

Interim report

for the six months ended 30 September 2007



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Overview of results

Investec plc and Investec Limited

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Registration number

Investec plc Reg. No. 3633621
Investec Limited Reg. No. I925/002833/06

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Directorate

Executive Directors

Stephen Koseff (Chief Executive Officer)
Bernard Kantor (Managing Director)
Glynn Burger (Group Risk and Finance Director)
Alan Tapnack

Non-Executive Directors

Hugh Herman (Chairman)
Sam Abrahams
George Alford
Cheryl Carolus
Haruko Fukuda
Donn Jowell*
Geoffrey Howe
Ian Kantor
Sir Chips Keswick (Senior Independent NED)
Peter Malungani
Sir David Prosser
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Presentation of financial information

Introduction

Investec operates under a Dual Listed Companies (DLC) structure with primary listings of Investec plc on the London Stock Exchange and Investec Limited on the JSE Limited.

In terms of the contracts constituting the DLC structure, Investec plc and Investec Limited effectively form a single economic enterprise in which the economic and voting rights of ordinary shareholders of the companies are maintained in equilibrium relative to each other. The directors of the two companies consider that for financial reporting purposes, the fairest presentation is achieved by combining the results and financial position of both companies.

Accordingly, the interim results for Investec plc and Investec Limited present the results and financial position of the combined DLC group under International Financial Reporting Standards (IFRS), denominated in Pounds Sterling.

All references in this document to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

Exchange rates

Our reporting currency is Pounds Sterling. Certain of our operations are conducted by entities outside the UK. The results of operations and the financial condition of our individual companies are reported in the local currencies in which they are domiciled, including Rands, Australian Dollars, Euros and US Dollars. These results are then translated into Pound Sterling at the applicable foreign currency exchange rates for inclusion in our combined consolidated financial results. In the case of the income statement, the weighted average rate for the relevant period is applied and, in the case of the balance sheet, the relevant closing rate is used.

The following table sets out the movements in certain relevant exchange rates against Pounds Sterling over the period:

Currency per £1.00	30 Sept 2007		31 March 2007		30 Sept 2006	
	Period end	Average	Period end	Average	Period end	Average
South African Rand	13.98	14.21	14.20	13.38	14.49	12.66
Australian Dollar	2.30	2.39	2.42	2.47	2.50	2.46
Euro	1.43	1.47	1.47	1.47	1.47	1.46
US Dollar	2.04	2.01	1.96	1.90	1.87	1.85

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average exchange rate for the comparative period has depreciated by 12.2% and the closing rate has appreciated by 1.6% since 31 March 2007.

The following table provides an analysis of the impact of the Rand depreciation/appreciation on our reported numbers.

	Results as reported at 30 Sept 2007	Currency neutral results at 30 Sept 2007**
Southern African operating profit* (£'000)	152 343	171 225
Southern African profit after tax* (£'000)	111 177	124 957
Total group operating profit before tax* (£'000)	254 251	273 133
Total group adjusted earnings attributable to ordinary shareholders* (£'000)	160 858	173 173
Adjusted EPS* (pence)	27.3	29.4
Total assets (£'million)	34 796	34 537

* Before goodwill and non-operating items.

** For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2007. For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 12.66.

Dividend declaration

The dividends per share declared by Investec plc and Investec Limited are determined with reference to the combined group's adjusted EPS, before goodwill and non-operating items (as defined on page 21) denominated in Pounds Sterling and prepared in accordance with IFRS.

Operating environment

Key macro-economic data pertaining to the group's three principal geographies: the UK, South Africa and Australia is set out below.

	30 Sept 2007		31 March 2007		30 Sept 2006	
	Period end	Average	Period end	Average	Period end	Average
UK Clearing Banks Base Rate	5.75%	5.31%	5.25%	4.82%	4.75%	4.54%
LIBOR - 3 month	6.30%	5.71%	5.62%	5.08%	5.07%	4.70%
South Africa Prime Overdraft Rate	13.50%	12.60%	12.50%	11.62%	11.50%	10.74%
JIBAR - 3 month	10.21%	9.35%	9.18%	8.30%	8.31%	7.34%
Reserve Bank of Australia cash target rate	6.50%	6.26%	6.25%	5.99%	6.00%	5.64%
FTSE All Share Index	3 316.9	3 270.0	3 283.2	3 094.2	3 050.4	2 915.9
JSE All Share Index	29 959.2	26 563.8	27 267.2	22 813.1	22 374.6	19 532.8
Australian All Ordinaries Index	6 580.9	5 916.4	5 978.8	5 315.9	5 113.0	4 861.7

Source: Datastream

Presentation of financial information

	30 Sept 2007	30 Sept 2006	% Change	31 March 2007
Income statement and selected returns				
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items (£'000) ¹	160 858	128 676	25.0%	300 704
Headline earnings (£'000) ¹	151 683	123 679	22.6%	294 881
Operating profit before goodwill, non-operating items and taxation (£'000)	254 251	205 291	23.8%	466 585
Operating profit before goodwill, non-operating items and taxation: SA (% of total)	59.9%	54.2%		57.6%
Operating profit before goodwill, non-operating items and taxation: Non-SA (% of total)	40.1%	45.8%		42.4%
Cost to income ratio	58.9%	60.0%		59.0%
Staff compensation to operating income ratio	38.9%	41.8%		40.9%
Return on average adjusted shareholders' equity ² (post tax)	23.9%	23.8%		26.1%
Return on average adjusted tangible shareholders' equity ² (post tax)	29.0%	29.2%		31.7%
Operating profit per employee (£'000) ³	42.6	42.3		92.3
Net interest income as a percentage of operating income net of insurance claims	34.5%	30.5%		29.2%
Non-interest income as a percentage of operating income net of insurance claims	65.5%	69.5%		70.8%
Effective operational tax rate (excluding Assurance Activities)	25.0%	28.3%		26.3%
Balance sheet				
Total capital resources (including subordinated liabilities) (£'million)	3 142	2 130	47.5%	2 665
Total equity (including preference shares and minority interests) (£'million)	2 172	1 639	32.5%	1 834
Shareholders' equity (excluding minority interests) (£'million)	1 858	1 346	38.0%	1 542
Tangible shareholders' equity (excluding minority interests) (£'million)	1 516	1 113	33.8%	1 322
Total assets (£'million)	34 796	22 988	51.4%	26 300
Core loans and advances to customers (£'million)	11 755	8 940	31.5%	9 950
Core loans and advances to customers as a percentage of total assets	33.8%	38.9%		37.8%
Third party assets under management (£'million)	59 509	48 804	21.9%	56 084
Capital adequacy ratio: Investec plc ⁴	17.7%	17.1%		24.7%
Capital adequacy ratio: Investec Limited ⁴	13.7%	14.7%		14.7%
Salient financial features and key statistics				
Adjusted earnings per share before goodwill and non-operating items (pence) ¹	27.3	23.3	17.2%	53.3
Headline earnings per share (pence) ¹	25.8	22.4	15.2%	52.3
Basic earnings per share (pence) ¹	26.9	24.1	11.6%	54.7
Diluted earnings per share (pence) ¹	24.8	22.1	12.2%	50.4
Dividends per share (pence)	11.5	10.0	15.0%	23.0
Dividend cover (times)	2.37	2.33	1.72%	2.32
Net tangible asset value per share (pence) ⁵	197.1	154.7	27.4%	178.6
Weighted number of ordinary shares in issue (million) ¹	589.0	552.8	6.6%	563.8
Total number of shares in issue (million)	653.5	602.7	8.4%	609.3
Closing share price (pence)	512	525	(2.5%)	658
Market capitalisation (£'million) ⁶	3 346	3 164	5.8%	4 009
Number of employees in the group	6 196	5 055	22.6%	5 430
Closing ZAR/£ exchange rate	13.98	14.49	(3.5%)	14.20
Ave ZAR/£ exchange rate	14.21	12.66	12.2%	13.38

Notes:

1. Refer to definitions and calculations on pages 21 and 22.
2. Refer to calculations on page 87.
3. Refer to calculations on page 90.
4. Refer to calculations on page 86.
5. Refer to calculations on page 84.
6. Refer to calculations on page 94.

Unless the context indicates otherwise, all comparatives included in this commentary relate to the six months ended 30 September 2006. Average balances are based on the period 1 April 2006 to 30 September 2006 and 1 April 2007 to 30 September 2007.

Overall performance

We are pleased to announce that for the six months ended 30 September 2007, adjusted earnings per share (EPS) before goodwill and non-operating items increased by 17.2% to 27.3 pence from 23.3 pence. Our focus on balancing revenue streams and achieving diversity of earnings, both geographically and operationally, has continued to support the operating fundamentals of the group. Our stated growth and financial return objectives have been achieved benefiting from the strong performance by the majority of our businesses.

The main features of the period under review are:

- Operating profit before goodwill, non-operating items and taxation ("operating profit") increased 23.8% from £205.3 million to £254.3 million.
- Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items increased 25.0% from £128.7 million to £160.9 million.
- Earnings attributable to ordinary shareholders after goodwill and non-operating items increased by 18.9% from £153.6 million to £182.6 million.
- Our South African and Australian operations posted strong increases in operating profit of 36.9% and 61.4%, respectively. Our UK operations recorded operating profit in line with the prior period; these results were negatively impacted by a poor performance from the Capital Markets Principal Finance division. The group remains geographically diversified with the UK and Australian operations comprising 40.1% of total operating profit.
- Annualised return on adjusted average shareholders' equity (inclusive of compulsorily convertible instruments) increased marginally from 23.8% to 23.9% against a target of greater than 20%.
- The ratio of total operating expenses to total operating income improved from 60.0% to 58.9% against a target of below 65%.
- Average core loans and advances to customers increased 18.1% from £9.2 billion to £10.9 billion. Asset quality remains satisfactory with the percentage of gross default loans to core loans and advances improving from 1.23% to 1.01% since 31 March 2007.
- Average third party assets under management increased 9.9% from £52.6 billion to £57.8 billion.
- Customer deposits (accounts) increased by 14.1% from £9.4 billion to £10.7 billion since 31 March 2007.
- The acquisition of Kensington Group plc ("Kensington") became effective 8 August 2007 and forms part of the Capital Markets division.
- The board declared a dividend of 11.5 pence per ordinary share (2006: 10 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 2.37 times (2006: 2.33 times), consistent with our dividend policy.

Business unit review

Unless the context indicates otherwise, reference to "operating profit" in the business unit review below, refers to profit before goodwill, non-operating items and taxation.

Private Client Activities

Private Client Activities, comprising the Private Banking and Private Client Portfolio Management and Stockbroking divisions, reported strong growth in operating profit of 20.0% to £100.1 million (2006: £83.3 million).

• Private Banking

Operating profit of our Private Banking division increased by 16.4% to £85.7 million (2006: £73.6 million). Strong lending turnover and transactional activity continues to drive momentum across all geographies. The division benefited from increased distribution capacity and greater penetration across all areas of specialisation, notably Wealth Management and Growth and Acquisition Finance. The average private client core lending book grew by 23.4% to £7.5 billion (2006: £6.1 billion) and the division increased its average retail deposit book by 24.7% to £6.1 billion (2006: £4.9 billion).

• Private Client Portfolio Management and Stockbroking

Private Client Portfolio Management and Stockbroking recorded solid growth, generating operating profit of £14.4 million (2006: £9.7 million), an increase of 47.5%. The Private Client business in South Africa benefited from the launch of new products and increased volumes with average funds under management increasing by 12.7% to £7.7 billion (2006: £6.9 billion). The results of our UK operations include Investec's 47.3% share of the post-tax profit of Rensburg Sheppards plc.

Capital Markets

Capital Markets posted a decrease in operating profit of 24.3% to £43.2 million (2006: £57.1 million). The division's advisory, structuring and asset creation activities continued to perform well, notably in South Africa, Australia and Ireland, with a number of mandates closed in Project Finance, Resource Finance, Structured Finance and Equity Finance. Average core advances increased 17.2% from £3.0 billion to £3.5 billion. The current year's figure includes £4.6 million pre-tax operating profit for Kensington for the period 8 August 2007 to 30 September 2007 (further information provided on page 38).

The performance of the Capital Markets division was however, negatively impacted by write downs of £36 million on US structured credit investments held within the Principal Finance business, largely as a result of recent rating agency downgrades on these portfolios. The on-balance sheet value of the US portfolio is £81 million of which £33 million is dependent on the performance of the US sub-prime market.

Investment Banking

Our Investment Banking division recorded a 45.1% increase in operating profit to £51.9 million (2006: £35.8 million). The Private Equity and Direct Investment divisions performed very well benefiting from dividends received and an increase in the value of the underlying investments held. The Agency business (comprising Corporate Finance and Institutional Stockbroking) benefited from a stable deal pipeline and increased volumes.

Asset Management

Asset Management posted an increase in operating profit of 13.5% to £36.2 million (2006: £31.9 million) underpinned by the strong momentum of the UK and international business and continued sound performance in Southern Africa. Average assets under management increased by 5.9% to £30.8 billion (2006: £29.1 billion). Solid long term investment performance has continued to support the fundamentals of the business.

Property Activities

Our Property Activities generated operating profit of £11.5 million (2006: £6.3 million), an increase of 81.8%. The South African division continued to perform well benefiting from higher average funds under management, realisations and a solid contribution from our investment property portfolio.

Group Services and Other Activities

Group Services and Other Activities posted an operating profit of £11.4 million (2006: loss of £9.1 million) as a result of a solid performance from the Central Funding division which benefited from a strong increase in net interest income largely as a result of increased cash holdings.

Further information on key developments within each of our business units is provided on pages 24 to 59.

Financial statements analysis

Please refer to pages 76 to 79 for a detailed financial statement analysis.

Outlook

Overall, operating conditions remain mixed. The South African businesses have made a good start to the second half and are expected to perform well for the remainder of the year. Our Australian operations continue to perform in line with expectations, while we anticipate that UK activity levels will be affected by difficult credit market conditions. Despite volatile markets, we should continue to benefit from our geographic spread and product diversity in the second half.

On behalf of the boards of Investec plc and Investec Limited



Hugh Herman
Chairman



Stephen Koseff
Chief Executive Officer



Bernard Kantor
Managing Director

Accounting policies and disclosures

The interim results are prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards and the presentation and disclosure requirements of IAS 34. The accounting policies applied in the preparation of the results for the six months ended 30 September 2007 are consistent with those adopted in the financial statements for the year ended 31 March 2007.

Securitised assets and related liabilities disclosure

Securitised assets and related liabilities, which continue to be recognised on balance sheet, are now disclosed as separate line items on the face of the balance sheet. In prior periods, securitised assets were included within loans and advances to customers and trading securities and securitised liabilities were included in debt securities in issue. This change in disclosure follows the acquisition of Kensington which resulted in a significant increase in these assets and liabilities, rendering it more appropriate to disclose these financial instruments on separate lines to provide information more relevant and useful to users.

Post balance sheet events

As outlined in the announcement released on 30 May 2007, Investec Property Group Limited ("IPG") agreed to dispose of its property fund management business and its property administration business, as a going concern to Growthpoint Properties Limited ("Growthpoint") ("the transaction"). This transaction was approved by the Competition Tribunal of South Africa on 18 October 2007. IPG is a wholly owned subsidiary of Investec Limited. The purchase consideration has been satisfied by the issue of 86 878 057 new Growthpoint linked units, at a price of 1568 cents per linked unit, on 1 November 2007. A pre-tax gain of R1 030 million was made on the sale of these businesses.

Furthermore, as announced on 6 November 2007 Investec disposed of 152 473 544 Growthpoint linked units, representing its entire shareholding in Growthpoint, inter alia monetising the proceeds on the disposal of the property administration and property fund management businesses mentioned above. The effect on the earnings, net assets and tangible net assets of Investec as a result of the transaction is not significant, as set out in the JSE Listing Requirements. The proceeds of the transaction will be used to enhance the capital structure of the Investec Limited group.

Proviso

- Please note that matters included in this report may contain forward looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:
 - the further development of standards and interpretations under International Financial Reporting Standards (IFRS) applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS.
 - domestic and global economic and business conditions.
 - market related risks.
- A number of these factors are beyond the group's control.
- These factors may cause the group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed or implied.
- Any forward looking statements made are based on the knowledge of the group at today's date.

The information in this report for the six months to 30 September 2007, which was approved by the board of directors on 14 November 2007, does not constitute statutory accounts as defined in Section 240 of the UK Companies Act 1985 ("Act"). Statutory accounts for the year ended 31 March 2007, which contained an unqualified audit report under Section 235 of the Act and which did not contain statements under Section 237 of the Act, have been delivered to the Registrar of Companies in accordance with Section 242 of the Act.

Dividend announcements

Investec Limited

Registration number: 1925/002833/06

Share code: INL

ISIN: ZAE000081949

Notice is hereby given that an interim dividend (No. 104) of 159.5 cents (2006: 138 cents) per ordinary share has been declared by the board in respect of the six months ended 30 September 2007.

The dividend is payable to shareholders recorded in the members' register of the company at the close of business on Friday, 14 December 2007.

The relevant dates for the payment of the dividend are:

Last day to trade cum-dividend	Friday, 7 December 2007
Shares commence trading ex-dividend	Monday, 10 December 2007
Record date	Friday, 14 December 2007
Payment date	Friday, 21 December 2007

The interim dividend of 159.5 cents per ordinary share has been determined by converting the Investec plc distribution of 11.5 pence per ordinary share into Rands using the Rand/Pound Sterling average buy/sell forward rate at 11h00 (SA time) on 14 November 2007.

Share certificates may not be dematerialised or rematerialised between Monday, 10 December 2007 and Friday, 14 December 2007, both dates inclusive.

By order of the board



B Coetsee

Company Secretary

15 November 2007

Investec Limited

Registration number: 1925/002833/06

Share code: INPR

ISIN: ZAE000063814

Non-redeemable non-cumulative non-participating preference shares

Declaration of dividend number 6

Notice is hereby given that preference dividend number 6 amounting to 454.04 cents per share has been declared for the period 1 April 2007 to 30 September 2007. The dividend is payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 30 November 2007.

The relevant dates for the payment of dividend number 6 are as follows:

Last day to trade cum-dividend	Friday, 23 November 2007
Shares trade ex-dividend	Monday, 26 November 2007
Record date	Friday, 30 November 2007
Payment date	Tuesday, 11 December 2007

Share certificates may not be dematerialised or rematerialised between Monday, 26 November 2007 and Friday, 30 November 2007, both dates inclusive.

