for moneys borrowed (as defined in the Trust Deed) of the Issuer, the Guarantor or any Material Subsidiary is not paid on its due date where there is no applicable grace period or, if

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there is an originally applicable grace period, by the expiry of such period or becomes due and payable prior to the stated maturity by reason of a default or any guarantee of any indebtedness for moneys borrowed of any third party given by the Issuer, the Guarantor or any Material Subsidiary is not honoured when due and called upon or any security created by any debenture, mortgage or charge created by the Issuer, the Guarantor or any Material Subsidiary becomes enforceable and steps are taken to enforce the same provided that no such event shall constitute an event of default unless the indebtedness for moneys borrowed or the amount so secured and in respect of which such enforcement steps are taken either alone or when aggregated with other such indebtedness for moneys borrowed and amounts so secured shall be equal to or exceed the Specified Amount; or

- (vii) default is made by the Issuer or the Guarantor in the performance or observance of any obligation, condition or provision binding on it under the Notes or the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the Notes) and, except where such default is incapable of remedy, such default continues for 30 days after written notice thereof by the Trustee to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied has been given; or
- (viii) (save where 3i Group is the Issuer) the guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect.

For the purpose of this Condition:

- (1) "Material Subsidiary" means any Subsidiary in relation to which the proportion attributable to 3i Group of the net assets of such Subsidiary as shown by its most recent audited accounts is equal to at least 10 per cent. of the sum of the amount of the consolidated net assets of 3i Group and the Subsidiaries attributable to the members of 3i Group as shown by the most recent published audited consolidated accounts of 3i Group and the Subsidiaries (the "Relevant Accounts") and the amount of such proportion to the extent that the same is not actually consolidated in the Relevant Accounts and so that any necessary translation of currencies shall be effected on the same basis and as at the same date as are applied in drawing up the Relevant Accounts.
- (2) "Specified Amount" shall mean the greater of (a) £20,000,000 (or its equivalent in any other currency or currencies) and (b) such amount in Pounds sterling (or its equivalent in any other currency or currencies) as is equal to one per cent. of the aggregate of (i) the nominal amount of the share capital of 3i Group for the time being issued and paid up or credited as paid up, (ii) the amounts standing to the credit of the reserves (including any share premium account and profit and loss account) of 3i Group and the Subsidiaries and (iii) any amounts attributable to minority interests in such Subsidiaries, all as shown in the latest audited consolidated balance sheet of 3i Group and the Subsidiaries prepared in accordance with generally accepted accounting principles in the United Kingdom less (iv) any amounts, determined in accordance with generally accepted accounting principles in the United Kingdom, representing distribution of cash or tangible assets declared, recommended or made by 3i Group or any of the Subsidiaries (other than any distribution attributable to 3i Group or another Subsidiary) out of profits accrued prior to the date of, and not provided for in, the latest audited consolidated balance sheet of 3i Group and the Subsidiaries and less (v) any amounts shown in such latest audited consolidated balance sheet (y) attributable to intangible assets and (z) in respect of any debit on profit and loss account.

A certificate of the Auditors (as defined in the Trust Deed) as to the Specified Amount shall, in the absence of manifest error, be conclusive and binding on all parties.

- (3) "substantial part" means 10 per cent. or more of the consolidated gross assets of 3i Group and the Subsidiaries taken as a whole.
- (b) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the

Terms and Conditions of the Notes

Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

12. Prescription

The Notes, Receipts and Coupons (which for this purpose shall not include the Talons) will become void unless presented for redemption or payment within a period of ten years (in the case of Notes and Receipts) and five years (in the case of Coupons), in each case from the relevant date (as defined in Condition 10) in respect thereof, subject to the provisions of Condition 7. There shall not be included in any Coupon sheet issued on exchange of a Talon, any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7 or any Talon which would be void pursuant to Condition 7.

13. Meetings of Noteholders, modification and waiver

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions as modified and completed by the applicable Pricing Supplement or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain of these Terms and Conditions as modified and completed by the applicable Pricing Supplement and of the provisions of the Trust Deed the quorum will be one or more persons holding or representing not less than three-quarters, or at any adjourned such meeting not less than one-half, of the nominal amount of the Notes for the time being outstanding.

