

Brief Overview on the Salient Features of Investec's Dual Listed Companies Structure

In November 2001, Investec received permission from the Minister of Finance and the South African Reserve Bank to establish a Dual Listed Companies (DLC) structure with linked companies listed in London and Johannesburg.

A circular to shareholders regarding the establishment of a DLC structure was issued on 20 June 2002. Furthermore, an Offering Circular, relating to the Global Offer of ordinary shares in Investec plc and the admission to the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange of such ordinary shares was issued on 5 July 2002. The Global Offer closed on 19 July 2002.

The contents of the circular to shareholders and the Offering Circular were prepared as at 20 June 2002 and 5 July 2002 respectively, and have not been and will not be subsequently updated.

This summary does not intend in anyway to replace or supersede the information contained in the circular to shareholders or the Offering Circular and is merely included for ease of reference. For detailed information you are requested to please refer to these two documents.

In summary, some of the salient features of the DLC structure include:

- The Investec Holdings (Inhold) pyramid structure, which had been in place since Investec Group Limited (IGL) listed on the JSE Securities Exchange South Africa (JSE) in 1988, was not considered appropriate under the changed circumstances, and Inhold unbundled its entire shareholding in IGL to Inhold members. At the record date, Inhold members received 86.04 IGL ordinary shares for every 100 Inhold ordinary shares held. With effect from 19 July 2002 Inhold ordinary shares were suspended on the JSE and the delisting of Inhold from the JSE took place on 26 July 2002.
- In terms of the DLC structure, IGL has retained all its businesses in continental Southern Africa and Mauritius and its primary listing on the JSE. Furthermore, the UK Traded Endowments business is still owned by Investec Limited.
- IGL has been renamed Investec Limited.
- IGL's other businesses were placed into a UK company, Investec plc, and were unbundled from IGL after the close of business on 19 July 2002. The mechanics of the IGL unbundling were arranged in such away that for every 100 ordinary shares held by an IGL shareholder, he/she received 37 IGL (Investec Limited) and 63 Investec plc shares i.e. 100 instruments.
- Investec plc was listed on the London Stock Exchange on 22 July 2002 and has a secondary listing on the JSE.
- Investec plc and Investec Limited are separate legal entities and listings, but are bound together by contractual agreements and mechanisms. The agreements are designed to ensure, insofar as possible, that the economic and therefore, market value, of a share in one company will be the same as the economic and market value of a share in the other.
- The companies have the same Boards of Directors and management - the implementation of the DLC structure did not in any way change the way in which Investec manages its business.
- Investec continues to operate as if it were a single unified economic enterprise.
- Shareholders have common economic and voting interests as if Investec Limited and Investec plc were a single company:

- Equivalent dividends on a per share basis.
 - Joint electorate and class right voting.
- Creditors are however ring-fenced to either Investec Limited or Investec plc as there are no cross guarantees between the companies.
- Regulation of the DLC structure:
 - The SARB is the lead regulator of the group.
 - The UK Financial Services Authority is the regulator of Investec plc while the SARB is the regulator of Investec Limited.
 - The Memorandum of Understanding between the two regulators sets out that the role of the lead regulator would change if 70% or more of the on and off balance sheet assets are held by Investec plc.

Organisational Structure

The organisational structure of Investec pre and post the implementation of the DLC structure is included on this page of the website.