By order of the board



B Coetsee

Company Secretary

15 November 2007

Dividend announcements

Investec Bank Limited

Registration number: 1969/004763/06

Share code: INLP

ISIN: ZAE000048393

Non-redeemable non-cumulative non-participating preference shares

Declaration of dividend number 9

Notice is hereby given that preference dividend number 9 amounting to 486.47 cents per share has been declared for the period 1 April 2007 to 30 September 2007. The dividend is payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 30 November 2007.

The relevant dates for the payment of dividend number 9 are as follows:

Last day to trade cum-dividend	Friday, 23 November 2007
Shares trade ex-dividend	Monday, 26 November 2007
Record date	Friday, 30 November 2007
Payment date	Tuesday, 11 December 2007

Share certificates may not be dematerialised or rematerialised between Monday, 26 November 2007 and Friday, 30 November 2007, both dates inclusive.

By order of the board



B Coetsee

Company Secretary

15 November 2007

Investec plc

Registration number 3633621

Share code: INP

ISIN: GB00BI7BBQ50

Ordinary dividend announcement

Notice is hereby given that an interim dividend (No. 11) of 11.5 pence per ordinary share has been declared by the board in respect of the six months ended 30 September 2007.

Shareholders in Investec plc will receive a distribution of 11.5 pence (2006: 10 pence) per ordinary share, which will be paid as follows :

- for non-South African resident Investec plc shareholders, through a dividend paid by Investec plc of 11.5 pence per ordinary share.
- for South African resident shareholders of Investec plc, through a dividend payment by Investec plc of 6.0 pence per ordinary share and through a dividend paid, on the SA DAS share equivalent to 5.5 pence per ordinary share.

The relevant dates for the payment of the dividends are:

Last day to trade cum-dividend

- | | |
|--------------------------------|---------------------------|
| - On the London Stock Exchange | Tuesday, 11 December 2007 |
| - On the JSE | Friday, 7 December 2007 |

Shares commence trading ex-dividend

- | | |
|--------------------------------|-----------------------------|
| - On the London Stock Exchange | Wednesday, 12 December 2007 |
| - On the JSE | Monday, 10 December 2007 |

Record date

- | | |
|--------------------------------|--------------------------|
| - On the London Stock Exchange | Friday, 14 December 2007 |
| - On the JSE | Friday, 14 December 2007 |

Payment date

- | | |
|--------------------------------|--------------------------|
| - On the London Stock Exchange | Friday, 21 December 2007 |
| - On the JSE | Friday, 21 December 2007 |

Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 10 December 2007 and Friday, 14 December 2007, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 10 December 2007 and Friday, 14 December 2007, both dates inclusive.

Shareholders registered on the South African register are advised that the total distribution of 11.5 pence, equivalent to 159.5 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on 14 November 2007.

By order of the board



D Miller

Company Secretary
15 November 2007

Dividend announcements

Investec plc

Investec plc dividend announcement

Share code: INPP

ISIN: GB00B19RX541

Non-redeemable non-cumulative non-participating preference shares

Declaration of dividend number 3

Notice is hereby given that preference dividend number 3 amounting to 32.93 pence per share has been declared for the period 1 April 2007 to 30 September 2007. The dividend is payable to holders of non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 30 November 2007.

For shares trading on the JSE, the dividend of 32.93 pence per share is equivalent to 456.12 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA Time) on Wednesday, 14 November 2007.

The relevant dates relating to the payment of dividend number 3 are as follows:

Last day to trade cum-dividend:

On the JSE

Friday, 23 November 2007

On the CISX

Tuesday, 27 November 2007

Shares trade ex-dividend:

On the JSE

Monday, 26 November 2007

On the CISX

Wednesday, 28 November 2007

Record date (on the JSE and CISX)

Friday, 30 November 2007

Payment date (on the JSE and CISX)

Tuesday, 11 December 2007

Share certificates may not be dematerialised or rematerialised between Monday, 26 November 2007 and Friday, 30 November 2007, both dates inclusive, nor may transfers between the CISX and SA registers take place between Monday, 26 November 2007 and Friday, 30 November 2007, both dates inclusive.

By order of the board



D Miller

Company Secretary

15 November 2007



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Financial results (Investec
plc and Investec Limited)

Combined consolidated income statement

£'000	6 months to 30 Sept 2007	6 months to 30 Sept 2006	Year to 31 March 2007
Interest income	789 780	565 786	1233 226
Interest expense	(566 678)	(403 409)	(889 311)
Net interest income	223 102	162 377	343 915
Fees and commissions income	312 940	279 276	577 773
Fees and commissions expense	(35 238)	(27 638)	(56 275)
Principal transactions	108 492	103 928	245 463
Operating income from associates	6 369	4 279	10 685
Investment income on assurance activities	57 375	13 767	36 821
Premiums and reinsurance recoveries on insurance contracts	29 446	55 995	80 542
Other operating income	28 142	10 030	49 685
Other income	507 526	439 637	944 694
Claims and reinsurance premiums on insurance business	(83 375)	(68 828)	(111 492)
Total operating income net of insurance claims	647 253	533 186	1 177 117
Impairment losses on loans and advances	(11 738)	(8 173)	(16 530)
Operating income	635 515	525 013	1 160 587
Administrative expenses	(371 245)	(313 966)	(680 687)
Depreciation and amortisation of property, equipment and software	(10 019)	(5 756)	(13 315)
Operating profit before goodwill	254 251	205 291	466 585
Goodwill	-	7 533	2 569
Profit before taxation	254 251	212 824	469 154
Taxation	(61 911)	(56 974)	(119 781)
Profit after taxation	192 340	155 850	349 373
Earnings attributable to minority interests	9 716	2 271	9 054
Earnings attributable to shareholders	182 624	153 579	340 319
	192 340	155 850	349 373
Earnings per share (pence)			
- basic	26.9	24.1	54.7
- diluted	24.8	22.1	50.4
Dividends per share (pence)	11.5	10.0	23.0

Combined consolidated balance sheet

£'000	30 Sept 2007	31 March 2007	30 Sept 2006
Assets			
Cash and balances at central banks	163 515	102 751	132 717
Loans and advances to banks	2 349 889	2 431 769	1 690 038
Cash equivalent advances to customers	913 403	687 918	712 938
Reverse repurchase agreements and cash collateral on securities borrowed	945 649	2 185 322	980 456
Trading securities	2 029 407	2 015 144	1 427 871
Derivative financial instruments	872 115	724 492	1 200 754
Investment securities	1 940 166	1 776 601	1 750 676
Loans and advances to customers	13 055 615	9 527 080	8 786 090
Securitised assets	6 664 984	831 742	639 048
Interests in associated undertakings	77 412	70 332	65 811
Deferred taxation assets	69 767	59 394	50 956
Other assets	991 610	1 420 681	1 264 094
Property and equipment	134 235	131 505	121 397
Investment properties	98 081	85 424	86 121
Goodwill	317 137	195 883	209 176
Intangible assets	38 947	35 829	8 707
	30 661 932	22 281 867	19 126 850
Other financial instruments at fair value through income in respect of			
- liabilities to customers	3 159 979	3 024 997	2 806 067
- assets related to reinsurance contracts	974 189	992 824	1 054 865
	34 796 100	26 299 688	22 987 782
Liabilities			
Deposits by banks	4 584 380	2 347 095	2 088 156
Derivative financial instruments	680 389	509 919	801 747
Other trading liabilities	357 781	321 863	425 385
Repurchase agreements and cash collateral on securities lent	561 469	1 765 671	649 463
Customer accounts	10 711 255	9 384 848	8 076 640
Debt securities in issue	2 743 556	2 519 006	2 595 300
Liabilities arising on securitisations	6 358 378	826 627	637 865
Current taxation liabilities	108 975	113 967	96 606
Deferred taxation liabilities	64 493	48 048	31 241
Other liabilities	1 348 016	1 778 488	1 592 423
Pension fund liabilities	1 200	1 467	1 735
	27 519 892	19 616 999	16 996 561
Liabilities to customers under investment contracts	3 138 415	3 004 254	2 713 438
Insurance liabilities, including unit-linked liabilities	21 564	20 743	92 630
Reinsured liabilities	974 189	992 824	1 054 865
	31 654 060	23 634 820	20 857 494
Subordinated liabilities (including convertible debt)	969 669	830 705	491 683
	32 623 729	24 465 525	21 349 177
Equity			
Called up share capital	176	169	166
Share premium	1 356 826	1 129 859	1 106 126
Treasury shares	(120 538)	(109 279)	(74 824)
Equity portion of convertible instruments	2 191	2 191	2 191
Perpetual preference shares	294 698	292 173	239 132
Other reserves	44 359	40 545	4 087
Profit and loss account	280 159	186 827	68 757
Shareholders' equity excluding minority interests	1 857 871	1 542 485	1 345 635
Minority interests	314 500	291 678	292 970
- Perpetual preferred securities issued by subsidiaries	246 272	241 081	241 640
- Minority interests in partially held subsidiaries	68 228	50 597	51 330
Total shareholders' equity	2 172 371	1 834 163	1 638 605
Total liabilities and equity	34 796 100	26 299 688	22 987 782

Combined consolidated reconciliation of equity

£'000

	Share capital Investec Limited	Share premium account Investec Limited	Treasury shares	Share capital Investec plc	Share premium account Investec plc
At 1 April 2006	46	635 418	(96 300)	119	393 319
Movement in reserves 1 April 2006 - 30 September 2006					
Foreign currency adjustments	-	-	-	-	-
Retained profit for the period	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Total recognised gains and losses for the period	-	-	-	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	-	14 011	-	1	8 431
Issue of perpetual preference shares by the holding company	-	-	-	-	-
Issue of equity by subsidiaries	-	-	-	-	-
Minorities arising on acquisition of subsidiaries	-	-	-	-	-
Disposal of minorities	-	-	-	-	-
Share issue expenses	-	-	-	-	-
Movement of treasury shares	-	21 391	30 690	-	33 556
Transfer from capital reserves	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-
Transfer between reserves	-	-	(9 214)	-	-
At 30 September 2006	46	670 820	(74 824)	120	435 306
Movement in reserves 1 October 2006 - 31 March 2007					
Foreign currency adjustments	-	-	-	-	-
Retained profit for the period	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Pension fund actuarial losses	-	-	-	-	-
Total recognised gains and losses for the period	-	-	-	-	-
Share based payments adjustments	-	-	1 112	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	-	4 862	-	3	20 553
Issue of perpetual preference shares by the holding company	-	-	-	-	-
Issue of equity by subsidiaries	-	-	-	-	-
Minorities arising on acquisition of subsidiaries	-	-	-	-	-
Disposal of minorities	-	-	-	-	-
Share issue expenses	-	(36)	-	-	(23)
Movement of treasury shares	-	(731)	(39 203)	-	(892)
Transfer from capital reserves	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-
Transfer between reserves	-	-	3 636	-	-
Dividends paid to minorities	-	-	-	-	-
Capital reduction paid to minority	-	-	-	-	-
At 31 March 2007	46	674 915	(109 279)	123	454 944
Movement in reserves 1 April 2007 - 30 September 2007					
Foreign currency adjustments	-	-	-	-	-
Retained profit for the period	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Total recognised gains and losses for the period	-	-	-	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	-	8 675	-	7	226 403
Issue of equity by subsidiaries	-	-	-	-	-
Share issue expenses	-	-	-	-	(65)
Movement of treasury shares	-	-	(11 259)	-	(8 046)
Transfer to capital reserves	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-
At 30 September 2007	46	683 590	(120 538)	130	673 236

Equity portion of convertible instruments	Perpetual preference shares	Available for sale reserve	Other reserves		Foreign currency reserves	Profit and loss account	Shareholder's equity excluding minority interests	Minority interests	Total
			Regulatory general risk reserve	Capital reserve account					
2 191	215 305	18 355	50 307	13 243	18 593	(24 104)	1 226 492	285 601	1 512 093
-	(56 014)	-	-	-	(103 933)	-	(159 947)	(36 826)	(196 773)
-	-	-	-	-	-	153 579	153 579	2 271	155 850
-	-	1 923	-	-	-	-	1 923	-	1 923
-	(56 014)	1 923	-	-	(103 933)	153 579	(4 445)	(34 555)	(39 000)
-	-	-	-	-	-	11 493	11 493	1 595	13 088
-	-	-	-	-	-	(55 415)	(55 415)	-	(55 415)
-	-	-	-	-	-	(20 411)	(20 411)	-	(20 411)
-	-	-	-	-	-	-	22 443	-	22 443
-	80 628	-	-	-	-	-	80 628	-	80 628
-	-	-	-	-	-	-	-	21 173	21 173
-	-	-	-	-	-	-	-	19 156	19 156
-	(787)	-	-	-	-	-	(787)	-	(787)
-	-	-	-	-	-	-	85 637	-	85 637
-	-	-	-	(1 881)	-	1 881	-	-	-
-	-	-	7 480	-	-	(7 480)	-	-	-
-	-	-	-	-	-	9 214	-	-	-
2 191	239 132	20 278	57 787	11 362	(85 340)	68 757	1 345 635	292 970	1 638 605
-	3 324	-	-	-	10 761	-	14 085	(2 159)	11 926
-	-	-	-	-	-	186 740	186 740	6 783	193 523
-	-	10 364	-	-	-	-	10 364	-	10 364
-	-	-	-	-	-	(2 470)	(2 470)	-	(2 470)
-	3 324	10 364	-	-	10 761	184 270	208 719	4 624	213 343
-	-	-	-	-	-	21 385	22 497	(1 595)	20 902
-	-	-	-	-	-	(57 177)	(57 177)	-	(57 177)
-	-	-	-	-	-	(11 439)	(11 439)	-	(11 439)
-	-	-	-	-	-	-	25 418	-	25 418
-	50 559	-	-	-	-	-	50 559	-	50 559
-	-	-	-	-	-	-	-	(224)	(224)
-	-	-	-	-	-	-	-	2 702	2 702
-	-	-	-	-	-	-	-	-	-
-	(842)	-	-	-	-	-	(901)	-	(901)
-	-	-	-	-	-	-	(40 826)	-	(40 826)
-	-	-	-	1 180	-	(1 180)	-	-	-
-	-	-	14 153	-	-	(14 153)	-	-	-
-	-	-	-	-	-	(3 636)	-	-	-
-	-	-	-	-	-	-	-	(528)	(528)
-	-	-	-	-	-	-	-	(6 271)	(6 271)
2 191	292 173	30 642	71 940	12 542	(74 579)	186 827	1 542 485	291 678	1 834 163
-	2 525	-	-	-	12 606	-	15 131	5 577	20 708
-	-	-	-	-	-	182 624	182 624	9 716	192 340
-	-	(16 279)	-	-	-	-	(16 279)	-	(16 279)
-	2 525	(16 279)	-	-	12 606	182 624	181 476	15 293	196 769
-	-	-	-	-	-	16 638	16 638	-	16 638
-	-	-	-	-	-	(74 226)	(74 226)	-	(74 226)
-	-	-	-	-	-	(24 217)	(24 217)	-	(24 217)
-	-	-	-	-	-	-	235 085	-	235 085
-	-	-	-	-	-	-	-	7 529	7 529
-	-	-	-	-	-	-	(65)	-	(65)
-	-	-	-	-	-	-	(19 305)	-	(19 305)
-	-	-	-	577	-	(577)	-	-	-
-	-	-	6 910	-	-	(6 910)	-	-	-
2 191	294 698	14 363	78 850	13 119	(61 973)	280 159	1 857 871	314 500	2 172 371

Summarised combined consolidated cash flow statement

£'000	6 months to 30 Sept 2007	6 months to 30 Sept 2006	Year to 31 March 2007
Cash flows from operations	253 562	147 474	401 553
Increase in operating assets	(106 769)	(2 899 302)	(6 125 514)
Increase in operating liabilities	319 089	3 257 379	5 858 320
Net cash inflow from operating activities	465 882	505 551	134 359
Net cash outflow from investing activities	(27 054)	(143 267)	(178 985)
Net cash (outflow)/inflow from financing activities	(93 696)	106 423	430 471
Effects of exchange rate changes on cash and cash equivalents	24 999	(343 715)	(301 588)
Net increase in cash and cash equivalents	370 131	124 992	84 257
Cash and cash equivalents at the beginning of the period	1 274 440	1 190 183	1 190 183
Cash and cash equivalents at the end of the period	1 644 571	1 315 175	1 274 440

Cash and cash equivalents is defined as including: cash and balances at central banks, on demand loans and advances to banks and cash equivalent advances to customers (all of which have a maturity profile of less than three months).

Combined consolidated statement of total recognised income and expenses

£'000	6 months to 30 Sept 2007	6 months to 30 Sept 2006	Year to 31 March 2007
Profit after taxation	192 340	155 850	349 373
Fair value movements on available for sale assets	(16 279)	1 923	12 287
Foreign currency movements	20 708	(196 773)	(184 847)
Pension fund actuarial losses	-	-	(2 470)
Total recognised recognised income and expenses	196 769	(39 000)	174 343
Total recognised income and expenses attributable to minority shareholders	15 293	(34 555)	(29 931)
Total recognised income and expenses attributable to ordinary shareholders	178 951	51 569	256 964
Total recognised income and expenses attributable to perpetual preferred securities	2 525	(56 014)	(52 690)
	196 769	(39 000)	174 343

Dividends and earnings per share

	6 months to 30 Sept 2007	6 months to 30 Sept 2006
Ordinary dividends - pence per share		
Interim	11.5	10.0
Earnings	£'000	£'000
Earnings attributable to shareholders	182 624	153 579
Preference dividends paid	(24 217)	(20 411)
Earnings attributable to ordinary shareholders	158 407	133 168
Earnings resulting from future dilutive convertible instruments	804	1 208
Diluted earnings attributable to ordinary shareholders	159 211	134 376
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	623 537 039	598 046 146
Weighted average number of treasury shares	(34 568 744)	(45 285 867)
Weighted average number of shares in issue during the year	588 968 295	552 760 279
Weighted average number of shares resulting from future dilutive potential shares	44 242 790	37 508 283
Weighted average number of shares resulting from future dilutive convertible instruments	7 952 206	17 869 970
Adjusted weighted number of shares potentially in issue	641 163 291	608 138 532
Earnings per share - pence	26.9	24.1
Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year.		
Diluted earnings per share - pence	24.8	22.1
Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the period.		
Adjusted earnings per share - pence	27.3	23.3
Adjusted earnings per share is calculated by dividing the earnings before goodwill and non-operating items attributable to the ordinary shareholders and after taking into account earnings attributable to perpetual preference shareholders, by the weighted average number of ordinary shares in issue during the period.		
	£'000	£'000
Earnings attributable to shareholders	182 624	153 579
Goodwill	-	(7 533)
Preference dividends paid	(24 217)	(20 411)
Additional earnings attributable to other equity holders*	2 451	3 041
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items	160 858	128 676

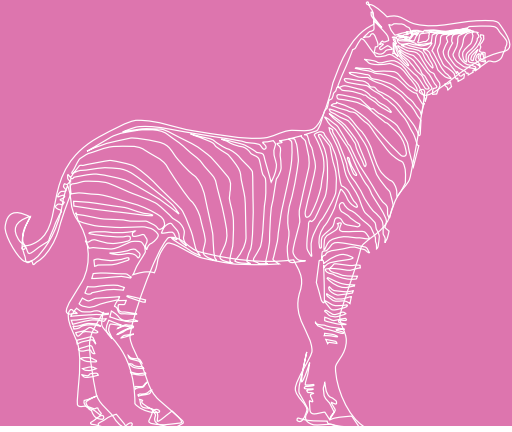
* In accordance with IFRS, dividends attributable to equity holders is accounted for when a constructive liability arises, i.e. on declaration by the board of directors and approval by the shareholders, where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS.