An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee may (subject to certain exceptions) agree, without the consent of the Noteholders, Receiptholder or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed or these Terms and Conditions as modified and completed by the applicable Pricing Supplement which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or which is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation shall be binding on the Noteholders, Receiptholders and Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders, Receiptholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or the Guarantor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 10 and/or any undertaking given in addition to, or in substitution for, Condition 10 pursuant to the Trust Deed.

14. Substitution

The Trustee may also agree without the consent of the Noteholders, Receiptholders or Couponholders to the substitution of (i) any Subsidiary, whether or not incorporated in the United Kingdom, in place of the Issuer (or of any previous substitute under this Condition) or (ii) 3i Group in place of 3i Holdings as the principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons. In the case of the substitution of any Subsidiary as a new principal debtor, the Trust Deed provides that an irrevocable and unconditional guarantee is given by the Guarantor to the Trustee in a form and manner satisfactory to the Trustee of the payment of all

Terms and Conditions of the Notes

moneys payable by such substituted company as such principal debtor, all subject to and in accordance with the provisions of the Trust Deed. The Trustee may also agree without the consent of the Noteholders, the Receipholders or the Couponholders to the addition of another company as an issuer of Notes under the Programme and the Trust Deed. Any such addition shall be subject to the relevant provisions of the Trust Deed and to such amendment thereof and such other conditions as the Trustee may require. Any such substitution and addition shall be binding on the Noteholders, the Receipholders and the Couponholders and shall be notified to the Noteholders in accordance with Condition 18 as soon as practicable thereafter.

The Trust Deed does not contain any provisions for the substitution of the Guarantor.

15. Further issues

The Issuer is at liberty from time to time without the consent of the Noteholders, Receipholders or Couponholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save in relation to the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes. The Trust Deed contains provisions for convening a single meeting of holders of Notes of more than one Series in certain circumstances where the Trustee so decides.

16. Replacement of Notes, Receipts, Coupons and Talons

If a Note (including any Global Note), Receipt, Coupon or Talon is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Agent on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before new ones will be issued.

17. Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from taking proceedings to enforce payment unless indemnified to its satisfaction.

18. Notices

All notices regarding the Notes will be valid if published in one leading daily newspaper in London (which is expected to be the *Financial Times*) or, if this is not possible, in one other leading English language daily newspaper with general circulation in Europe. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication or, if required to be published in more than one newspaper, on the date of the first such publication in all the required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

Until such time as any Definitive Notes are issued, there may (provided that, in the case of Notes listed on a stock exchange, the stock exchange agrees), so long as any Global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice shall be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Terms and Conditions of the Notes

19. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right of remedy of any person which exists or is available apart from that Act.

20. Governing law and jurisdiction

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons are governed by, and will be construed in accordance with, English law.

Use of Proceeds

The net proceeds from each issue of Notes will be used for the general corporate purposes of the Group.

Description of 3i Group plc

Introduction

3i Group plc was incorporated in England in 1973 under the name of Finance for Industry Limited and adopted the name Investors in Industry Group plc in 1983. It adopted its present name, 3i Group plc, in 1988. 3i Group was formed to acquire the whole of the issued share capital of Finance Corporation for Industry Limited ("FCI") and of Industrial and Commercial Finance Corporation Limited ("ICFC"). Both ICFC and FCI were formed in 1945 at the request of the United Kingdom Government to supply long term and medium term capital respectively to British industry and commerce. ICFC was established to satisfy the need for a specialised financing vehicle to provide share and loan capital for small and medium-sized businesses and FCI was formed as a means of supporting the post-war reconstruction of British industry by providing medium term loans to large companies. Today the principal activities of the 3i group are investment and investment management. It invests in a wide range of businesses. 3i Group is now Europe's leading venture capital company. The 3i group has 31 offices in Europe, Asia Pacific and the USA.

3i Group's interest in the shares of substantially all its subsidiaries is held by its wholly-owned subsidiary, 3i Holdings plc. 3i Investments plc, an indirect wholly-owned subsidiary of 3i Group, acts as investment manager and adviser to 3i Group. 3i plc provides secretarial and administration services to the 3i group.

3i Group is authorised and regulated by the Financial Services Authority to accept deposits. 3i Investments plc and 3i Japan GP Limited, both wholly-owned subsidiaries of 3i Group, are authorised and regulated by the Financial Services Authority to manage investments and operate collective investment schemes.

