

SCHEDULE 1
Form of Conversion Notice

3i Group plc
€550,000,000 1.375 per cent. Bonds due 2008
convertible into Ordinary Shares of 3i Group plc

(Please read the notes overleaf before completing this Notice)

Name:

Date:

Address:

Signature*:

*Where the Bonds in respect of which this Conversion Notice is given are evidenced by the Global Bond, the Conversion Notice need not be signed. In such a case, delivery of the Conversion Notice will constitute confirmation by the beneficial owner of interests in the Bonds to be converted that the information and the representations in the Conversion Notice are true and accurate on the date of delivery.

To: 3i Group plc (the "issuer")

I/We, being the holders of the Bond(s)/interest in the Global Bond (please delete as applicable) specified below, hereby elect to convert the principal amount of such Bonds as specified below of which I/We are the holders(s) or in which I/we have an interest (as specified below) for Ordinary Shares of the Issuer (the "Ordinary Shares") in accordance with the terms and conditions of the Bonds.

1 Total principal amount and, where applicable, the serial numbers of Bonds to which this Notice applies:

Number of Bonds:

Total principal amount (must be a multiple of €1,000):

Serial numbers of Bonds

2 I/we hereby request that:

[IN THE CASE OF ORDINARY SHARES TO BE DELIVERED IN UNCERTIFICATED FORM THROUGH CREST]

the Ordinary Shares to be delivered in pursuance of this Conversion Notice to be credited to the CREST account, details of which are set out below.

CREST Participant ID:

Member Account ID:

Name:

Not required for Bonds evidenced by the Global Bond

Address:

Any cash payments payable in sterling on the exercise of the Conversion Rights (including any Cash Alternative Amount) shall be paid as follows:

Account no:

Account name:

Bank:

Branch:

Sort Code:

Any cash payments payable in euro on the exercise of the Conversion Rights shall be paid as follows:

Account no:

Account name:

Bank:

Branch:

Sort Code:

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I/we understand that the Ordinary Shares to be issued upon conversion of the Bonds have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and that the Issuer has not registered and does not intend to register as an "investment company" (as such term is defined in the U.S. Investment Company Act of 1940 (the "**Investment Company Act**")); (ii) I/we am/are not a U.S. Resident and I/we was/were located outside the United States within the meaning of Regulation S under the Securities Act ("**Regulation S**") (a) at the time I/we communicated with the Issuer or received communications from the Issuer in respect of the Bonds and the Ordinary Shares, (b) at the time I/we made my/our decision to convert the Bonds and (c) at the time of the signing and delivery of this Conversion Notice, (iii) I/we am/are acquiring the Ordinary Shares to be issued upon conversion of the Bonds in an offshore transaction (as defined in Regulation S) in accordance with Rule 903 or 904 of Regulation S and (iv) I/we understand that such Ordinary Shares may not be delivered upon conversion of the Bonds to a U.S. Resident or within the United States and may not be resold in the United States except pursuant to an exemption from the registration requirements of the Securities Act.

For purposes of this Notice, "**U.S. Resident**" means a 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 Investment Company Act 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 Bonds, the Ordinary Shares or in other securities of the issuer, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the Bonds and the Ordinary Shares 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 holders must not be U.S. Residents and

the foregoing representations will also be deemed to be made in respect of such beneficiaries or other holders. Terms used in this paragraph have the meanings given to them in Regulation S.

Notes

- (i) To the extent this Notice is signed or delivered by a party other than the beneficial owner(s) of interests in the relevant Bonds, the representations contained herein will be deemed made in respect of such beneficial owner(s).
- (ii) This Conversion Notice will be void unless the introductory details and Sections 1 and 2 are duly completed.
- (iii) Your attention is drawn to Condition 6 of the Bonds with respect to the conditions relating to conversion. In particular, Bondholders who cannot make the certification in Section 3 above will not receive any Ordinary Shares unless the Issuer determines otherwise.
- (iv) Dispatch of statements of holding of Ordinary Shares or cash will be made at the risk and (if sent at the request of such person otherwise than by ordinary mail) expense of the Bondholder, and the Bondholder will be required to prepay the expenses of, and submit any necessary documents required in order to effect, dispatch in any other manner specified hereon.
- (v) If a retroactive adjustment of the Conversion Price contemplated by the Conditions is required in respect of a conversion of the Bonds, statements of holding of Ordinary Shares for the additional Ordinary Shares deliverable pursuant to such retroactive adjustment will be dispatched in the same manner as the statements of holding of Ordinary Shares previously issued pursuant to this Conversion Notice or, as the case may be, payments of cash will be made in the manner requested above.
- (vi) This Conversion Notice may be completed by or on behalf of an accountholder of Euroclear or Clearstream, Luxembourg or any clearing system in which the relevant Bond is held at such time which has an interest in such Bond.
- (vii) The holding of an interest in a Bond by an accountholder of Euroclear or Clearstream, Luxembourg or any clearing system in which the relevant Bond is held in respect of which Conversion Rights are being exercised will be confirmed by the Principal Paying and Conversion Agent with the relevant clearing system.
- (viii) Terms used in this Conversion Notice and not otherwise defined have the meanings set forth in the Trust Deed, dated 1 August 2003, between the issuer and The Law Debenture Trust Corporation p.l.c.

For Paying and Conversion Agent's use only:

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- (A) Bond conversion identification reference: []
- (B) Date of delivery of Conversion Notice to Paying and Conversion Agent.
- (C) Conversion Date: (to be filled in by Paying and Conversion Agent):

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- (A) Aggregate principal amount of Bonds deposited for conversion/represented by the Global Bonds* being converted:.....
- (B) Conversion Price on Conversion Date:
- (C) (if no Cash Alternative Election is in effect) number of Ordinary Shares to be issued; (disregard fractions) and fraction of an Ordinary Share in respect of which cash payment is to be made
- (D) (if a Cash Alternative Election is in effect) number of Ordinary Shares (including fractions) to which the holder would otherwise have been entitled.....
- (E) Interest Payable:

N.B. The Paying and Conversion Agent must complete items 1 and 2.
* Delete as appropriate.