Dividends and earnings per share (continued)

	6 months to 30 Sept 2007	6 months to 30 Sept 2006
Headline earnings per share - pence	25.8	22.4
Headline earnings per share has been calculated in accordance with the definition in the Institute of Investment Management Research Statement of Investment Practice No. 1 "The Definition of Headline Earnings" and is disclosed in accordance with the JSE listing requirements.		
	£'000	£'000
Earnings attributable to shareholders	182 624	153 579
Goodwill	-	(7 533)
Preference dividends paid	(24 217)	(20 411)
Other headline adjustments**	(6 724)	(1 956)
Headline earnings attributable to ordinary shareholders	151 683	123 679

** Other headline adjustments include the fair value of investment properties and realised gains/losses on available for sale instruments.

03



Divisional and segmental review

Divisional and segmental review

Integrated global management structure

Global roles

Chief Executive Officer - Stephen Koseff
 Managing Director - Bernard Kantor

Executive Director - Alan Tapnack
 Group Risk and Finance Director - Glynn Burger

Geographic business leaders

	South Africa Andy Leith Glynn Burger David Lawrence	United Kingdom Bradley Fried	Australia Geoff Levy Brian Schwartz
Divisional business leaders	Private Banking Steven Heilbron		
	Private Client Stockbroking Henry Blumenthal - SA	Support structures	
	Capital Markets David van der Walt	Banking and Institutions - David Lawrence Chief Integrating Officer - Allen Zimbler Corporate Governance, Internal Audit and Compliance - Bradley Tapnack Finance and Operations - Rayanne Jacobson	
	Investment Banking Bradley Fried and Andy Leith	IT - Ingrid David and Simon Shapiro Marketing - Raymond van Niekerk Risk Management - Ciaran Whelan Share Schemes and Secretarial - Les Penfold	
	Asset Management Hendrik du Toit		
	Property Activities Sam Hackner		

Group operating structure

Our strategic goals and objectives are motivated by the desire to develop an efficient and integrated business on an international scale through the active pursuit of clearly established core competencies in our principal business areas. Our core philosophy has been to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.

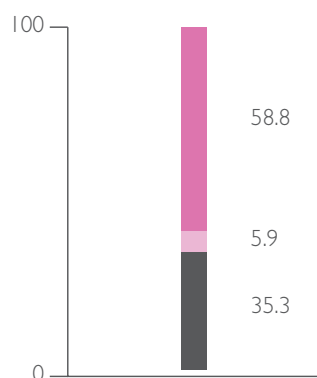
Private Client Activities	Capital Markets	Investment Banking	Asset Management	Property Activities
<ul style="list-style-type: none"> Private Banking Private Client Portfolio Management and Stockbroking 	<ul style="list-style-type: none"> Specialised Lending Structured Derivatives Securitisation Specialist funds 	<ul style="list-style-type: none"> Corporate Finance Institutional Research, Sales and Trading Direct Investments Private Equity 	<ul style="list-style-type: none"> Institutional Retail 	<ul style="list-style-type: none"> Fund Management Listed Funds Trading and Development Property Management
<ul style="list-style-type: none"> Australia Southern Africa UK and Europe 	<ul style="list-style-type: none"> Australia Canada Southern Africa UK and Europe 	<ul style="list-style-type: none"> Australia Hong Kong Southern Africa UK and Europe USA 	<ul style="list-style-type: none"> Australia Hong Kong Southern Africa UK and Europe USA 	<ul style="list-style-type: none"> Australia Southern Africa UK and Europe
Group Services and Other Activities				
<ul style="list-style-type: none"> Central Services 		<ul style="list-style-type: none"> Central Funding 	<ul style="list-style-type: none"> International Trade Finance 	

Private Client Activities

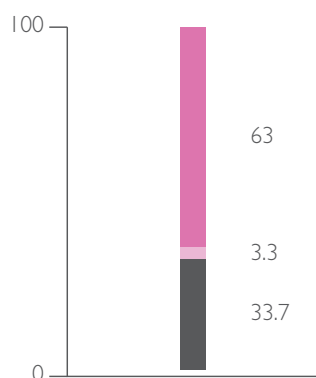
Partner of choice from wealth creation to wealth management

Contribution analysis

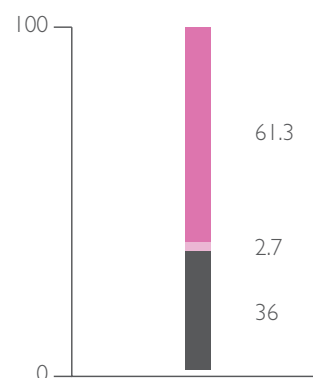
Operating profit *



Employees



Adjusted shareholders' equity**

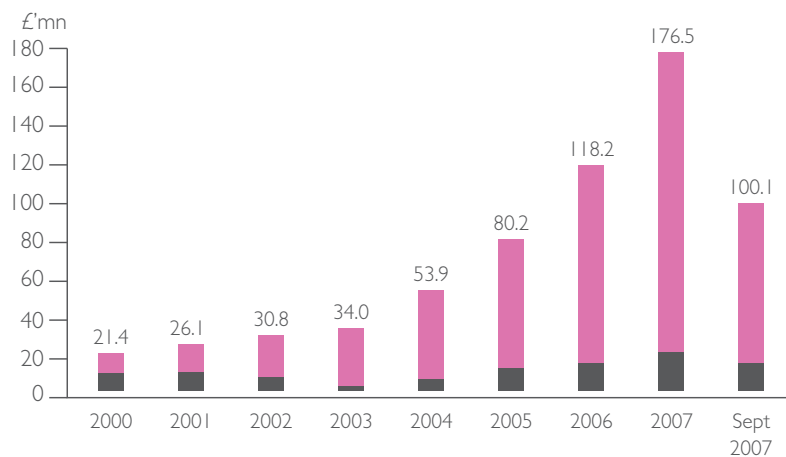


■ Private Banking ■ Private Client Portfolio Management and Stockbroking ■ Remainder of Investec group

* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 89.

Operating profit[^] - track record



■ Private Banking ■ Private Client Portfolio Management and Stockbroking

[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Private Banking

Partner of choice from wealth creation to wealth management

Overview and financial analysis

- Operating profit increased by 16.4% to £85.7 million, contributing 35.3% to group profit.
- Strong growth achieved in South Africa and Australia. UK reporting a solid performance after an exceptional result in the prior year.
- Key earnings drivers:
 - Loans and advances increased by 18.2% to £8.1 billion.
 - The deposit book increased by 20.0% to £6.7 billion.
 - Funds under advice increased by 31.7% to £3.3 billion.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income	123 789	103 227	20 562	19.9%
Net fees and commissions income	46 004	55 395	(9 391)	(17.0%)
Principal transactions	25 284	9 699	15 585	>100.0%
Other operating income and operating income from associates	239	(23)	262	>100.0%
Impairment losses on loans and advances	(7 126)	(3 806)	(3 320)	87.2%
Admin expenses and depreciation	(102 496)	(90 872)	(11 624)	12.8%
Operating profit before goodwill, non-operating items and taxation	85 694	73 620	12 074	16.4%
UK and Europe	51 778	50 476	1 302	2.6%
Southern Africa	22 878	17 424	5 454	31.3%
Australia	11 038	5 720	5 318	93.0%
Operating profit before goodwill, non-operating items and taxation	85 694	73 620	12 074	16.4%
Adjusted shareholders' equity*	569 024	423 852	145 172	34.3%
ROE (pre-tax)*	37.3%	37.9%		
Cost to income ratio	52.5%	54.0%		
Operating profit per employee (£'000)*	42.4	42.9		(1.2%)

* As calculated on pages 89 and 90.

The variance in operating profit over the period can be explained as follows:

- The solid increase in net interest income has been driven by:
 - Strong growth in loans and advances and deposits.
 - A strong increase in arrangement and exit fees associated with increased lending turnover.
- The impact of IAS 18 has resulted in a cumulative R577 million (31 March 2007: R506 million) of lending fees in the South African business being deferred for future recognition.
- The decrease in net fees and commissions receivable is principally the result of a reduced contribution from the European Structured Property Finance specialisation. In other geographies this specialisation showed excellent growth, albeit off a lower base, over the period. Wealth Management increased its contribution in all three geographies. Trust and Fiduciary, primarily a European business, showed growth off its increased base after the Quorum acquisition.
- Principal transactions include the revaluations and realisations of equity and warrant positions held. These are associated with our lending activities and the manner in which certain of our deals are structured. The increase in principal transactions reflects the growing maturity of the Growth and Acquisition Finance business in all three core geographies.
- Impairment losses on loans and advances have increased largely a result of conservative impairments made against certain transactions in Australia. Impairment losses are otherwise in line with the growth in loans and advances.
- The increase in expenses is mainly as a result of an increase in average headcount, an increased investment in distribution resources, risk management capability, regulatory compliance and information technology infrastructure.

Loans, deposits and funds under advice

£'million As at	UK and Europe		Southern Africa		Australia		Total		% Change
	30 Sept 2007	31 Mar 2007	30 Sept 2007	31 Mar 2007	30 Sept 2007	31 Mar 2007	30 Sept 2007	31 Mar 2007	
Residential	1 346	1 084	1 045	868	14	10	2 405	1 962	22.6%
Commercial	938	787	1 903	1 609	487	417	3 328	2 813	18.3%
Cash-backed loans	96	119	3	-	-	-	99	119	(16.8%)
Other	560	412	989	862	79	102	1 628	1 376	18.3%
Securitised assets	-	-	663	605	-	-	663	605	9.6%
Total gross core loans and advances	2 940	2 402	4 603	3 944	580	529	8 123	6 875	18.2%
Specific impairments	1	2	11	11	5	2	17	15	13.3%
Portfolio impairments	2	2	4	3	-	-	6	5	20.0%
Net core loans and advances	2 937	2 398	4 588	3 930	575	527	8 100	6 855	18.2%
Asset quality									
Gross defaults	11	16	55	45	11	10	77	71	8.5%
Collateral value	10	15	45	34	5	9	60	58	3.4%
Specific impairments	1	2	11	11	5	2	17	15	13.3%
Net defaults (limited to zero)	-	-	-	-	-	-	-	-	
Gross defaults as a % of gross core loans and advances	0.4%	0.7%	1.2%	1.1%	1.9%	1.9%	0.9%	1.0%	
Total deposits	4 023	3 439	2 269	1 851	378	270	6 670	5 560	20.0%

Net core loans and advances as at	30 Sept 2007	31 Mar 2007	% Change	30 Sept 2007	31 Mar 2007	% Change
	£'million			Home currency 'million		
UK and Europe	2 937	2 398	22.5%	£2 937	£2 398	22.5%
Southern Africa	4 588	3 930	16.7%	R64 140	R55 786	15.0%
Australia	575	527	9.1%	A\$1 323	A\$1 279	3.4%
Net core loans and advances	8 100	6 855	18.2%			

Total deposits as at	30 Sept 2007	31 Mar 2007	% Change	30 Sept 2007	31 Mar 2007	% Change
	£'million			Home currency 'million		
UK and Europe	4 023	3 439	17.0%	£4 023	£3 439	17.0%
Southern Africa	2 269	1 851	22.6%	R31 723	R26 277	20.7%
Australia	378	270	40.0%	A\$870	A\$655	32.8%
Total deposits	6 670	5 560	20.0%			

Private Banking

Partner of choice from wealth creation to wealth management

Funds under advice as at	30 Sept 2007	31 Mar 2007	% Change	30 Sept 2007	31 Mar 2007	% Change
		£'million		Home currency 'million		
UK and Europe	1 338	951	40.7%	£1 338	£951	40.7%
Southern Africa	1 651	1 275	29.5%	R23 078	R18 111	27.4%
Australia	347	306	13.4%	A\$797	A\$740	7.7%
Funds under advice	3 336	2 532	31.7%			

£'million As at	UK and Europe		Southern Africa		Australia		Total		% Change
	30 Sept 2006	31 Mar 2006	30 Sept 2006	31 Mar 2006	30 Sept 2006	31 Mar 2006	30 Sept 2006	31 Mar 2006	
Residential	940	818	786	908	-	11	1 726	1 737	(0.6%)
Commercial	744	721	1 389	1 559	349	319	2 482	2 599	(4.5%)
Cash-backed loans	158	117	-	-	-	-	158	117	35.0%
Other	327	325	749	925	117	51	1 193	1 301	(8.3%)
Securitised assets	-	-	420	423	-	-	420	423	(0.7%)
Total gross core loans and advances	2 169	1 981	3 344	3 815	466	381	5 979	6 177	(3.2%)
Specific impairments	3	2	9	9	1	1	13	12	8.3%
Portfolio impairments	1	1	5	6	-	-	6	7	(14.3%)
Net core loans and advances	2 165	1 978	3 330	3 800	465	380	5 960	6 158	(3.2%)
Total deposits	3 194	2 921	1 596	1 650	240	202	5 030	4 773	5.4%

Net core loans and advances as at	30 Sept 2006	31 Mar 2006	% Change	30 Sept 2006	31 Mar 2006	% Change
		£'million		Home currency 'million		
UK and Europe	2 165	1 978	9.5%	£2 165	£1 978	9.5%
Southern Africa	3 330	3 800	(12.4%)	R48 265	R40 749	18.4%
Australia	465	380	22.4%	A\$1 170	A\$928	26.1%
Net core loans and advances	5 960	6 158	(3.2%)			

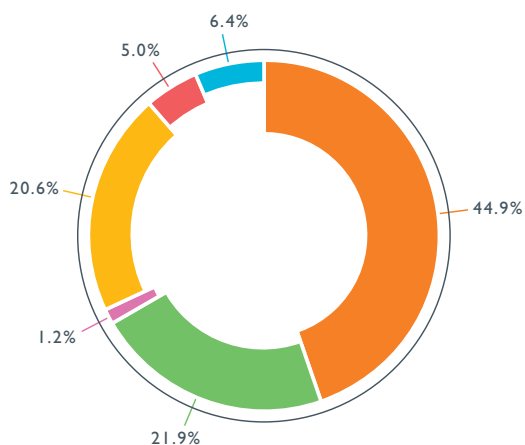
Total deposits as at	30 Sept 2006	31 Mar 2006	% Change	30 Sept 2006	31 Mar 2006	% Change
		£'million		Home currency 'million		
UK and Europe	3 194	2 921	9.3%	£3 194	£2 921	9.3%
Southern Africa	1 596	1 650	(3.3%)	R23 123	R17 687	30.7%
Australia	240	202	18.8%	A\$602	A\$495	21.6%
Total deposits	5 030	4 773	5.4%			

Funds under advice as at	30 Sept	31 Mar	% Change	30 Sept	31 Mar	% Change
	2006	2006		2006	2006	
	£'million			Home currency 'million		
UK and Europe	762	642	18.7%	£762	£642	18.7%
Southern Africa	924	1 006	(8.2%)	R13 388	R10 784	24.1%
Australia	246	240	2.5%	A\$616	A\$586	5.1%
Funds under advice	1 932	1 888	2.3%			

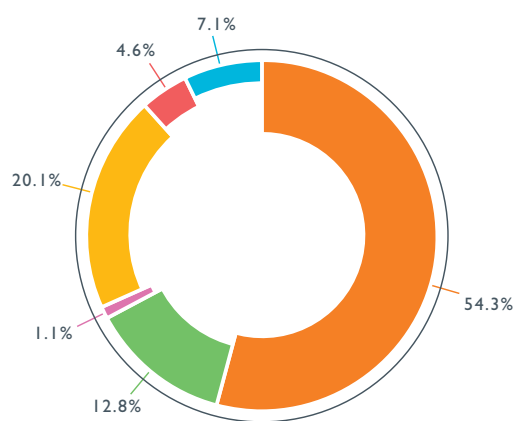
Average values £'million	31 March 2007 to 30 Sept 2007	31 March 2006 to 30 Sept 2006	% Change
Net core loans and advances	7 478	6 059	23.4%
Deposits	6 115	4 902	24.7%
Funds under advice	2 934	1 910	53.6%

Analysis of total operating income by area of specialisation

30 September 2007



30 September 2006



- Structured Property Finance
- Growth and Acquisition Finance
- Specialised Lending
- Banking Activities
- Investment Management and Advisory Services
- Trust and Fiduciary Services

Private Banking

Partner of choice from wealth creation to wealth management

Developments

UK and Europe

- The Structured Property Finance team has benefited from increased distribution capacities in the UK together with continued focus on client led and cross border transactions. Exits have been tempered due to the current credit crunch.
- The Growth and Acquisition Finance activities continue to prosper. New investments made and a sound pipeline of business point to continued momentum in this specialisation.
- The Wealth Management business continues to grow funds under management. Both the advisory and special opportunities initiatives have achieved scale and are on track to making a meaningful contribution to net profit.
- The Banking business continues its foray into the Swiss and Jersey deposit markets. A new suite of private client mortgage products targeted at high income individuals was launched in the UK. Future on-line and transactional banking initiatives are currently under review.
- The Trust business continues to deliver healthy growth in net profit. This growth has been balanced by a strong emphasis and investment in the quality of risk management and governance.

South Africa

- Strong economic growth in South Africa over the past 5 years has led to a significant deepening and broadening of private wealth. Representative offices have therefore been established in Nelspruit and Pietermaritzburg, with a Stellenbosch office due to open in February 2008.
- The Wealth Management division leveraged the partnership with Investec Private Bank in the UK, and has distributed R600 million of special investment opportunities originated in the UK, Europe and Asia to the domestic ultra high net worth private client base.
- The Growth and Acquisition Finance specialisation has increased its proportionate contribution to earnings, with a strong performance from the Johannesburg region. Black economic empowerment funding continues to be a significant contributor.
- Structured Property Finance has experienced a shift in emphasis from residential development finance to retail, commercial and industrial development and portfolio funding.
- The Banking division has made particular progress in raising

private client deposits through increased distribution as well as the Corporate Cash Management product.