On 18th July, 1994 the issued shares of 50 pence each in the capital of 3i Group were admitted to the Official List of the UK listing authority.

Description of 3i Group plc

Capitalisation and indebtedness

The following table sets out the audited consolidated capital and reserves and borrowings of the 3i group as at 31st March, 2003 and has been extracted without material adjustment from the Report and Accounts of the 3i group for the year ended 31st March, 2003.

	As at 31st March, 2003 (£m)
Capital and reserves	
Authorised share capital, 820,000,000 ordinary shares of 50p each and 1,000,000 unclassified shares of 10p each	
Issued share capital, 610,918,253 shares of 50p each, fully paid.....	305
Share premium.....	349
Capital Redemption Reserve.....	1
Capital Reserve.....	1,940
Revenue reserve.....	341
	<hr/> 2,936 <hr/>
Borrowings unsecured	
3i Group plc	
Variable rate notes.....	1
Notes issued under the £2,000m Note Issuance Programme.....	829
3i plc	
Variable rate notes.....	1
3i Holdings plc	
Guaranteed Notes issued under the £2,000m Note Issuance Programme.....	202
3i International B.V.	
Sterling guaranteed bonds.....	150
Other borrowings	
Bank loans and overdrafts.....	423
Other loans and hire purchase commitments.....	147
Deposits.....	22
	<hr/> 1,775 <hr/>
Subordinated liabilities	51
Total borrowings and subordinated liabilities	<hr/> 1,826 <hr/>

Notes:

- (1) The 3i group had an outstanding amount of £19m in contingent liabilities relating to the guarantee of recourse agreements and loans at 31st March, 2003. All of the 3i group's indebtedness is unsecured. None of the above indebtedness has been guaranteed by undertakings outside the 3i group.
- (2) Between 31st March, 2003 and 14th July, 2003, the issued share capital of 3i Group has been increased by £228,608 following the issue since that date of 457,216 fully paid shares of 50p each on the exercise of share options under The 3i Executive Share Option Plan, The 3i Group 1994 Executive Share Option Plan and The 3i Group Share Incentive Plan and in connection with the acquisition of SFK Finance Oy.
- (3) Subordinated liabilities comprise limited recourse funding from Kreditanstalt für Wiederaufbau, a German federal bank. This funding, which individually finances investment assets, is at various fixed rates of interest and maturity is dependent upon the disposal of the associated assets. This funding is subordinated to other creditors of the individual group undertakings to which these funds have been advanced.
- (4) Save as disclosed above and apart from intra-Group indebtedness and guarantees, 3i Group did not have at 31st March, 2003 any loan capital outstanding or created but unissued, term loans, borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.
- (5) The amount referred to in "Other borrowings" (Bank loans and overdrafts) includes SEK 2,350m drawn down by 3i Holdings plc and SEK 2,400m drawn down by 3i Group under a £360m syndicated multi-currency revolving credit facility.
- (6) Save as noted above there has been no material change in the consolidated capitalisation, indebtedness, contingent liabilities or guarantees of 3i Group since 31st March, 2003.

Description of 3i Group plc

Shareholders

3i Group has been notified of the following interests in the share capital of 3i Group in accordance with sections 198 to 208 of the Companies Act 1985 as at 14th July, 2003:

	Shareholding percentage
FMR Corp. and Fidelity International Limited and their subsidiary companies.....	9.79
Prudential plc and subsidiary companies.....	5.96
Legal & General Investment Management Limited.....	3.42
Scottish Widows Investment Partnership Limited.....	2.98

Business

The principal activity of the 3i group is investment. As Europe's leading venture capital company 3i Group invests in a wide range of growing independent businesses. The 3i group's approach is to seek to add value to the businesses in which it invests through its extensive experience, resources and contacts.

The 3i group normally expects the management of the businesses in which it invests to have a financial and personal commitment to the venture concerned and to constitute a complete and experienced team.

Frequently it takes rights in its investment agreements to nominate independent non-executive directors.

3i Group owns substantially all the investments of the 3i group. In Europe the 3i group operates through a network of 27 offices situated in the UK, Austria, Denmark, Finland, France, Germany, Italy, the Netherlands, Spain, Sweden and Switzerland.

The 3i group also has offices in Hong Kong and Singapore. The 3i group has two specialist technology investment offices in Boston, Massachusetts and Menlo Park, California.