Australia

- The Private Bank continues to expand geographical reach particularly in Melbourne, Brisbane and more recently in Perth.
- We have entered into an agreement to acquire Experien, a professional lending business, which will add strategic diversification, increased distribution capability and an expanded client network to the current platform.
- We exited a further four Growth and Acquisition Finance transactions through initial public offerings (IPOs) and refinances. Our underlying portfolio continues to grow in value and we continue to look for opportunities to build a portfolio of investments.
- The Structured Property Finance specialisation continues to increase its scale and penetrate new markets as the distribution capacity increases nationally.
- The Private Client Treasury specialisation, with a strong focus on deposit raising, has increased funds by 32.8% for the six month period under review.
- The Wealth Management business continues to source, develop and distribute specialised co-investment opportunities.
- Specialised lending, focusing on providing sophisticated gearing solutions for high net worth clients, is beginning to gain traction.

Outlook, risks and uncertainties

- A reasonably strong economic growth outlook for South Africa and Australia should support sustained pipelines and activity levels, notwithstanding a significant increase in base lending rates over the past 18 months.
- In Europe, the outlook for the second six months is tempered as these markets navigate through the current credit crunch. This could have a meaningful impact on pipelines and exits across the jurisdictions.

Overview and financial analysis

- Operating profit increased by 47.5% to £14.4 million, contributing 5.9% to group profit.
- Average private client funds under management in South Africa grew by 28.6% to R109.1 billion.
- Rensburg Sheppards plc reported funds under management of £14.41 billion.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income	36	(142)	178	>100.0%
Net fees and commissions income	17 504	13 401	4 103	30.6%
Principal transactions	1 245	817	428	52.4%
Other operating income and operating income from associates	5 998	4 074	1 924	47.2%
Admin expenses and depreciation	(10 416)	(8 412)	(2 004)	23.8%
Operating profit before goodwill, non-operating items and taxation	14 367	9 738	4 629	47.5%
UK and Europe	5 998	4 074	1 924	47.2%
Southern Africa	8 369	5 664	2 705	47.8%
Operating profit before goodwill, non-operating items and taxation	14 367	9 738	4 629	47.5%
Adjusted shareholders' equity*	42 023	44 615	(2 592)	(5.8%)
ROE (pre-tax)*	59.8%	39.6%		
Cost to income ratio	42.0%	46.3%		
Operating profit per employee (£'000)*	40.8	32.2		26.7%

* As calculated on pages 89 and 90.

The variance in operating profit over the period can be explained as follows:

- The South African Private Client Portfolio Management and Stockbroking business has benefited from higher asset levels and increased volumes over the period. Alternative products launched in the previous financial year also gained traction and asset swap activity increased as recent local market volatility led clients to diversify portfolios.
- Investec's UK Private Client Stockbroking business, Carr Sheppards Crosthwaite was sold to Rensburg plc on 6 May 2005. We retain a 47.3% interest in the combined entity, Rensburg Sheppards plc. Post the 6 May 2005 the results of the combined entity Rensburg Sheppards plc have been equity accounted and these results are included in the line item "operating income from associates" (the £5.8 million income reflected above is post tax of approximately £2.7 million).

Private Client Portfolio Management and Stockbroking

Developments

UK and Europe

- Rensburg Sheppards plc released its results for the six months ended 30 September 2007 on 14 November 2007. Salient features of the results extracted directly from the announcement released by the company include:

Key points:

- Profit before tax of £15.0 million (2006: £10.2 million).
- Adjusted* profit before tax of £20.1 million (2006: £15.3 million).
- Basic earnings per share of 23.9p (2006: 14.4p).
- Adjusted* basic earnings per share of 31.7p (2006: 24.2p).
- Interim dividend of 8.5p per ordinary share (2006: 7.5p).
- Group funds under management at 30 September 2007 of £14.41 billion (2006: £13.28 billion).

- * Before amortisation of the client relationships intangible asset and share-based charges relating to the Employee Benefit Trust ('EBT'). These items amount to a net charge before tax of £5.1 million (2006: £5.1 million) and a net charge after tax of £3.4 million (2006: £4.3 million).

South Africa

- The business has been restructured into focused, specialised teams with a clearly defined client base to manage.
- Currency futures were launched in the past quarter and the revised online trading platform is expected to go live shortly.
- We continue to focus on converting non-discretionary assets to discretionary mandates.

Funds under management as at	30 Sept 2007	31 Mar 2007	% Change	30 Sept 2007	31 Mar 2007	% Change
		R'million			£'million	
Discretionary	19 764	18 419	7.3%	1 414	1 297	9.0%
Non-discretionary	92 785	87 177	6.4%	6 637	6 139	8.1%
Total	112 549	105 596	6.6%	8 051	7 436	8.3%

R'million	30 Sept 2007	31 Mar 2007
Net flows at cost over period		
Discretionary	686	1 065
Non-discretionary	2 386	2 316
Total	3 072	3 381

Funds under management as at	30 Sept 2006	31 Mar 2006	% Change	30 Sept 2006	31 Mar 2006	% Change
		R'million			£'million	
Discretionary	14 736	14 343	2.7%	1 017	1 338	(24.0%)
Non-discretionary	70 755	69 744	1.5%	4 883	6 506	(25.0%)
Total	85 491	84 087	1.7%	5 900	7 844	(24.8%)

R'million	30 Sept 2006	31 Mar 2006
Net flows at cost over period		
Discretionary	67	2 799
Non-discretionary	(515)	13 957
Total	(448)	16 756

Average values	31 March 2007 to 30 Sept 2007	31 March 2006 to 30 Sept 2006	% Change
South Africa funds under management (£'million)	7 744	6 872	12.7%
South Africa funds under management (R'million)	109 073	84 789	28.6%

Outlook, risks and uncertainties

South Africa

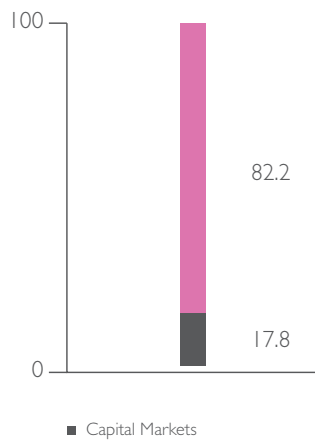
- Higher domestic interest rates and the prospect of further monetary tightening, disarray in global credit markets and its implications for the US economy in particular; and ANC party leadership succession uncertainty are themes which will most likely determine local investor appetite for equity and investment markets generally. The impact of these factors together with historic high market levels may negate trading volumes, specifically volumes related to speculative demand, in the near future.
- As a result of the factors mentioned above revenue growth is expected to be moderate although an improved yield on assets under management may compensate to an extent depending on the success of a recently implemented client service strategy designed to improve target market penetration and general business leverage.
- Other strategic initiatives including the launch of the "new" Investec Securities online services are also expected to contribute to better efficiencies, focused service delivery and an overall improvement in margin going forward.

Capital Markets

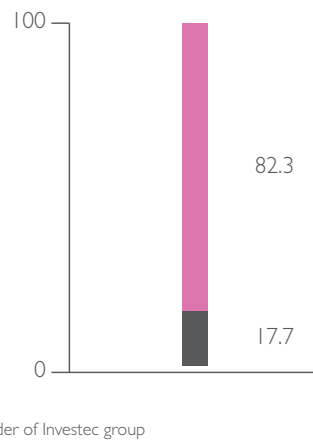
Specialist structuring and advisory business

Contribution analysis

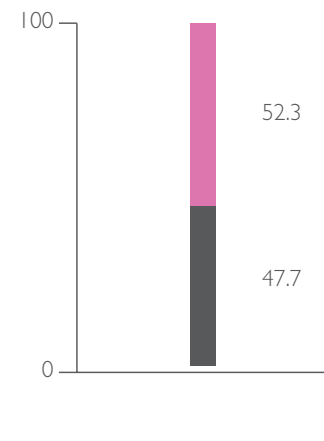
Operating profit *



Employees



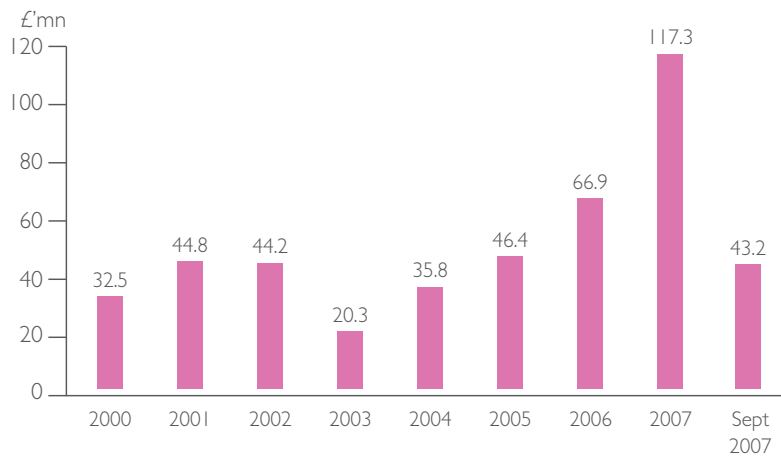
Adjusted shareholders' equity **



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 89.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Overview and financial analysis

- Operating profit decreased 24.3% to £43.2 million, contributing 17.8% to group profit.
- Our advisory, structuring and asset creation activities continued to perform well.
- We benefited from the acquisition of Rothschild's and the introduction of a number of new initiatives.
- Average loans and advances grew by 17.2% to £3.5 billion.
- The results of the division were adversely impacted by a poor performance from the US Principal Finance division which has been negatively impacted by the current credit crisis (see below).
- Investec plc acquired Kensington Group plc ("Kensington") with effect from 8 August 2007. The businesses of Kensington now form part of the Capital Markets business in the UK. Salient financial information with respect to Kensington is provided below and should be taken into account when assessing the variance analysis provided.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income	66 395	41 623	24 772	59.5%
Net fees and commissions income	48 312	42 894	5 418	12.6%
Principal transactions	20 227	45 046	(24 819)	(55.1%)
Other operating income and operating income from associates	(44)	(11)	(33)	>100.0%
Impairment losses on loans and advances	(5 097)	(4 521)	(576)	12.7%
Admin expenses and depreciation	(86 594)	(67 966)	(18 628)	27.4%
Operating profit before goodwill, non-operating items and taxation	43 199	57 065	(13 866)	(24.3%)
UK and Europe	6 439	29 558	(23 119)	(78.2%)
Southern Africa	32 093	25 833	6 260	24.2%
Australia	4 667	1 674	2 993	>100.0%
Operating profit before goodwill, non-operating items and taxation	43 199	57 065	(13 866)	(24.3%)
Adjusted shareholders' equity*	754 649	319 103	435 546	>100.0%
ROE (pre-tax)*	17.3%	40.3%		
Cost to income ratio	64.2%	52.5%		
Operating profit per employee (£'000)*	47.8	98.6		(51.5%)

* As calculated on pages 89 and 90.

The variance in operating profit over the period can be explained as follows:

- Net interest income has benefited from an increase in average advances, notably in Australia, and the acquisition of Kensington.
- The increase in net fees and commissions income is attributable to a solid performance from the advisory and structuring businesses in all geographies with a number of mandates closed successfully, particularly in Project Finance, Structured Finance, Resource Finance and Equity Finance.
- The decrease in principal transactions primarily reflects losses made in the UK Principal Finance division as a result of write downs of £36 million on US structured credit investments largely as a result of recent rating agency downgrades on these portfolios. If we had to adjust for these write downs, principal transaction revenue would have increased by over 50% as a result of revaluations and realisations of investments in the Structured Finance and Resource Finance businesses, and improved trading conditions off the back of volatile markets, in particular in the Foreign Exchange, Fixed Income and Equity markets. Further analysis is provided below.
- Excluding the impact of the acquisition of Kensington, impairment losses on loans and advances improved from £4.5 million to a net recovery of £2.8 million, as a result of recoveries on certain transactions in South Africa.
- Expenses have increased largely due to an increase in average headcount to support new initiatives in all geographies (notably UK and Australia), the acquisition of Kensington, the investment in product development and IT infrastructure and costs associated with complying with new and forthcoming regulatory requirements.

Capital Markets

Specialist structuring and advisory business

Analysis of principal transactions

£'000	Sept 2007	Sept 2006	Variance
UK and Europe	(5 857)	23 082	(28 939)
Trading activities	13 724	746	12 978
Principal Finance	(28 766)	11 978	(40 744)
Commodities and Resource Finance	6 826	4 319	2 507
Structured and Asset Finance	2 359	6 039	(3 680)
Southern Africa	20 846	21 992	(1 146)
Trading activities	7 512	12 587	(5 075)
Balance Sheet Management	2 905	2 082	823
Financial Products	521	1 630	(1 109)
Lending areas	9 908	5 693	4 215
Australia	5 238	(28)	5 266
Total	20 227	45 046	(24 819)

Loans and advances (excluding Kensington)

£'million As at	UK and Europe		Southern Africa		Australia		Total		% Change
	30 Sept 2007	31 Mar 2007	30 Sept 2007	31 Mar 2007	30 Sept 2007	31 Mar 2007	30 Sept 2007	31 Mar 2007	
Loans	2 037	1 282	1 542	1 434	180	141	3 759	2 857	31.6%
Assets to be securitised/ warehouse assets	207	242	-	-	-	-	207	242	(14.5%)
Total gross loans and advances	2 244	1 524	1 542	1 434	180	141	3 966	3 099	28.0%
Specific impairments	3	5	1	5	9	8	13	18	(27.8%)
Portfolio impairments	-	-	1	1	-	-	1	1	-
Net loans and advances	2 241	1 519	1 540	1 428	171	133	3 952	3 080	28.3%
Asset quality									
Gross defaults	19	18	10	24	10	8	39	50	(22.0%)
Collateral value	14	11	9	24	-	-	23	35	(34.3%)
Specific impairments	3	5	1	5	9	8	13	18	(27.8%)
Net defaults (limited to zero)	2	2	-	-	1	-	3	2	(50.0%)
Gross defaults as a % of gross loans and advances	0.8%	1.2%	0.6%	1.7%	5.6%	5.7%	0.9%	1.6%	

Loans and advances (excluding Kensington)

Net loans and advances as at	30 Sept	31 Mar	%	30 Sept	31 Mar	%
	2007	2007	Change	2007	2007	Change
		£'million		Home currency 'million		
UK and Europe	2 241	1 519	47.5%	£2 241	£1 519	47.5%
- Loans	2 034	1 277	59.3%	£2 034	£1 277	59.3%
- Assets to be securitised/warehouse assets	207	242	(14.5%)	£207	£242	(14.5%)
Southern Africa	1 540	1 428	7.8%	R21 549	R20 275	6.3%
Australia	171	133	28.6%	A\$414	A\$323	28.2%
Net loans and advances	3 952	3 080	28.3%			

£'million As at	UK and Europe		Southern Africa		Australia		Total		% Change
	30 Sept 2006	31 Mar 2006	30 Sept 2006	31 Mar 2006	30 Sept 2006	31 Mar 2006	30 Sept 2006	31 Mar 2006	
Loans	1 330	942	1 278	1 862	156	25	2 764	2 829	(2.3%)
Assets to be securitised/ warehouse assets	266	172	-	-	-	-	266	172	54.7%
Total gross loans and advances	1 596	1 114	1 278	1 862	156	25	3 030	3 001	1.0%
Specific impairments	-	5	8	8	8	1	16	14	14.3%
Portfolio impairments	-	-	1	2	-	-	1	2	(50.0%)
Net loans and advances	1 596	1 109	1 269	1 852	148	24	3 013	2 985	0.9%

Net loans and advances as at	30 Sept	31 Mar	%	30 Sept	31 Mar	%
	2006	2006	Change	2006	2006	Change
		£'million		Home currency 'million		
UK and Europe	1 596	1 109	43.9%	£1 596	£1 109	43.9%
- Loans	1 330	937	41.9%	£1 330	£937	41.9%
- Assets to be securitised/warehouse assets	266	172	54.7%	£266	£172	54.7%
Southern Africa	1 269	1 852	(31.5%)	R18 387	R19 855	(7.4%)
Australia	148	24	>100.0%	A\$370	A\$58	>100.0%
Net loans and advances	3 013	2 985	0.9%			

Average values £'million	31 March 2007 to 30 Sept 2007	31 March 2006 to 30 Sept 2006	% Change
Net loans and advances	3 516	2 999	17.2%

Capital Markets

Specialist structuring and advisory business

Kensington Group plc - salient financial information

Strategy and developments

- Challenging credit market conditions have resulted in a significant restructuring of the business in order to maintain a robust business model that can respond quickly when market conditions change.
- Restructuring efforts include:
 - Reduction of overheads.
 - Tightening of lending criteria.
 - Appropriate pricing for current market conditions.
- Developments include:
 - Adverse business volumes have decreased significantly since 30 September 2007.
 - Forward flow agreements are still operative and the majority of warehouse facilities have been renewed or are in the process of being renewed.
 - Further efficiencies to be gained through increased automation across the operating model.
 - Since 31 March 2007:
 - Mortgages under management have decreased from £6.9 billion to £6.6 billion.
 - The weighted average current LTV has improved from 70.5% to 68.3%.
 - Asset quality has improved with the percentage of accounts greater than 90 days in arrears decreasing from 9.4% to 9.1%.

Summary income statement for period 8 August to 30 September 2007

	£'million
Net interest income	19.0
Net fees and commissions	1.4
Principal transactions	1
Impairment losses on loans and advances	(7.9)
Admin expenses and depreciation	(8.9)
Operating profit before goodwill, non-operating items and taxation	4.6

Purchase consideration

In terms of the acquisition offer each Kensington shareholder has received 0.7 Investec plc shares plus a special dividend of 26 pence (paid by Kensington) for each Kensington share held. The acquisition was satisfied by the issue of 37 449 550 Investec plc shares at £5.875 pence per share. The purchase consideration has been provisionally allocated between net assets at acquisition and goodwill. Net assets at the date of acquisition, total consideration paid and goodwill arising on the transaction are disclosed in the table below.

	£'million	£'million
Value of Investec plc shares issued (37 449 550 shares at £5.875)		220.0
Acquisition costs		3.8
Kensington net assets at acquisition	160.2	
Less: special dividend	(13.6)	
Less: fair value adjustments	(43.5)	
		103.1
Goodwill arising on acquisition		120.7

Key statistics

	30 Sept 2007	31 March 2007
Assets and business activity statistics		
Mortgage assets under management (£'million)	6 590	6 955
Warehouse book	1 672	833
Securitised portfolio	4 918	6 122
Warehouse book (£'million)		
First charge %	88.2%	93.1%
Second charge %	11.8%	6.9%
Securitised portfolio (£'million)		
First charge %	93.8%	93.0%
Second charge %	6.2%	7.0%
Number of loans	74 333	78 840
Average loan balance (first charge)	£110 715	£110 153
Largest loan balance	£1 034 754	£1 049 558
Fixed rate loans % of total mortgage assets under management	47.8%	34.8%
Weighted average loan mature margin (%)	3.34%	3.44%
Weighted average loan seasoning (months)	19.7	18.3
Average early redemption charge income received (%)	2.46%	2.76%
Securitisations completed (£'million)	-	800

Capital Markets

Specialist structuring and advisory business

Key statistics (continued)

	30 Sept 2007	31 March 2007
New business completions (cumulative YTD since 1 Dec 2006) (£'million)	2 924	1 175
Prime	528	199
Near prime	968	360
Adverse	878	415
Adverse Buy to Let and Right to Buy	120	47
Start	430	154
Asset quality and exposure statistics		
Weighted average current LTV of active portfolio (adjusted for house price inflation)	68.3%	70.5%
% of accounts > 90 days in arrears	9.1%	9.4%
Actual amount in arrears (£'million)	54	59
Arrears 0 - 29 days	4	4
Arrears 30 - 59 days	5	5
Arrears 60 - 89 days	5	6
Arrears > 90 days	40	44
Debt to income ratio of clients %	36.7%	34.3%
Equity investment exposure in securitisation structures (£'million)	168	174
Loan impairment provision on balance sheet (£'million)	(50)	(53)
Net exposure (£'million)	118	121
Funding statistics		
Value of loans sold in period (cumulative YTD since 1 Dec 2006) (£'million)	1 564	685
Near prime	991	459
Specialist prime	552	226
Other	21	-
Total warehouse facilities (£'million)	2 194	2 678

Product mix as at 30 Sept 2007 £'million	Adverse	Near Prime	Prime	Buy to Let and Right to Buy	Start	Total
Warehouse book	532	563	64	69	446	1 674
Securitised portfolio	3 514	754	-	242	413	4 923
Total (pre-IFRS adjustment)	4 046	1 317	64	311	859	6 597

Developments

UK and Europe

- The Project Finance team continues to be a leader in the UK PFI advisory business, and we have recently established an office in Canada to service the North American PFI market.
- The Acquisition Finance and Asset Finance businesses continue to perform well, although deal flow has slowed as a result of the liquidity crisis in the UK.
- We are considered one of the top 10 European banks in aircraft finance, with particular success in origination of transactions in India where we have completed the first two ever sale and leasebacks for the two Indian State owned airlines.
- The trading desks showed an improved performance benefiting from market volatility, the introduction of new products and increased staff in certain areas. The Corporate Foreign Exchange and Equity Derivatives desks are now fully operational.
- The Resources Fund initiative has been established and we have started to attract 3rd party money to the fund.
- The Commodities and Resource Finance business continues to grow and we are now considered a top name in the mid and junior mining project finance sector and are growing our name in the commodities arena.
- The Principal Finance activities were negatively impacted by the credit issues and subsequently by the liquidity crisis that arose off the back of the US sub-prime issues. We have taken a mark to market write down of £36 million against the US positions largely as a result of recent rating agency downgrades on these portfolios. The market is changing daily and the carrying value of these positions will be monitored. As at 30 September 2007 the on-balance sheet value of the US portfolio is £81 million of which £33 million is dependent on the performance of the US sub-prime market.

South Africa

- Deal activity in our lending areas has been strong during the first six months of the year.
- Profitability on the trading desks continues to be supported by increased levels of client flow.
- Ongoing focus on innovation and service levels has allowed us to maintain the equity derivatives listed products market share levels achieved during 2007.
- Debt capital markets have seen no securitisations concluded during the first half of the year, although the market remains open.
- The division continues to hold numerous equity related positions linked to underlying advances and the way in which certain deals are structured and these are positively affecting results through increased valuations.

Australia

- The integration of the former NM Rothschild & Sons (Australia) Limited business is complete and the division now enjoys a stronger franchise particularly in Project and Infrastructure Finance and Commodities and Resource Finance.
- The successful issuance of the maiden medium term note programme was well received and achieved volumes and spreads inside our expectations.

Outlook, risks and uncertainties

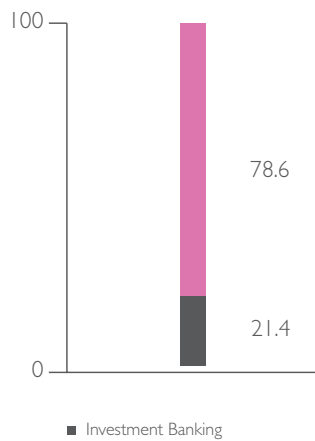
- The strategy has not changed. We continue to be a focused business targeting markets where we can be distinctive and competitive focusing on our core value drivers.
- In the UK and South Africa we will continue to strive for depth and greater penetration. In Australia we continue to look for opportunities to broaden our franchise.
- We will continue to focus on our strategy around specialist funds.
- We will continue to invest in the business to ensure continued growth in the medium term.
- Markets are uncertain. The liquidity crisis has severely impacted markets and there is continued uncertainty as to the impact this will have on the market in the short to medium term.
- The UK and European securitisation markets are closed as a result of the liquidity crisis and we are unsure as to when and in what form the markets will reopen.
- The liquidity issues have not affected South Africa but we remain cautious in these markets.
- Deal volume has been slowed in Kensington by tightening up on the credit parameters, but the growth of the business is dependent on liquidity and stability returning to the financial markets.
- These factors will have an impact on some of our businesses in the second half of the year in particular the Principal Finance businesses, but we have a diversified portfolio of businesses within Capital Markets and the pipeline remains good in many of our specialised lending areas, including Project Finance, Resource Finance and Specialised Finance.

Investment Banking

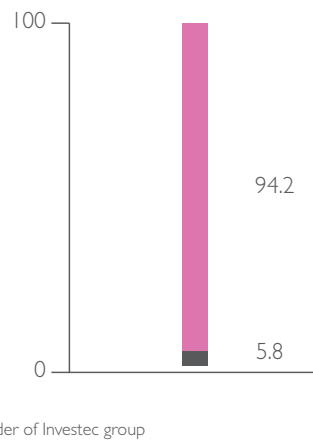
Integrated business focused on local client delivery with international access

Contribution analysis

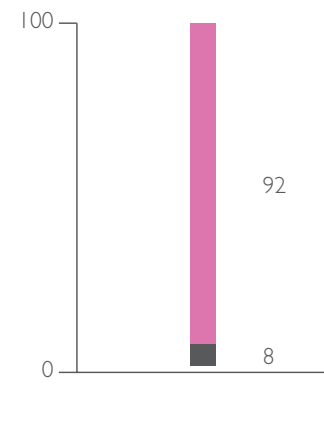
Operating profit *



Employees



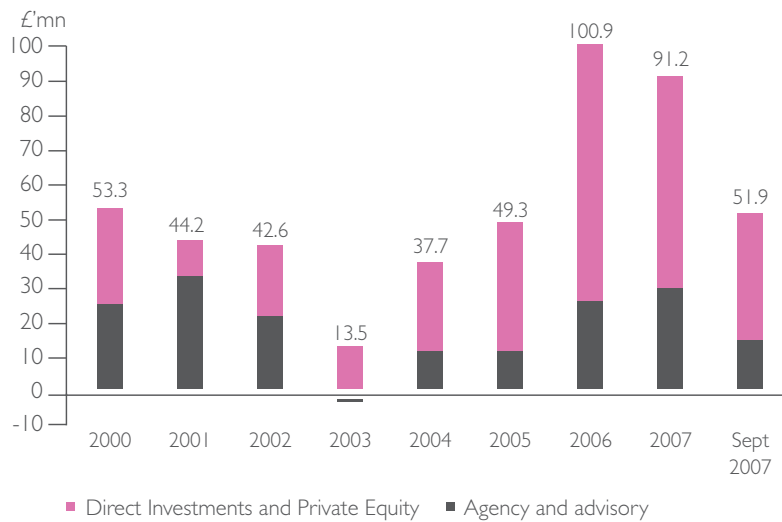
Adjusted shareholders' equity **



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 89.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Overview and financial analysis

- Operating profit increased by 45.1% to £51.9 million, contributing 21.4% to group profit.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income	(2 839)	(1 229)	(1 610)	>100.0%
Net fees and commissions income	51 806	39 390	12 416	31.5%
Principal transactions	43 774	29 848	13 926	46.7%
Other operating income and operating income from associates	26 316	9 385	16 931	>100.0%
Impairment losses on loans and advances	(1 121)	-	(1 121)	(100.0%)
Admin expenses and depreciation	(66 026)	(41 616)	(24 410)	58.7%
Operating profit before goodwill, non-operating items and taxation	51 910	35 778	16 132	45.1%
Corporate Finance	8 230	9 604	(1 374)	(14.3%)
Institutional Research, Sales and Trading	7 223	7 314	(91)	(1.2%)
Direct Investments	9 724	5 185	4 539	87.5%
Private Equity	26 733	13 675	13 058	95.5%
Operating profit before goodwill, non-operating items and taxation	51 910	35 778	16 132	45.1%
UK and Europe	10 623	5 447	5 176	95.0%
Southern Africa	35 876	24 789	11 087	44.7%
Australia	5 411	5 542	(131)	(2.4%)
Operating profit before goodwill, non-operating items and taxation	51 910	35 778	16 132	45.1%
Adjusted shareholders' equity*	129 876	111 588	18 288	16.4%
ROE (pre-tax)*	57.8%	69.9%		
Cost to income ratio	55.5%	53.8%		
Operating profit per employee (£'000)*	149.5	117.0		27.8%

* As calculated on pages 89 and 90.

Investment Banking

Integrated business focused on local client delivery with international access

Corporate Finance and Institutional Research, Sales and Trading

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income	312	(660)	972	>(100.0%)
Net fees and commissions income	44 781	41 962	2 819	6.7%
Principal transactions	5 884	6 206	(322)	(5.2%)
Other operating income and operating income from associates	-	(15)	15	100.0%
Admin expenses and depreciation	(35 524)	(30 575)	(4 949)	16.2%
Operating profit before goodwill and non-operating items	15 453	16 918	(1 465)	(8.7%)

The variance in operating profit over the period can be explained as follows:

- The Corporate Finance operations benefited from a strong deal pipeline across all geographies, with a number of mandates closed successfully.
- The Institutional Stockbroking operations in South Africa were negatively impacted by a weaker performance from the trading activities as a result of market volatility. The Agency and Prime Broking businesses however, continued to perform well. The UK saw healthy growth in net commissions and equity trading. Commissions in large cap stocks, however, continued to be negatively impacted by regulatory changes (unbundling).
- The increase in expenses largely relates to an increase in headcount in certain businesses.

Direct Investments and Private Equity

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income	(3 151)	(569)	(2 582)	(>100.0%)
Net fees and commissions income	7 025	(2 572)	9 597	>100.0%
Principal transactions	37 890	23 642	14 248	60.3%
Other operating income and operating income from associates	26 316	9 400	16 916	>100.0%
Impairment losses on loans and advances	(1 121)	-	(1 121)	(>100.0%)
Admin expenses and depreciation	(30 502)	(11 041)	(19 461)	>100.0%
Operating profit before goodwill and non-operating items	36 457	18 860	17 597	93.3%

The variance in operating profit over the period can be explained as follows:

- Principal transaction income represents the year to date cumulative increase/decrease in the value of the division's direct investments and private equity portfolios, the profit/loss on realisation of these investments and dividends and other income received. Further analysis provided below.
- Other operating income largely relates to our investment in Global Ethanol and Idatech in which we hold 71% and 73%, respectively. The results of these investments have been consolidated with the respective income and expenses largely reflected in other operating income and administration expenses. These investments generated a net loss after tax and minority interest of £1.6 million. Any realisation of these investments in excess of carrying values will be recognised as income from principal transactions.
- The increase in expenses largely relates to the consolidation of Global Ethanol and Idatech (expenses amounted to £17.6 million).

Value of trading investments on balance sheet at 30 September 2007

£'million	Listed	Unlisted	Advances	Total
UK Private Equity and Direct Investments	8	12	-	20
SA Direct Investments	24	52	13	89
SA Private Equity	-	111	12	123
Australia	5	4	-	9
Hong Kong Direct Investments	3	10	-	13
	40	189	25	254

Note:

Combined value of Global Ethanol and Idatech of £69 million is not included in table above.

Value of trading investments on balance sheet at 30 September 2006

£'million	Listed	Unlisted	Advances	Total
UK Private Equity	12	6	-	18
SA Direct Investments	16	34	7	57
SA Private Equity	-	69	7	76
Australia	3	-	-	3
Hong Kong Direct Investments	2	-	-	2
	33	109	14	156

Analysis of operating profit for the six months ended 30 September 2007

£'million	Realised	Un-realised	Divi-dends	Interest and other	Income	Funding costs	Net income	Expenses	Net profit
UK Private Equity and Direct Investments	(1.0)	0.9	1.6	26.5	28.0	-	28.0	(22.2)	5.8
SA Direct Investments	0.4	11.4	0.1	(0.3)	11.6	(3.3)	8.3	(1.9)	6.4
SA Private Equity	-	20.1	6.7	-	26.8	(1.2)	25.6	(4.7)	20.9
Australia	1.8	(0.2)	0.1	3.4	5.1	-	5.1	(1.0)	4.1
Hong Kong Direct Investments	0.3	(0.3)	-	-	-	-	-	(0.7)	(0.7)
Total	1.5	31.9	8.5	29.6	71.5	(4.5)	67.0	(30.5)	36.5

Analysis of operating profit for the six months ended 30 September 2006

£'million	Realised	Un-realised	Divi-dends	Interest and other	Income	Funding costs	Net income	Expenses	Net profit
UK Private Equity	1.3	0.7	0.4	3.7	6.1	(0.1)	6.0	(4.1)	1.9
SA Direct Investments	-	8.5	0.9	0.5	9.9	(2.2)	7.7	(1.8)	5.9
SA Private Equity	-	11.2	3.7	(0.3)	14.6	(0.9)	13.7	(2.8)	10.9
Australia	-	-	-	2.3	2.3	-	2.3	(1.8)	0.5
Hong Kong Direct Investments	-	-	-	0.1	0.1	-	0.1	(0.5)	(0.4)
Total	1.3	20.4	5.0	6.3	33.0	(3.2)	29.8	(11.0)	18.8

Investment Banking

Integrated business focused on local client delivery with international access

Developments

Corporate Finance

UK and Europe

- The six month period featured a number of M&A transactions but limited IPO/fundraising activity.
- We completed 16 M&A transactions with a value of £1.1 billion (2006: 11 transactions with a value of £1.6 billion).
- We completed 13 fundraisings during the year raising in aggregate £224 million (2006: 7 fundraisings raising £134 million).
- We continue to build the quality and size of the corporate client list, gaining 7 new brokerages. We have 91 quoted clients with an average market capitalisation of £246 million.

South Africa

- We maintained our strong positioning with a good level of activity.
- Our focus was on M&A's, corporate restructuring activities, IPO's and black economic empowerment transactions.
- There was a good level of IPO activity.
- The Corporate Finance and Sponsor divisions continue to be ranked highly in all surveys of levels of activity.

Australia

- There is increasing awareness and recognition of the Investec brand within the Australian market.
- We advised on 9 transactions (2006:10) valued at approximately A\$1.7 billion (2006:A\$7 billion) during the period.
- We are still focused on increasing our headcount in Sydney and Brisbane and strengthening our presence in Melbourne.
- We continue to expand our sector specialisation, particularly in the resources sector.

Institutional Research, Sales and Trading

UK and Europe

- While volatile markets and unbundling have curtailed our ability to rapidly grow secondary commissions, net trading revenues have showed considerable improvement
- The quality of our research was highlighted in the objective

Sunday Times/Starmine survey published in June, in which we were placed 4th across all UK brokers, for UK stock recommendations.

- Investment has taken place across the business. Notably, we now have two sales people on the ground in New York.

South Africa

- Strong agency performance was driven by active market volumes and greater international penetration.
- We broadened our stock coverage and filled key gaps in our research offering to underpin our South African distinctiveness.
- Further to our stock association initiative, leading market share positions were achieved in the key dual listed shares.
- Our Prime Broking operation performed well, exceeding expectations in the growth of funds on the system and new client mandates.
- Good progress was made across our key product offerings.

Direct Investments and Private Equity

UK, Europe and Hong Kong

- We continued to seek appropriate investment opportunities, to enable us to leverage off the skills and knowledge base of the group and we also increased the resources in this area.

South Africa

- The Direct Investments portfolio increased to R1 242 million at 30 September 2007 (31 March 2007: R1 012 million). This was driven by a good performance from the underlying investments and further investment acquisitions.
- We continued to expand the capacity of our Private Equity investments through acquisitions and capital expenditure. The Private Equity portfolio was approximately R1 714 million at 30 September 2007 (31 March 2007: R1 266 million).

Australia

- The total size of the Private Equity funds is A\$480 million.
- The Private Equity team successfully completed five new investments in the private equity funds and on balance sheet as part of the bank's co-investment strategy with the Private Equity business.

- The group also made three divestments during the period, all of which contributed strong returns.
- The investment portfolio continues to perform strongly.

Outlook, risks and uncertainties

Corporate Finance

- While market conditions are currently uncertain, the pipeline is healthy and we continue to invest in building our Trusted Adviser capability and client base in the UK.
- Black economic empowerment, IPOs and M&A transactions are expected to continue to drive activity in South Africa.
- An enhanced team structure, together with increased brand awareness and national reach, provides a solid platform for future growth opportunities across all areas of the Australian business.

Institutional Research, Sales and Trading

- The UK business continues to strengthen its positioning in the market, while further growth is expected to come from hedge funds and increased distribution into the US and Europe.
- The South African business remains well positioned to capitalise on current market conditions. The focus on broadening the research product, combined with increased international leverage, and the successful traction gained in the Prime Broking and Contracts for Difference activities, should offset compression in local brokerage rates, resulting in an improved outlook for the operation.