The 3i group manages a number of funds established with major institutions and pension funds to make equity and equity related investments in unquoted businesses in Europe and Asia Pacific.

3i Investments plc is involved in the management of the 3i group's portfolio of quoted investments and manages 3i Smaller Quoted Companies Trust plc, 3i Bioscience Investment Trust plc and 3i European Technology Trust plc. It also manages the 3i Group Pension Plan.

Management

Board of Directors

The Directors of 3i Group, their functions within the 3i group and their activities outside the 3i group, where these are significant, are as follows:

Baroness Hogg

Chairman since January 2002 and non-executive Director since 1997. Chairman of the Nominations Committee and the Valuations Committee and a member of the Remuneration Committee.

Chairman of Frontier Economics Limited. A director of GKN plc, Carnival Corporation and Carnival plc. A Governor of the BBC.

Oliver Stocken

Deputy Chairman since January 2002, Senior Independent Director since July 2002 and a non-executive Director since 1999. Chairman of the Audit and Compliance Committee and of the trustees of the 3i Group Pension Plan. A member of the Remuneration Committee, the Nominations Committee and the Valuations Committee

A director of GUS plc, Pilkington plc, The Rank Group plc, Novar plc and Stanhope plc. Formerly Finance Director of Barclays plc.

Brian Larcombe

Chief Executive since 1997 having been an Executive Director since 1992. A member of the Valuations Committee and the Nominations Committee.

A director of Smith & Nephew plc. Past Chairman of the British Venture Capital Association.

Description of 3i Group plc

Dr John Forrest CBE FREng

Non-executive Director since 1997. Chairman of the Remuneration Committee and a member of the Audit and Compliance Committee, the Nominations Committee and the Valuations Committee.

Martin Gagen ACA

Executive Director since 1997, responsible for US and Asia Pacific Investment.

Christine Morin-Postel

Non-executive Director since September 2002. A member of the Audit and Compliance Committee and the Nominations Committee.

A director of Tractebel, Société Générale de Belgique and Arlington Capital Investors (Europe).

Rod Perry CEng MIEE

Executive Director since 1999, responsible for Group Services and technology activities worldwide.

Michael Queen FCA

Executive Director since 1997, responsible for finance and a member of the Valuations Committee.

Danny Rosenkranz

Non-executive Director since 2000 and a member of the Audit and Compliance Committee, the Remuneration Committee and the Nominations Committee.

Chairman of Foseco (Jersey) Limited and Pecaso Limited.

Fred Steingraber

Non-executive Director since January 2002 and a member of the Nominations Committee.

A Director of Maytag Corporation and John Hancock Financial Trends Fund and a member of the Continental AG Supervisory Board.

The business address of each of the above in respect of 3i Group plc is 91 Waterloo Road, London SE1 8XP.

Details of the Directors and their directorships are stated as at the close of business at 14th July, 2003.

Employees

The average monthly number of employees of 3i Group and its subsidiaries during the year ended 31st March, 2003 was 922.

3i Holdings plc

Business and Incorporation

3i Holdings plc is the main intermediate holding company in the 3i group and holds directly or indirectly a very large majority of the members of the 3i group. Subsidiaries of note are 3i Investments plc which is authorised and regulated by the Financial Services Authority and 3i plc the main UK employer and UK service providing company.

Management

The directors of 3i Holdings plc are B.P. Larcombe, R.W. Perry, M.J. Queen, C.P. Rowlands, J.B.C. Russell and P. Waller. The activities of the Directors outside the Group, where these are significant, are disclosed on page 39. The business address of each of them is 91 Waterloo Road, London SE1 8XP.

Capitalisation and indebtedness

The following table sets out the audited share capital and reserves and borrowings of 3i Holdings plc as at 31st March, 2003:

	As at 31st March, 2003 (£m)
Share capital and reserves	
Authorised share capital, 1,000,000 shares of £1 each	
Issued share capital, 1,000,000 shares of £1 each, fully paid	1.0
Profit and loss account reserve.....	76.3
	<hr/> 77.3 <hr/>
Borrowings unsecured	
Notes issued under this Note Issuance Programme	202.2
Guaranteed Bank loans and overdrafts	175.0
	<hr/> 377.2 <hr/>

Notes:

- (1) Save as disclosed above, apart from intra-Group indebtedness and guarantees, 3i Holdings plc did not have at 31st March, 2003 any loan capital outstanding or created but unissued, term loans, borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities. All of 3i Holdings plc's indebtedness is unsecured and guaranteed by 3i Group plc.
- (2) Guaranteed Bank loan and overdrafts includes SEK 2,350 million drawn under a £360 million syndicated multi-currency revolving credit facility guaranteed by 3i Group plc.
- (3) There has been a decrease of £7.8 million in the capitalisation since 31st March, 2003. This is attributable to unrealised exchange rate movements and timing differences in respect of dividend income.
- (4) Save as noted above, there has been no material change in the indebtedness, contingent liabilities or guarantees of 3i Holdings plc since 31st March, 2003.

Taxation

United Kingdom Taxation

Under current law and Inland Revenue practice in the United Kingdom:

1. 3i Group, provided that it continues to be a bank within the meaning of Section 840A of the Income and Corporation Taxes Act 1988 (the "Taxes Act"), and provided that the interest on the Notes is paid in the ordinary course of its business within the meaning of section 349 of the Taxes Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.
2. United Kingdom withholding tax (including such withholding or deduction for or on account of tax by issuers, paying agents and collecting agents) was abolished in relation to interest payments made (or, in the case of collecting agents, received) on or after 1st April, 2001 in respect of securities listed on a "recognised stock exchange", as defined in section 841 of the Taxes Act. The London Stock Exchange is such a recognised exchange. Under an Inland Revenue published practice, securities will be treated as listed on the London Stock Exchange if they are admitted to the Official List by the United Kingdom Listing Authority and admitted to trading by the London Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.
3. Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid to a person who belongs in the United Kingdom and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest at the time the payment is made, provided that the Inland Revenue has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the beneficial owner is not within the charge to United Kingdom corporation tax in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.
4. Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days.
5. In all other cases, an amount must be withheld from payments of interest on the Notes on account of United Kingdom income tax at the lower rate (currently 20 per cent.), subject to any direction to the contrary by the Inland Revenue under an applicable double taxation treaty.
6. Noteholders who are individuals may wish to note that the Inland Revenue has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. The Inland Revenue also has the power to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are relevant discounted securities for the purposes of the Finance Act 1996 to or receives such amounts for the benefit of an individual. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by the Inland Revenue with the tax authorities of other jurisdictions.

The above applies only to persons who are the beneficial owners of Notes and is a summary of the Issuers' understanding of current law and practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of the Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuers) to whom special rules may apply. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Proposed EU Savings Directive on the Taxation of Savings Income

On 3rd June, 2003, the European Council of Economics and Finance Ministers agreed on proposals under which Member States will be required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead be required to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The proposals are anticipated to take effect from 1st January, 2005.

Subscription and Sale

The Dealers have, in a Programme Agreement dated 15th July, 2002 (the "Programme Agreement"), agreed with each Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. In the Programme Agreement, the Issuers (and in the case of 3i Holdings, failing which the Guarantor) have agreed to reimburse the Arranger for certain of its expenses in connection with the establishment of the Programme.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Whether or not otherwise permitted by Regulation S or U.S. tax laws, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer, sell or deliver any Notes, as part of their distribution at any time or otherwise at any time that it is acting as an agent or intermediary of the relevant Issuer or any of its affiliates and, in any event until 40 days after the completion of the distribution, as determined by the Agent, of all notes of the Tranche of which the Notes are a part within the United States or to, or for the account or benefit of, U.S. persons or U.S. Residents (as defined below), and it will have sent to each dealer to which it sells Notes during the relevant distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons or U.S. Residents.

As used herein, "U.S. Resident" includes any U.S. person, as well as (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a U.S. person over which a non-U.S. fiduciary has investment discretion or any entity, which, in either case, is being used to circumvent the registration requirements of the U.S. Investment Company Act of 1940, and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not U.S. persons. In addition, for these purposes, if an entity either has been formed or is operated for the purpose of investing in the Notes or in other securities of the Issuers, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the Notes will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity, and thus such beneficiaries or other interest holders must not be U.S. Residents. Terms used in this paragraph have the meanings given to them in Regulation S under the Securities Act.