Direct Investments and Private Equity

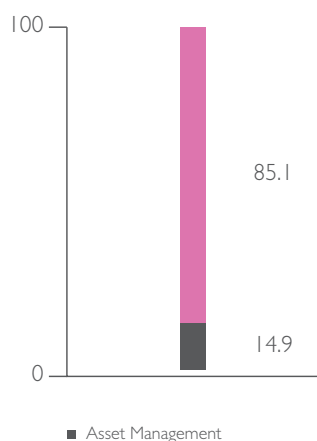
- We remain active in seeking direct investment opportunities, while continuing to unlock further value from the portfolio and building quality black economic empowerment platforms.
- The companies in our Private Equity portfolio are all trading in line with expectations and the outlook remains positive.
- Our Australian Private Equity business is well placed to take advantage of new investment opportunities in the marketplace as we begin to invest our third fund.

Asset Management

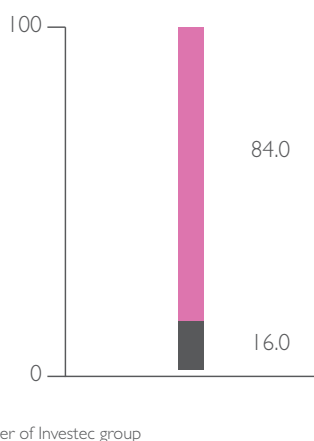
Investment specialist focused on performance and client needs

Contribution analysis

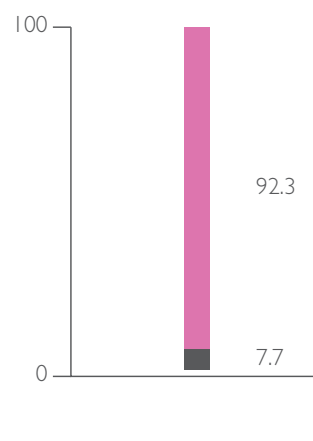
Operating profit *



Employees



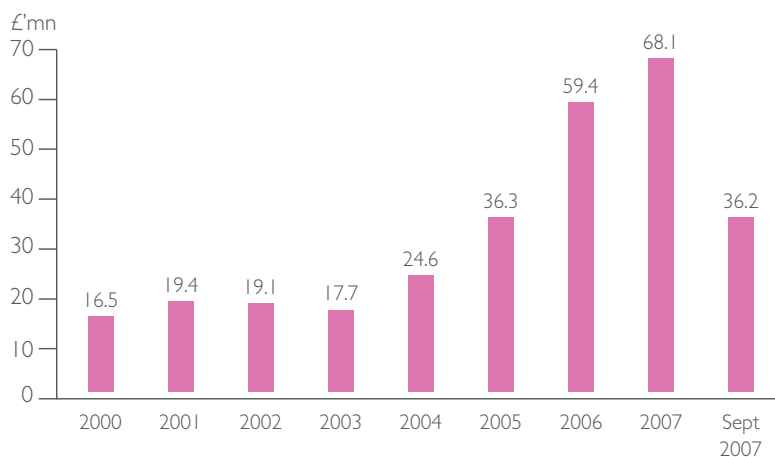
Adjusted shareholders' equity **



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 89.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Overview and financial analysis

- Operating profit increased by 13.5% to £36.2 million, contributing 14.9% to group profit.
- Average assets under management increased by 5.9% to £30.8 billion.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income	2 914	3 063	(149)	(4.9%)
Net fees and commissions income	97 124	85 423	11 701	13.7%
Other income	1 203	877	326	37.2%
Admin expenses and depreciation	(65 038)	(57 467)	(7 571)	13.2%
Operating profit before goodwill, non-operating items and taxation	36 203	31 896	4 307	13.5%
UK and international	11 873	8 045	3 828	47.6%
Southern Africa	24 330	23 851	479	2.0%
Operating profit before goodwill, non-operating items and taxation	36 203	31 896	4 307	13.5%
Adjusted shareholders' equity*	121 641	127 554	(5 913)	(4.6%)
ROE (pre-tax)*	49.1%	41.8%		
Cost to income ratio	64.2%	64.3%		
Operating profit per employee (£'000)*	37.8	38.1		(0.8%)

* As calculated on pages 89 and 90.

The variance in operating profit over the period can be explained as follows:

United Kingdom and international

- Operating profit growth of 47.6% to £11.9 million.
- Growth was underpinned by favourable financial markets and strong growth in mutual fund sales.
- Assets under management increased to £14.1 billion.

Southern Africa

- Operating profit grew by 2.0% to £24.3 million (R345.6 million).
- The momentum of strong stock market increases of previous years continued into the current period, and despite an increase in volatility, recurring income is up on the prior period. Investment performance generally remained positive resulting in an increase in performance fee revenue from R67 million to R99 million.
- Assets under management increased to R246.3 billion (£17.6 billion). On the retail side, assets under management increased with net inflows of R4.0 billion for the period. Over the period, there were R8.7 billion of institutional outflows including outflows from the ex-Fedsure book of R1.2 billion.

Costs

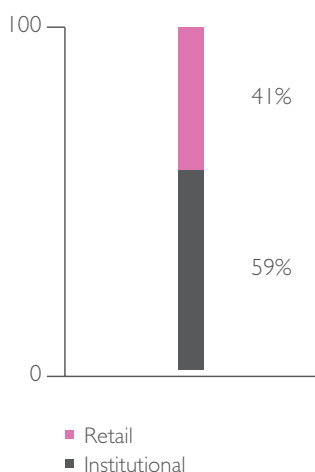
The increase in expenses is largely due to an increase in variable remuneration in line with the growth in profitability and due to an increase in headcount to support the growth initiatives of the business.

Asset Management

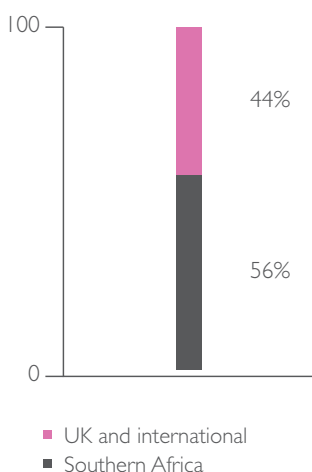
Investment specialist focused on performance and client needs

Assets under management*

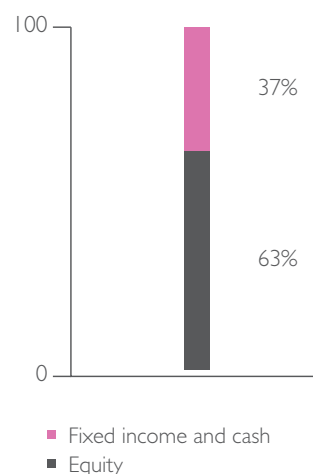
Business type



Geographic



Asset class



Movements in assets under management*

	Total £'million	UK and international £'million	Southern Africa £'million	Rands
31 March 2007	29 891	13 039	16 852	239 250
New clients/funds	533	177	356	5 080
Existing client/fund net flows	(428)	263	(691)	(9 744)
Net flows	105	440	(335)	(4 694)
Market movement	1 682	579	1 103	11 749
30 September 2007	31 678	14 058	17 620	246 305
Institutional	18 860	6 343	12 317	
Retail	13 018	7 715	5 303	

£'million	Total	Institutional	Retail
31 March 2007	29 891	18 364	11 527
New clients/funds	533	493	40
Existing client/fund net flows	(428)	(1 221)	793
Net flows	105	(728)	833
Market movement	1 682	1 024	658
30 September 2007	31 678	18 660	13 018
UK and international	14 058	6 343	7 715
Southern Africa	17 620	12 317	5 303

* Managed basis.

Average values £'million	31 March 2007 to 30 Sept 2007	31 March 2006 to 30 Sept 2006	% Change
Assets under management	30 785	29 072	5.9%

Sales (gross inflows)

£'million	For 6 months to		£'million	For 6 months to	
	Sept 2007	Sept 2006		Sept 2007	Sept 2006
Institutional	1 789	1 825	Fixed income and cash	2 523	2 221
Retail	3 833	3 353	Equity	2 505	2 493
	5 622	5 178	Multi-asset	594	464
				5 622	5 178

Developments

UK and international

- Performance of our equity and multi-asset propositions is excellent and fixed income is solid. Our retail funds were ranked in the top ten in the EDHEC/Europerformance UK alpha league table. We were also placed in the Top 10 in Q3 2007 for gross and retail sales (Lipper FERI's UK Fund Sales [Pridham] Report).
 - 72% of mutual funds by value and 62% of mutual funds by number are in the first or second quartile over three years.
 - 60% over three years and 67% over five years of institutional propositions have outperformed their benchmarks.
- The institutional business is gaining traction.
- The UK onshore mutual funds business continues to perform well, achieving significant net sales of £424.3 million for the period.
- Flows into the offshore mutual funds have been boosted by strong cross-border sales.

Investec Asset Management (IAM) in the UK mutual fund industry

£'million	30 Sept 2007	30 Sept 2006	30 Sept 2005
IAM assets under management	4 801	3 581	2 588
Total industry size	468 306	385 876	324 405
Market share	1.0%	0.9%	0.8%
Size ranking in industry	33rd of 111	35th of 114	38th of 120
Industry net retail sales	13 124	14 558	6 215
IAM % of industry net retail sales	6.7%	5.5%	7.6%
Industry gross retail sales	65 311	53 623	35 959
IAM % of industry gross retail sales	2.9%	2.8%	2.7%

Sourced from data from the Investment Management Association.
Sales for the twelve month period.

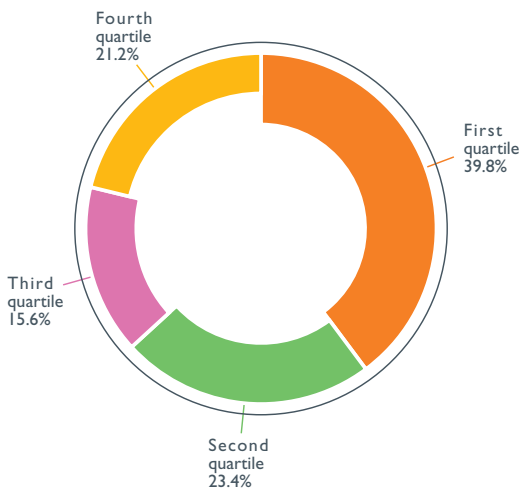
Asset Management

Investment specialist focused on performance and client needs

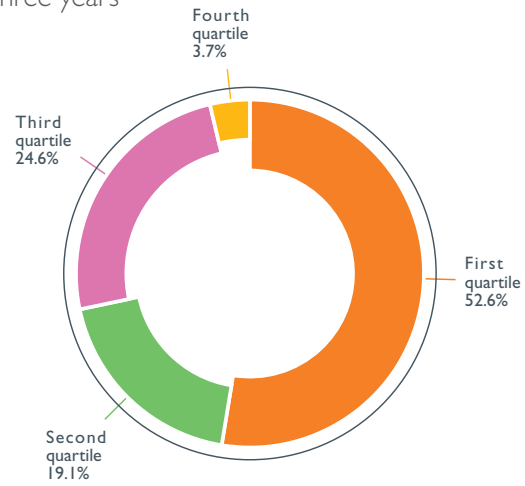
UK and global mutual fund investment performance

By value of funds

One year

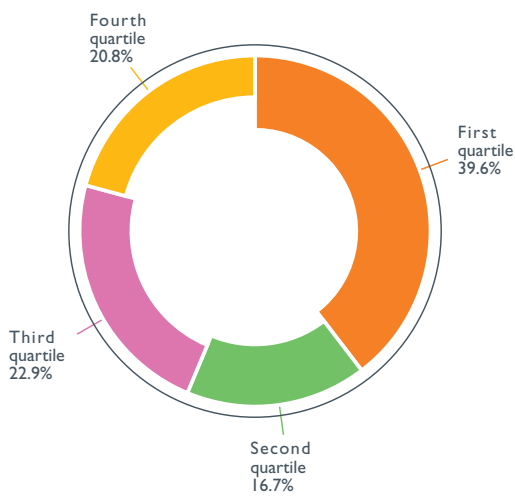


Three years

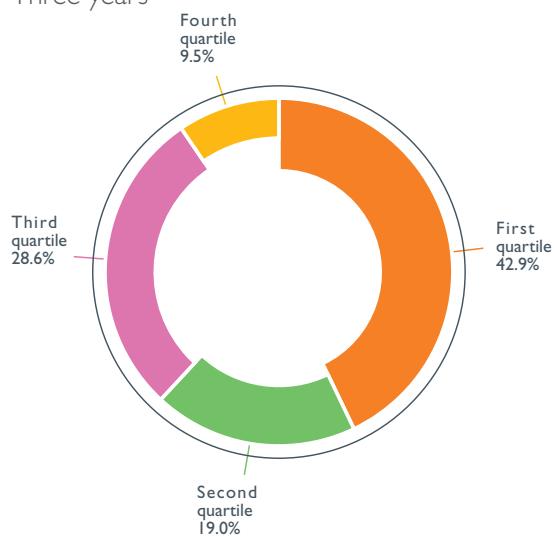


By number of funds

One year



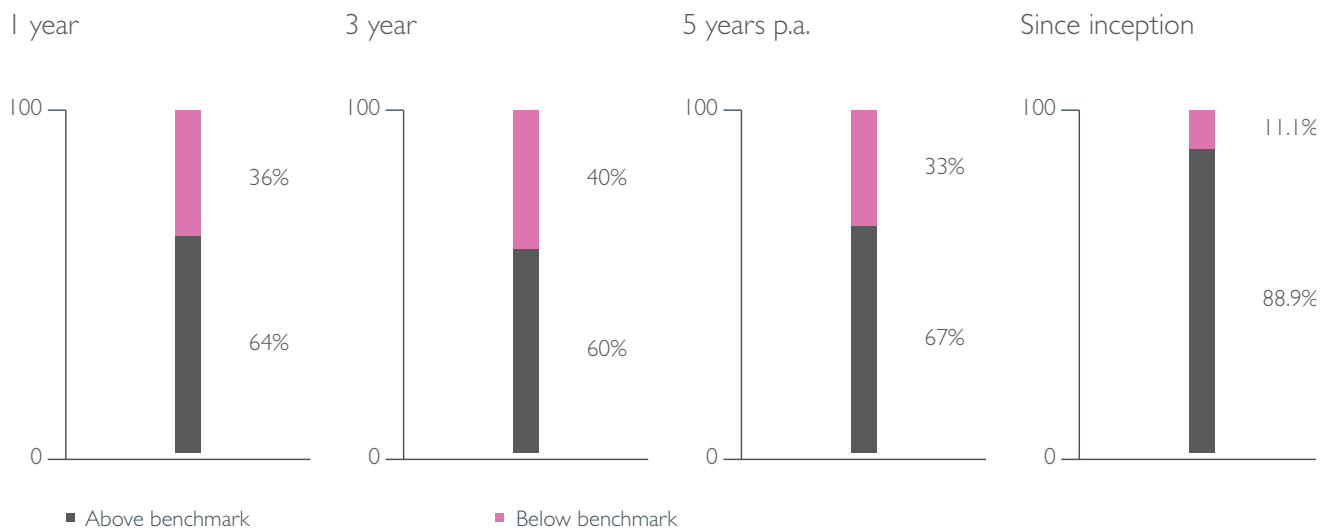
Three years



Calculated from Lipper data.

Excludes cash, cash plus and liquidity funds.

UK and global institutional investment performance



Calculated from PermaGlobal data.

Southern Africa

- Long term investment performance remains strong.
 - 74% of mutual funds by value and 75% of mutual funds by number are in the first or second quartile over three years.
 - 83% over three and five years of institutional propositions outperformed their benchmarks.
- Our Africa product range continues to gain momentum cementing our position as a leader for Pan African investment.
- The retail business continued to experience growth with flows across both the unit trust and portfolio products.
- Institutional flows have disappointed but steps are being taken to reverse this.

IAM in the South African unit trust industry

R'million	30 Sept 2007	30 Sept 2006	30 Sept 2005
IAM assets under management	61 142	45 412	33 475
Total industry size	639 348	496 426	417 996
Market share	9.6%	9.1%	8.0%
Size ranking in industry	4th of 36	4th of 33	3rd of 26
Industry gross sales	544 340	416 066	353 737
IAM % of industry gross sales	7.7%	8.9%	8.7%

Sourced from data from the Association of Collective Investments.
Sales for the twelve month period.