As used herein, "United States" and "U.S." mean the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not and will not make use of the United States mails or any means or instrumentality of United States interstate commerce, directly or indirectly, to offer for sale, sell or deliver after sale, in connection with the offering, any Notes, and it will have sent to each dealer to which it sells Notes during the relevant distribution compliance period a confirmation or other notice setting forth such prohibitions on use of means of U.S. interstate commerce.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Subscription and Sale

Each issue of Index Linked Interest Notes or Dual Currency Interest Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to Notes which have a maturity of one year or more and which are to be admitted to the Official List and admitted to trading on the London Stock Exchange's market for listed securities, it has not offered or sold and will not offer or sell any such Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part VI of the Financial Services and Markets Act 2000 (the "FSMA") except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) or the FSMA;
- (b) in relation to Notes which have a maturity of one year or more and which are not to be admitted to the Official List and admitted to trading on the London Stock Exchange's market for listed securities, it has *not offered or sold and, prior to the expiry of the period of six months from the issue date of such Notes, will not offer or sell* any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);
- (c) in relation to any Notes issued by 3i Holdings having a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) *it has not offered or sold and will not offer or sell* any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (d) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) *received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and*
- (e) *it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.*

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law") and each Dealer has agreed and each further Dealer appointed under this Programme will be required to agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan.

Subscription and Sale

Germany

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the Federal Republic of Germany other than in compliance with the German Securities Selling Prospectus Act (Wertpapierverkaufsprospektgesetz) of 13th December, 1990, as amended, or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

The Republic of France

Each of the Dealers, the Issuers and the Guarantor has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed and will not distribute or cause to be distributed to the public in France this Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall be made in France only to qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in and in accordance with Articles L.411-1 and L.411-2 of the Code Monétaire et Financier and *décret* no. 98-880 dated 1st October, 1998.

The Netherlands

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in The Netherlands any Notes with a denomination of less than €50,000 (or its foreign currency equivalent) other than to persons who trade or invest in securities in the conduct of a profession or business (which include banks, stockbrokers, insurance companies, pension funds, other institutional investors and finance companies and treasury departments of large enterprises) unless one of the other exemptions from or an exception to the prohibition contained in article 3 of the Dutch Securities Transactions Suspension Act 1995 ("Wet toezicht effectenverkeer 1995") is applicable and the conditions attached to such exemption or exception are complied with.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will, in the case of the jurisdictions referred to above (and to the best of its knowledge and belief in respect of other jurisdictions), comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor and any other Dealer shall have any responsibility therefor.

None of the Issuers, the Guarantor and the Dealers has represented and any further Dealer appointed under the Programme will not be required to represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

General Information

1. Listing

The admission of the Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and admitted to trading on the London Stock Exchange's market for listed securities will be admitted separately as and when issued, subject only to the issue of a temporary global Note initially representing the Notes of that Tranche. The listing of the Programme is expected to be granted on 21st July, 2003.

2. Authorisation

The establishment of the Programme (including the giving of the guarantee by 3i Group plc) has been authorised by the resolutions of the Board of the Directors of 3i Group plc passed on 29th March, 1995 and by the resolutions of a duly authorised committee of such Board passed on 4th September, 1995. The establishment of the Programme has been authorised by the resolutions of the Board of Directors of 3i Holdings plc passed on 4th September, 1995.

3. Euroclear and Clearstream, Luxembourg

The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The appropriate Common Code and ISIN for each Tranche will be specified in the applicable Pricing Supplement. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction.

If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

4. Significant or Material Adverse Change

There has been no significant change in the financial or trading position of any Issuer and its subsidiaries taken as a whole and no material adverse change in the financial position or prospects of any Issuer and its subsidiaries taken as a whole since 31st March, 2003. There has been no significant change in the financial or trading position of the Guarantor and its subsidiaries taken as a whole and no material adverse change in the financial position or prospects of the Guarantor and its subsidiaries taken as a whole since 31st March, 2003.

5. Legal Proceedings

None of the Issuers, the Guarantor or any of their subsidiaries is involved or has been involved in any legal or arbitration proceedings which may have, or have had during the previous 12 months, a significant effect upon the financial position of any Issuer or of the Guarantor and their subsidiaries taken as a whole nor, so far as any of the Issuers or the Guarantor is aware, are any such legal or arbitration proceedings pending or threatened.

6. Auditors

The consolidated accounts of 3i Group for the year ended 31st March, 2001 have been audited without qualification, in accordance with Auditing Standards issued by the Auditing Practices Board, by Ernst & Young and have been delivered to the Registrar of Companies. The consolidated accounts of 3i Group for the years ended 31st March, 2002 and 31st March, 2003 have been audited, without qualification, in accordance with Auditing Standards issued by the Auditing Practices Board, by Ernst & Young LLP. The accounts for the year ended 31st March, 2002 have been delivered to the Registrar of Companies, however, those for the year ended 31st March, 2003 have not yet been delivered to the Registrar of Companies.

The accounts of 3i Holdings plc for the year ended 31st March, 2001 have been audited without qualification, in accordance with Auditing Standards issued by the Auditing Practices Board, by Ernst & Young and have been delivered to the Registrar of Companies. The accounts of 3i Holdings plc for the years ended 31st March, 2002 and 31st March, 2003 have been audited, without qualification, in accordance with Auditing Standards issued by the Auditing Practices Board, by Ernst & Young LLP. The accounts for the year ended 31st March, 2002 have been delivered to the Registrar of Companies, however, those for the year ended 31st March, 2003 have not yet been delivered to the Registrar of Companies.

The audit reports in respect of 3i Group and 3i Holdings for the financial year ended 31st March, 2003 both stated that they were made solely to 3i Group's and 3i Holdings' (as applicable) members, as a body, in accordance with section 235 of the Companies Act 1985, that the audit work was undertaken so that the

General Information

auditors might state to 3i Group's and 3i Holdings' (as applicable) members those matters they were required to state to them in an auditors' report and for no other purpose and that to the fullest extent permitted by law, the auditors did not accept or assume responsibility to anyone other than 3i Group and its members and 3i Holdings and its members, (as applicable) as a body, for the audit work, for the report, or for the opinions formed.

The financial information contained in this Offering Circular does not, with regard to 3i Group plc and 3i Holdings plc, constitute statutory accounts (within the meaning of section 240 of the Companies Act 1985) for any year or other period.

The Trust Deed will provide that the Trustee may rely on certificates or reports from the Auditors (as defined in the Trust Deed) in accordance with the provisions of the Trust Deed whether or not called for by or addressed to the Trustee and whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Auditors in connection therewith contains a monetary or other limit on the liability of the Auditors.

7. Documents Available for Inspection and Collection

From the date of this document, for so long as any of the Notes remains outstanding and throughout the life of the Programme, copies of the following documents will, when published, be available for collection from the registered office of the relevant Issuer and for inspection at the specified office of the Paying Agent in London:

- (i) the constitutional documents of each Issuer and the Guarantor;
- (ii) the annual report and accounts of the Guarantor and its subsidiaries in respect of the financial years ended 31st March, 2001, 2002 and 2003 respectively;
- (iii) the annual report and accounts of each Issuer (other than the Guarantor) in respect of the financial years ended 31st March, 2001, 2002 and 2003 respectively;
- (iv) any published semi-annual report and accounts or interim financial statements of the Guarantor and its subsidiaries and each other Issuer (if published later than the most recently published annual report and accounts) and each published annual report and accounts of the Guarantor and its subsidiaries and each other Issuer from time to time subsequent to those referred to in (ii) and (iii) above respectively;
- (v) the Programme Agreement, the Agency Agreement, the Trust Deed (which includes the forms of the temporary and permanent global Notes, the definitive Notes, the Receipts, the Coupons and the Talons);
- (vi) this Offering Circular;
- (vii) any future prospectuses, offering circulars, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to the identity of such holder) to this Offering Circular and any other documents incorporated herein and therein by reference; and
- (viii) in the case of listed Notes subscribed pursuant to a subscription agreement (or equivalent document) any subscription agreement (or equivalent document).

8. Relevant Requirements

As at the date of this Offering Circular, the following requirements are applicable to issues of Notes in the following currencies:

Swiss francs

Issues of Notes denominated in Swiss francs or carrying a Swiss franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8th November, 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading of 2nd December,

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1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue, the lead manager (the "Swiss Dealer"), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission pursuant to the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the Issue Date of the relevant Notes.

**REGISTERED AND HEAD OFFICE OF
3i GROUP plc and 3i HOLDINGS plc**

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AND LISTING AGENT**

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Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

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Winchester House
1 Great Winchester Street
London EC2N 2DB

Goldman Sachs International
Peterborough Court
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