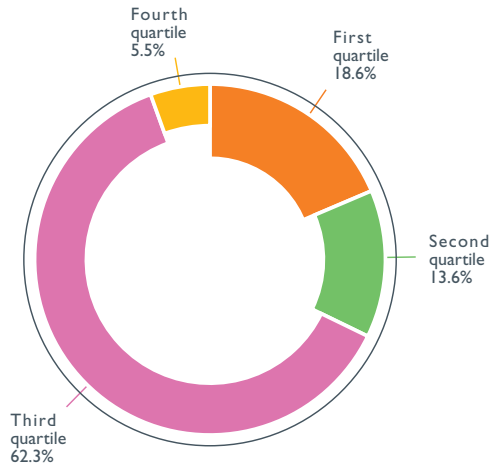
Asset Management

Investment specialist focused on performance and client needs

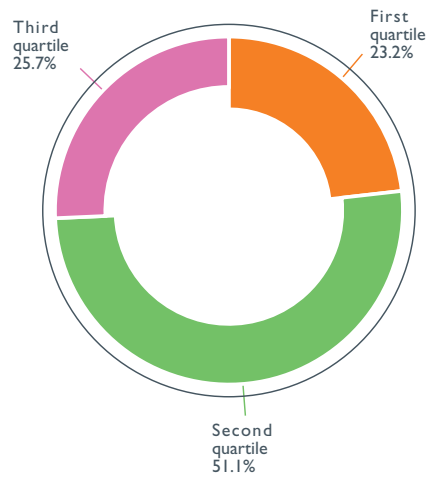
South African mutual fund investment performance

By value of funds

One year

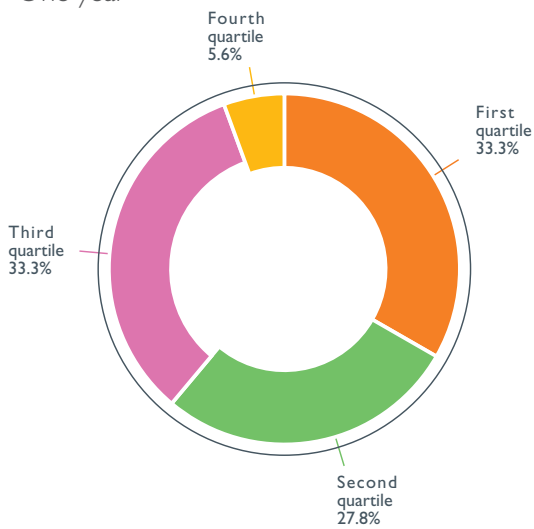


Three years

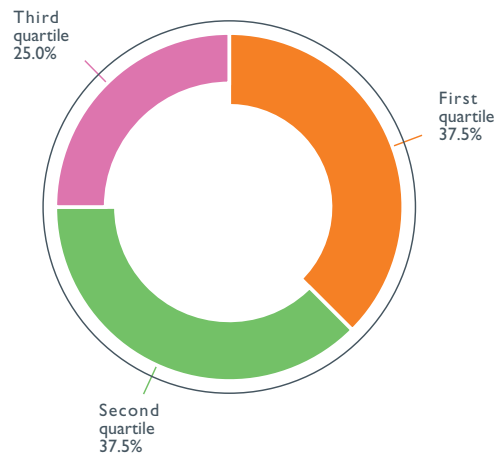


By number of funds

One year

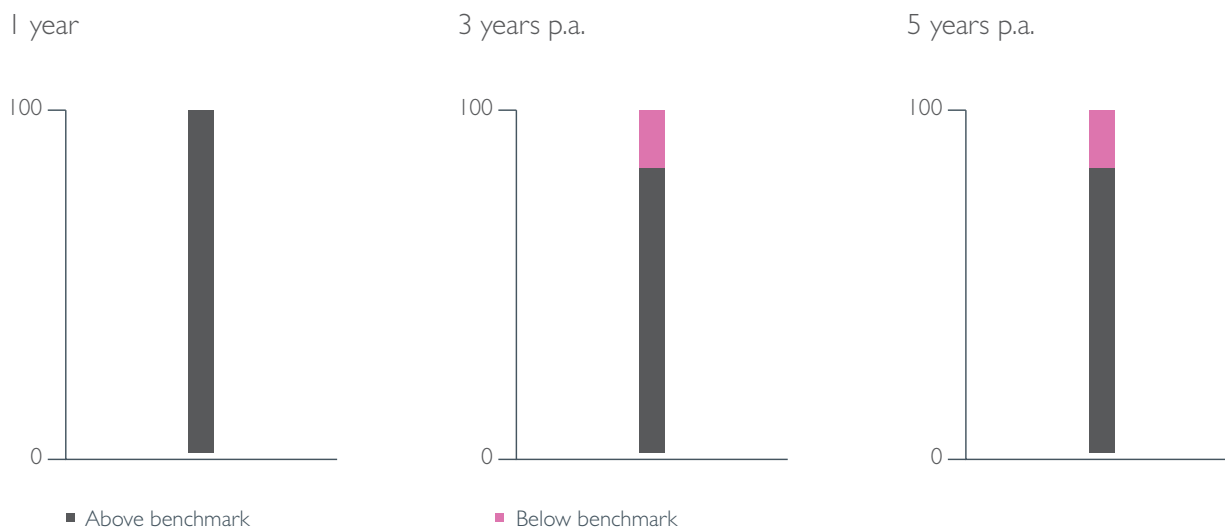


Three years



Calculated from Standard and Poors' Datastream data.

South African institutional investment performance



Calculated from StatPro data.

Outlook, risks and uncertainties

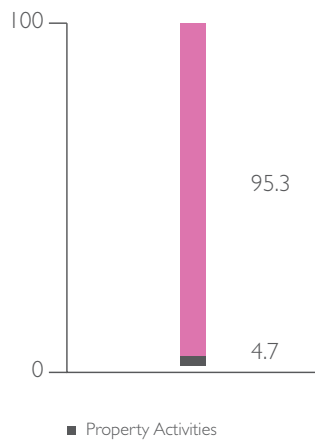
- Momentum across the business remains positive.
- A solid long-term track record and growing demand for specialist high performance product support the fundamentals of the business.

Property Activities

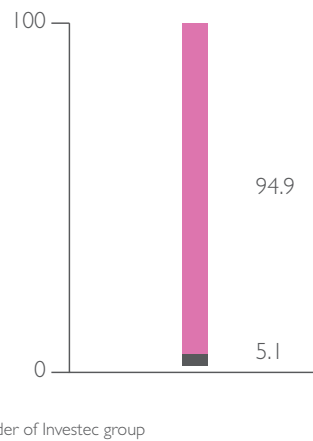
Leading fund management consolidator; seeking selective trading opportunities

Contribution analysis

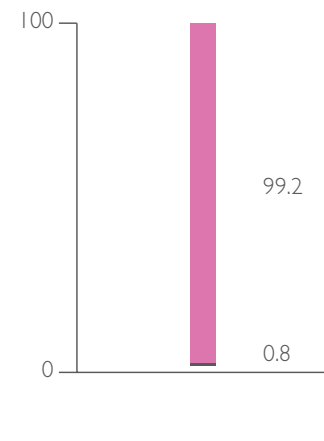
Operating profit*



Employees



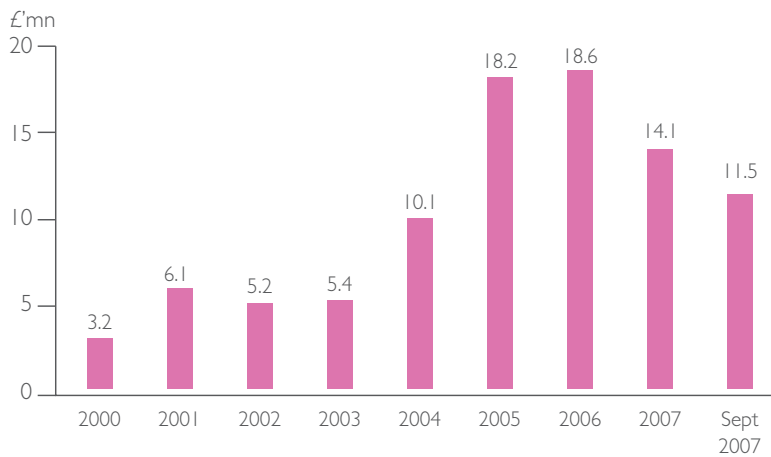
Adjusted shareholders' equity**



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 89.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Overview and financial analysis

- Operating profit increased significantly to £11.5 million, contributing 4.7% to group profit.
- Average funds under management increased by 47.3% to R27.2 billion.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income	(4 351)	(2 694)	(1 657)	61.5%
Net fees and commissions income	14 959	12 841	2 118	16.5%
Other income	12 589	5 817	6 772	>100.0%
Admin expenses and depreciation	(11 711)	(9 645)	(2 066)	21.4%
Operating profit before goodwill, non-operating items and taxation	11 486	6 319	5 167	81.8%
UK	(337)	118	(455)	>(100.0%)
Southern Africa	11 959	6 201	5 758	92.9%
Australia	(136)	-	(136)	(100%)
Operating profit before goodwill, non-operating items and taxation	11 486	6 319	5 167	81.8%
Adjusted shareholders' equity*	12 851	10 388	2 463	23.7%
ROE (pre-tax)*	80.5%	63.9%		
Cost to income ratio	50.5%	60.4%		
Operating profit per employee (£'000)*	38.9	24.4		59.4%

* As calculated on pages 89 and 90.

The variance in operating profit over the period can be explained as follows:

- The South African division showed an improvement in operating profit largely due to:
 - An increase in funds under management from R25.9 billion at 31 March 2007 to R28.4 billion.
 - Realised gains on the sale of properties.
 - Revaluation of investment properties net of funding costs amounted to £7.2 million (2006: £1.4 million).
- UK and Australia reflect newly created businesses.

Developments

UK and Europe

- The South African property model has been rolled out in the UK. The focus of the business is to invest funds raised for the Global Special Opportunities Fund whilst developing its research and investment capabilities to include a broad range of markets.

South Africa

- The business is now focused on Listed Property Investments and Property Projects (sale of our Property Fund Management and administration business to Growthpoint became effective in October 2007. Further information is provided on page 9).
- Both these businesses are well structured and well positioned in their respective markets to continue with a good performance. The close relationship with Growthpoint will have a positive impact on our Property Projects business.

Australia

- Newly created essentially focusing on property funds management.

Outlook, risks and uncertainties

UK and Europe

- Initial analysis indicates that there are attractive investment opportunities in many global markets. We are exploring these markets with the intention of investing into them and developing products focusing in these areas.

South Africa

- The South Africa property market has shown strong resilience to the upward movements in interest rates. This is mainly due to good demand for rental space in all three sectors (industrial, commercial and retail) which is keeping rentals on an upward trend. This is also keeping the listed sector solid on expectations of reasonable growth in distributions.
- Zoned and serviced land remains at a premium often due to the stretched infrastructure.
- High land costs and escalations in building costs remain a threat but again are currently being countered by rising rents and low vacancies.

Group Services and Other Activities

Overview and financial analysis

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
International Trade Finance	3 132	2 195	937	42.7%
UK Traded Endowments	348	(19)	367	>100.0%
Assurance Activities	(112)	725	(837)	(>100.0%)
	3 368	2 901	467	16.1%
Central Funding	37 019	16 002	21 017	>100.0%
Central Services Costs	(28 995)	(28 028)	(967)	(3.5%)
Operating profit before goodwill, non-operating items and taxation	11 392	(9 125)	20 517	>100.0%

£'000 - 30 September 2007	UK & Europe	Southern Africa	Australia	Other	Total Group
International Trade Finance	1 653	1 479	-	-	3 132
UK Traded Endowments	-	348	-	-	348
Assurance Activities	-	(112)	-	-	(112)
Central Funding	2 528	27 887	6 568	36	37 019
Central Services Costs	(10 675)	(12 764)	(5 556)	-	(28 995)
Operating profit before goodwill, non-operating items and taxation	(6 494)	16 838	1 012	36	11 392

£'000 - 30 September 2006	UK & Europe	Southern Africa	Australia	Other	Total Group
International Trade Finance	1 326	869	-	-	2 195
UK Traded Endowments	-	(19)	-	-	(19)
Assurance Activities	-	725	-	-	725
Central Funding	(4 172)	17 213	2 752	209	16 002
Central Services Costs	(14 699)	(11 266)	(2 063)	-	(28 028)
Operating profit before goodwill, non-operating items and taxation	(17 545)	7 522	689	209	(9 125)

Developments

International Trade Finance

- Notwithstanding the higher interest rates and a volatile exchange rate, the International Trade Finance business continued to add new clients across the board.

Central Costs

- We have a policy of allocating costs that are housed in the centre that are, in effect, performing a function for the divisions of the group.
- There are certain costs that are strategic in nature which have not been allocated for pure segmental disclosure, amounting to £29.0 million (2006: £28.0 million). However, a portion thereof (£37.0 million) is allocated to the operating divisions for purposes of determining return on adjusted capital per business segment. Refer to page 89 for further details.
- Central costs have increased from £28.0 million to £29.0 million largely as a result of an increase in headcount.
- UK Traded Endowments showed a profit for the period as a result of a reduction in expenditure relating to the insurance business.

Central Funding

- We have a business model of maintaining a central pool of capital with the aim of ensuring that economies of scale with respect to corporate investments, funding and overall management are obtained.
- Various sources of funding are employed, the determination of which depends on the specific financial and strategic requirements the group faces at the relevant point in time.
- The funds raised are applied towards making acquisitions, funding central services and debt obligations, and purchasing corporate assets and investments not allocated to the five operating divisions.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income (excluding interest on sub-debt and debentures)	67 717	36 472	31 245	85.7%
Principal transactions	3 594	11 084	(7 490)	(67.6%)
Other income	879	1 839	(960)	(52.2%)
	72 190	49 395	22 795	46.1%
Interest paid on sub-debt and debentures	(35 909)	(24 624)	(11 285)	45.8%
Impairment losses on loans and advances	2 021	462	1 559	>100.0%
Admin expenses and depreciation	(1 283)	(9 231)	7 948	(86.1%)
Operating profit before goodwill, non-operating items and taxation	37 019	16 002	21 017	>100.0%

The variance in operating profit over the period can be explained as follows:

- Net interest income was positively impacted by:
 - Increased cash holdings.
 - A profit of £3.6 million (2006: loss of £3.7 million) arising on the derivative hedging of the preferred securities issued by a subsidiary of Investec plc from Euros into Pounds sterling. This exposure is hedged with the equal and opposite impact reflected in earnings attributable to minorities.
- The increase in interest paid on sub-debt is as a result of the issue of debt in the UK in January 2007.
- The decline in principal transaction and other income reflects a lower return on certain of the assets in the South African portfolio.
- Impairments reflect a recovery in South Africa.
- The decrease in expenses is primarily attributable to a reallocation of variable remuneration to Central Costs.

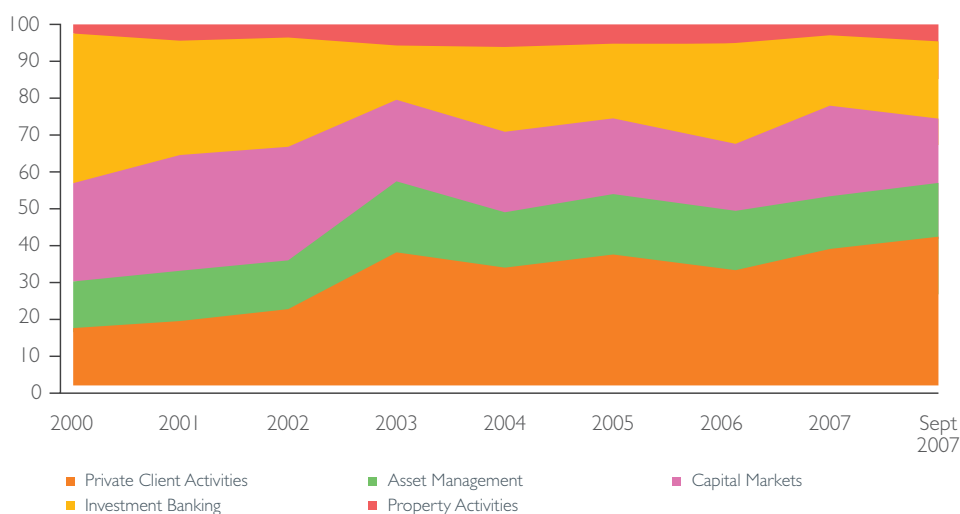
Geographical overview

The table below indicates the changes in operating profit before goodwill, non-operating items and taxation by geography. Goodwill, non-operating items and taxation are discussed elsewhere in this document.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
UK and Europe	79 880	80 173	(293)	(0.4%)
Southern Africa	152 343	111 284	41 059	36.9%
Australia	21 992	13 625	8 367	61.4%
Other geographies	36	209	(173)	(82.8%)
Operating profit before goodwill, non-operating items and taxation	254 251	205 291	48 960	23.8%

A balanced mix of businesses

% contribution to operating profit*



* Excluding Group Services and Other Activities.
Trend reflects numbers as at 31 March unless stated otherwise.

Segmental geographical analysis - income statement

For the 6 months to 30 September 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Interest income	274 711	460 165	54 895	9	789 780
Interest expense	(180 269)	(356 782)	(29 627)	-	(566 678)
Net interest income	94 442	103 383	25 268	9	223 102
Fees and commissions income	164 983	135 784	11 920	253	312 940
Fees and commissions expense	(25 591)	(9 417)	(230)	-	(35 238)
Principal transactions	14 199	79 026	15 267	-	108 492
Operating income from associates	6 174*	-	195	-	6 369
Investment income on assurance activities	-	57 375	-	-	57 375
Premiums and reinsurance recoveries on insurance contracts	-	29 446	-	-	29 446
Other operating income	24 687	1 161	2 294	-	28 142
Other income	184 452	293 375	29 446	253	507 526
Claims and reinsurance premiums on insurance business	-	(83 375)	-	-	(83 375)
Total operating income net of insurance claims	278 894	313 383	54 714	262	647 253
Impairment losses on loans and advances	(8 519)	1 627	(4 846)	-	(11 738)
Operating income	270 375	315 010	49 868	262	635 515
Administrative expenses	(183 706)	(159 736)	(27 577)	(226)	(371 245)
Depreciation and amortisation of property, equipment and software	(6 789)	(2 931)	(299)	-	(10 019)
Operating profit before goodwill	79 880	152 343	21 992	36	254 251
Goodwill	-	-	-	-	-
Profit before taxation	79 880	152 343	21 992	36	254 251
Taxation	(17 211)	(41 166)	(3 441)	(93)	(61 911)
Profit after taxation	62 669	111 177	18 551	(57)	192 340
Earnings attributable to minority interests	(9 408)	653	(961)	-	(9 716)
Earnings attributable to shareholders	53 261	111 830	17 590	(57)	182 624
Selected returns and key statistics					
ROE (post-tax)	13.4%	38.4%	19.8%	0.0%	23.9%
Cost to income ratio	68.3%	51.9%	50.9%	86.3%	58.9%
Staff compensation to operating income	43.1%	35.2%	38.7%	-	38.9%
Operating profit per employee (£'000)	44.5	39.1	86.8	3.0	42.6
Effective operational tax rate (excluding assurance activities)	23.4%	27.0%	15.8%	258.3%	25.0%
Total assets (£'million)	17 414	16 008	1 371	3	34 796

* This number is net of tax of £2.7 million.

Segmental geographical analysis - income statement

For the 6 months to 30 September 2006

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Interest income	169 527	362 879	33 375	5	565 786
Interest expense	(109 380)	(278 032)	(15 997)	-	(403 409)
Net interest income	60 147	84 847	17 378	5	162 377
Fees and commissions income	151 696	115 742	11 494	344	279 276
Fees and commissions expense	(20 602)	(6 902)	(134)	-	(27 638)
Principal transactions	32 860	69 411	1 657	-	103 928
Operating income from associates	4 328*	-	(49)	-	4 279
Investment income on assurance activities	-	13 767	-	-	13 767
Premiums and reinsurance recoveries on insurance contracts	-	55 995	-	-	55 995
Other operating income	7 991	47	1 992	-	10 030
Other income	176 273	248 060	14 960	344	439 637
Claims and reinsurance premiums on insurance business	-	(68 828)	-	-	(68 828)
Total operating income net of insurance claims	236 420	264 079	32 338	349	533 186
Impairment losses on loans and advances	(1 404)	(6 726)	(43)	-	(8 173)
Operating income	235 016	257 353	32 295	349	525 013
Administrative expenses	(151 852)	(143 969)	(18 005)	(140)	(313 966)
Depreciation and amortisation of property, equipment and software	(2 991)	(2 100)	(665)	-	(5 756)
Operating profit before goodwill	80 173	111 284	13 625	209	205 291
Goodwill	-	(2 019)	9 552	-	7 533
Profit before taxation	80 173	109 265	23 177	209	212 824
Taxation	(20 152)	(32 205)	(4 617)	-	(56 974)
Profit after taxation	60 021	77 060	18 560	209	155 850
Earnings attributable to minority interests	853	(2 175)	(949)	-	(2 271)
Earnings attributable to shareholders	60 874	74 885	17 611	209	153 579
Selected returns and key statistics					
ROE	20.4%	29.5%	17.3%	-	23.8%
Cost to income ratio	65.5%	55.3%	57.7%	40.1%	60.0%
Staff compensation to operating income	46.2%	37.9%	42.8%	-	41.8%
Operating profit per employee (£'000)	61.3	33.5	72.0	41.8	42.3
Effective operational tax rate (excluding assurance activities)	26.6%	28.9%	33.8%	-	28.3%
Total assets (£'million)	8 236	13 409	1 342	1	22 988

* The number is net of tax of £2.3 million.

Segmental business analysis - income statement

For the 6 months to 30 September 2007

£'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
Net interest income	123 825	66 395	(2 839)	2 914	(4 351)	37 158	223 102
Fees and commissions income	70 509	48 959	55 779	120 091	14 959	2 643	312 940
Fees and commissions expense	(7 001)	(647)	(3 973)	(22 967)	-	(650)	(35 238)
Principal transactions	26 529	20 227	43 774	42	12 589	5 331	108 492
Operating income from associates	6 237**	(44)	42	-	-	134	6 369
Investment income on assurance activities	-	-	-	-	-	57 375	57 375
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	29 446	29 446
Other operating income	-	-	26 274	1 161	-	707	28 142
Other income	96 274	68 495	121 896	98 327	27 548	94 986	507 526
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(83 375)	(83 375)
Total operating income net of insurance claims	220 099	134 890	119 057	101 241	23 197	48 769	647 253
Impairment losses on loans and advances	(7 126)	(5 097)	(1 121)	-	-	1 606	(11 738)
Operating income	212 973	129 793	117 936	101 241	23 197	50 375	635 515
Administrative expenses	(111 534)	(84 445)	(62 662)	(64 589)	(11 508)	(36 507)	(371 245)
Depreciation and amortisation of property, equipment and software	(1 378)	(2 149)	(3 364)	(449)	(203)	(2 476)	(10 019)
Operating profit before goodwill	100 061	43 199	51 910	36 203	11 486	11 392	254 251
Goodwill	-	-	-	-	-	-	-
Profit before taxation	100 061	43 199	51 910	36 203	11 486	11 392	254 251
Selected returns and key statistics							
ROE (pre-tax)	39.2%	17.3%	57.8%	49.1%	80.5%	8.6%	33.1%
Cost to income ratio	51.3%	64.2%	55.5%	64.2%	50.5%	79.9%	58.9%
Staff compensation to operating income	31.7%	39.7%	30.0%	43.4%	32.9%	84.4%	38.9%
Operating profit per employee (£'000)	42.2	47.8	149.5	37.8	38.9	10.4	42.6
Total assets (£'million)	9 615	19 100	876	337	171	4 697	34 796

* Where: PC=Private Client Activities CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

** This number is net of tax of £2.7 million.

Segmental business analysis - income statement

For the 6 months to 30 September 2006

£'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
Net interest income	103 085	41 623	(1 229)	3 063	(2 694)	18 529	162 377
Fees and commissions income	75 163	44 655	41 773	102 981	12 841	1 863	279 276
Fees and commissions expense	(6 367)	(1 761)	(2 383)	(17 558)	-	431	(27 638)
Principal transactions	10 516	45 046	29 848	877	5 817	11 824	103 928
Operating income from associates	4 051**	(11)	78	-	-	161	4 279
Investment income on assurance activities	-	-	-	-	-	13 767	13 767
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	55 995	55 995
Other operating income	-	-	9 307	-	-	723	10 030
Other income	83 363	87 929	78 623	86 300	18 658	84 764	439 637
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(68 828)	(68 828)
Total operating income net of insurance claims	186 448	129 552	77 394	89 363	15 964	34 465	533 186
Impairment losses on loans and advances	(3 806)	(4 521)	-	-	-	154	(8 173)
Operating income	182 642	125 031	77 394	89 363	15 964	34 619	525 013
Administrative expenses	(97 949)	(67 564)	(39 756)	(57 008)	(9 600)	(42 089)	(313 966)
Depreciation and amortisation of property, equipment and software	(1 335)	(402)	(1 860)	(459)	(45)	(1 655)	(5 756)
Operating profit before goodwill	83 358	57 065	35 778	31 896	6 319	(9 125)	205 291
Goodwill	3 184	3 184	-	-	(2 019)	3 184	7 533
Profit before taxation	86 542	60 249	35 778	31 896	4 300	(5 941)	212 824
Selected returns and key statistics							
ROE (pre-tax)	38.0%	40.3%	69.9%	41.8%	63.9%	(13.2%)	34.3%
Cost to income ratio	53.3%	52.5%	53.8%	64.3%	60.4%	126.9%	60.0%
Staff compensation to operating income	33.8%	35.8%	31.8%	42.3%	39.5%	129.8%	41.8%
Operating profit per employee (£'000)	41.9	98.6	117.0	38.1	24.4	(10.5)	42.3
Total assets (£'million)	6 952	10 001	833	283	103	4 816	22 988

* Where: PC=Private Client Activities CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

** The number is net of tax of £2.3 million.

Segmental geographic and business analysis of operating profit before goodwill, non-operating items and taxation

For the 6 months to 30 September 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group	% Change	% of Total
Private Banking	51 778	22 878	11 038	-	85 694	16.4%	33.7%
Private Client Portfolio Management and Stockbroking	5 998*	8 369	-	-	14 367	47.5%	5.7%
Capital Markets	6 439	32 093	4 667	-	43 199	(24.3%)	17.0%
Investment Banking	10 623	35 876	5 411	-	51 910	45.1%	20.4%
Asset Management	11 873	24 330	-	-	36 203	13.5%	14.2%
Property Activities	(337)	11 959	(136)	-	11 486	81.8%	4.5%
Group Services and Other Activities	(6 494)	16 838	1 012	36	11 392	>100%	4.5%
Total group	79 880	152 343	21 992	36	254 251	23.8%	100%
% Change	(0.4%)	36.9%	61.4%	(82.8%)	23.8%		
% of Total	31.4%	59.9%	8.6%	0.1%	100%		

For the 6 months to 30 September 2006

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group	% of Total
Private Banking	50 476	17 424	5 720	-	73 620	35.9%
Private Client Portfolio Management and Stockbroking	4 074**	5 664	-	-	9 738	4.7%
Capital Markets	29 558	25 833	1 674	-	57 065	27.8%
Investment Banking	5 447	24 789	5 542	-	35 778	17.4%
Asset Management	8 045	23 851	-	-	31 896	15.5%
Property Activities	118	6 201	-	-	6 319	3.1%
Group Services and Other Activities	(17 545)	7 522	689	209	(9 125)	(4.4%)
Total group	80 173	111 284	13 625	209	205 291	100.0%
% of Total	39.1%	54.2%	6.6%	0.1%	100%	

* This number is net of tax of £2.7 million.

** This number is net of tax of £2.3 million.

Segmental geographic and business analysis of operating profit before goodwill, non-operating items and taxation

£'000	6 months to 30 Sept 2007	6 months to 30 Sept 2006	% Change
Private Client Activities			
Private Banking	85 694	73 620	16.4%
Private Client Portfolio Management and Stockbroking	14 367	9 738	47.5%
	100 061	83 358	20.0%
Capital Markets	43 199	57 065	(24.3%)
Investment Banking			
Corporate Finance	8 230	9 604	(14.3%)
Institutional Research, Sales and Trading	7 223	7 314	(1.2%)
Direct Investments	9 724	5 185	87.5%
Private Equity	26 733	13 675	95.5%
	51 910	35 778	45.1%
Asset Management	36 203	31 896	13.5%
Property Activities	11 486	6 319	81.8%
Group Services and Other Activities			
International Trade Finance	3 132	2 195	42.7%
UK Traded Endowments	348	(19)	>100.0%
Assurance Activities	(112)	725	(>100.0%)
	3 368	2 901	16.1%
Central Funding	37 019	16 002	>100.0%
Central Services Costs	(28 995)	(28 028)	(3.5%)
	11 392	(9 125)	>100.0%
Total group	254 251	205 291	23.8%

Segmental geographic analysis - balance sheet

At 30 September 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Cash and balances at central banks	13 645	144 127	5 743	-	163 515
Loans and advances to banks	1 134 461	1 070 507	142 029	2 892	2 349 889
Cash equivalent advances to customers	366	912 796	241	-	913 403
Reverse repurchase agreements and cash collateral on securities borrowed	637 575	308 074	-	-	945 649
Trading securities	278 609	1 680 878	69 920	-	2 029 407
Derivative financial instruments	298 562	500 687	72 866	-	872 115
Investment securities	1 618 774	30 747	290 645	-	1 940 166
Loans and advances to customers	6 658 039	5 641 458	756 118	-	13 055 615
Securitised assets	5 794 398	870 586	-	-	6 664 984
Interests in associated undertakings	74 094	995	2 323	-	77 412
Deferred taxation assets	36 277	29 998	3 492	-	69 767
Other assets	452 896	531 368	7 210	136	991 610
Property and equipment	122 466	8 846	2 923	-	134 235
Investment properties	-	98 081	-	-	98 081
Goodwill	272 751	27 348	17 038	-	317 137
Intangible assets	21 006	17 456	485	-	38 947
	17 413 919	11 873 952	1 371 033	3 028	30 661 932
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	3 159 979	-	-	3 159 979
- assets related to reinsurance contracts	-	974 189	-	-	974 189
Total assets	17 413 919	16 008 120	1 371 033	3 028	34 796 100
Deposits by banks	3 897 224	647 563	39 593	-	4 584 380
Derivative financial instruments	133 074	492 336	54 979	-	680 389
Other trading liabilities	62 901	294 880	-	-	357 781
Repurchase agreements and cash collateral on securities lent	345 337	216 132	-	-	561 469
Customer accounts	4 481 484	5 714 145	515 626	-	10 711 255
Debt securities in issue	559 302	1 697 897	486 357	-	2 743 556
Liabilities arising on securitisation	5 489 906	868 472	-	-	6 358 378
Current taxation liabilities	36 522	72 453	-	-	108 975
Deferred taxation liabilities	13 065	51 428	-	-	64 493
Other liabilities	526 278	800 502	21 128	108	1 348 016
Pension fund liabilities	1 200	-	-	-	1 200
	15 546 293	10 855 808	1 117 683	108	27 519 892
Liabilities to customers under investment contracts	-	3 138 415	-	-	3 138 415
Insurance liabilities, including unit-linked liabilities	-	21 564	-	-	21 564
Reinsured liabilities	-	974 189	-	-	974 189
	15 546 293	14 989 976	1 117 683	108	31 654 060
Subordinated liabilities (including convertible debt)	696 085	229 918	43 666	-	969 669
Total liabilities	16 242 378	15 219 894	1 161 349	108	32 623 729

Segmental geographic analysis - balance sheet

At 31 March 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Cash and balances at central banks	30 861	59 919	11 971	-	102 751
Loans and advances to banks	766 413	1 589 541	75 008	807	2 431 769
Cash equivalent advances to customers	23 210	664 708	-	-	687 918
Reverse repurchase agreements and cash collateral on securities borrowed	1 979 936	205 386	-	-	2 185 322
Trading securities	491 270	1 456 159	67 715	-	2 015 144
Derivative financial instruments	254 268	403 375	66 849	-	724 492
Investment securities	1 391 172	29 182	356 247	-	1 776 601
Loans and advances to customers	4 003 454	4 860 184	663 442	-	9 527 080
Securitised assets	-	831 742	-	-	831 742
Interests in associated undertakings	53 165	11	17 156	-	70 332
Deferred taxation assets	22 648	31 265	5 481	-	59 394
Other assets	931 827	481 288	7 440	126	1 420 681
Property and equipment	120 588	8 763	2 154	-	131 505
Investment properties	-	85 424	-	-	85 424
Goodwill	152 703	26 921	16 259	-	195 883
Intangible assets	17 628	17 979	222	-	35 829
	10 239 143	10 751 847	1 289 944	933	22 281 867
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	3 024 997	-	-	3 024 997
- assets related to reinsurance contracts	-	992 824	-	-	992 824
Total assets	10 239 143	14 769 668	1 289 944	933	26 299 688
Deposits by banks	1 434 204	912 891	-	-	2 347 095
Derivative financial instruments	71 648	399 402	38 869	-	509 919
Other trading liabilities	96 252	225 611	-	-	321 863
Repurchase agreements and cash collateral on securities lent	1 598 127	167 544	-	-	1 765 671
Customer accounts	3 786 317	5 147 528	451 003	-	9 384 848
Debt securities in issue	681 531	1 359 867	477 608	-	2 519 006
Liabilities arising on securitisation	-	826 627	-	-	826 627
Current taxation liabilities	38 206	70 995	4 766	-	113 967
Deferred taxation liabilities	9 390	38 658	-	-	48 048
Other liabilities	1 070 705	684 730	22 955	98	1 778 488
Pension fund liabilities	1 467	-	-	-	1 467
	8 787 847	9 833 853	995 201	98	19 616 999
Liabilities to customers under investment contracts	-	3 004 254	-	-	3 004 254
Insurance liabilities, including unit-linked liabilities	-	20 743	-	-	20 743
Reinsured liabilities	-	992 824	-	-	992 824
	8 787 847	13 851 674	995 201	98	23 634 820
Subordinated liabilities (including convertible debt)	561 578	227 661	41 466	-	830 705
Total liabilities	9 349 425	14 079 335	1 036 667	98	24 465 525

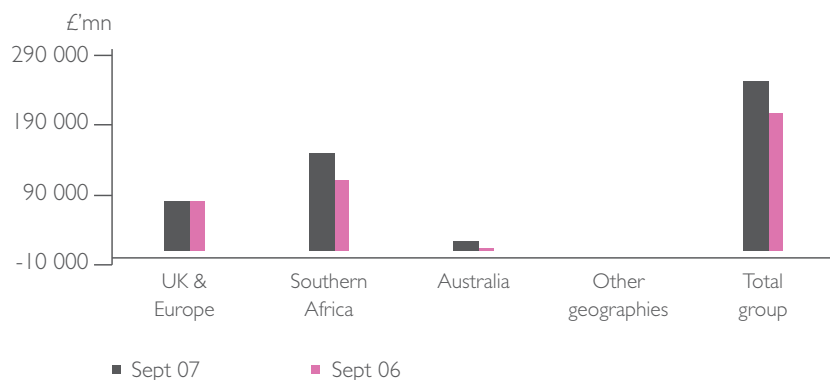
Segmental geographic analysis - balance sheet

At 30 September 2006

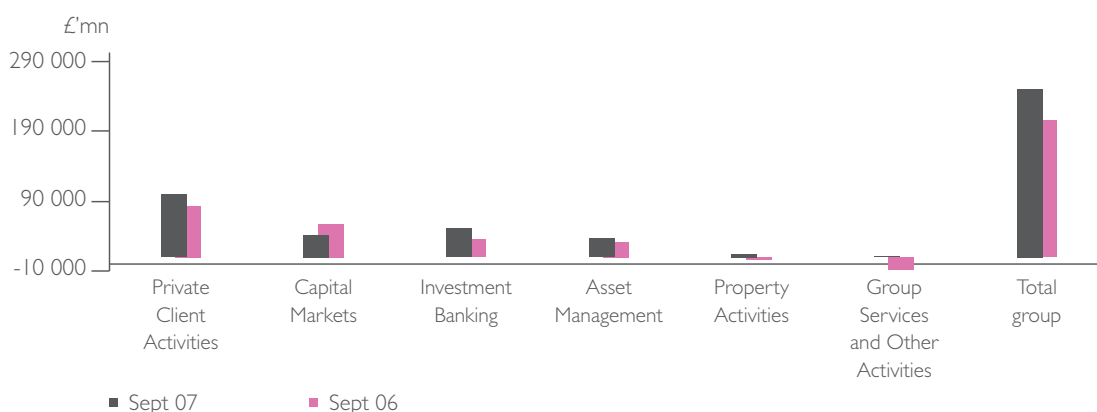
£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Cash and balances at central banks	12 398	114 122	6 197	-	132 717
Loans and advances to banks	479 867	1 099 577	109 756	838	1 690 038
Cash equivalent advances to customers	55	712 883	-	-	712 938
Reverse repurchase agreements and cash collateral on securities borrowed	834 118	146 338	-	-	980 456
Trading securities	255 617	1 169 300	2 954	-	1 427 871
Derivative financial instruments	247 084	871 566	82 104	-	1 200 754
Investment securities	1 286 109	10 843	453 724	-	1 750 676
Loans and advances to customers	3 844 036	4 282 725	659 329	-	8 786 090
Securitised assets	-	639 048	-	-	639 048
Interests in associated undertakings	65 635	-	176	-	65 811
Deferred taxation assets	22 624	23 721	4 611	-	50 956
Other assets	915 191	344 329	4 468	106	1 264 094
Property and equipment	110 903	8 334	2 160	-	121 397
Investment properties	-	86 121	-	-	86 121
Goodwill	160 648	32 336	16 192	-	209 176
Intangible assets	1 575	6 897	235	-	8 707
	8 235 860	9 548 140	1 341 906	944	19 126 850
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	2 806 067	-	-	2 806 067
- assets related to reinsurance contracts	-	1 054 865	-	-	1 054 865
Total assets	8 235 860	13 409 072	1 341 906	944	22 987 782
Deposits by banks	1 481 231	606 925	-	-	2 088 156
Derivative financial instruments	53 777	698 266	49 704	-	801 747
Other trading liabilities	92 504	332 881	-	-	425 385
Repurchase agreements and cash collateral on securities lent	477 217	172 246	-	-	649 463
Customer accounts	3 449 294	4 216 313	411 033	-	8 076 640
Debt securities in issue	732 412	1 271 738	591 150	-	2 595 300
Liabilities arising on securitisation	-	637 865	-	-	637 865
Current taxation liabilities	38 941	56 208	1 457	-	96 606
Deferred taxation liabilities	5 610	24 526	1 083	22	31 241
Other liabilities	869 235	706 031	17 070	87	1 592 423
Pension fund liabilities	1 735	-	-	-	1 735
	7 201 956	8 722 999	1 071 497	109	16 996 561
Liabilities to customers under investment contracts	-	2 713 438	-	-	2 713 438
Insurance liabilities, including unit-linked liabilities	-	92 630	-	-	92 630
Reinsured liabilities	-	1 054 865	-	-	1 054 865
	7 201 956	12 583 932	1 071 497	109	20 857 494
Subordinated liabilities (including convertible debt)	227 072	224 221	40 390	-	491 683
Total liabilities	7 429 028	12 808 153	1 111 887	109	21 349 177

Segmental geographical and business analysis

Operating profit goodwill, non-operating items and taxation by geography



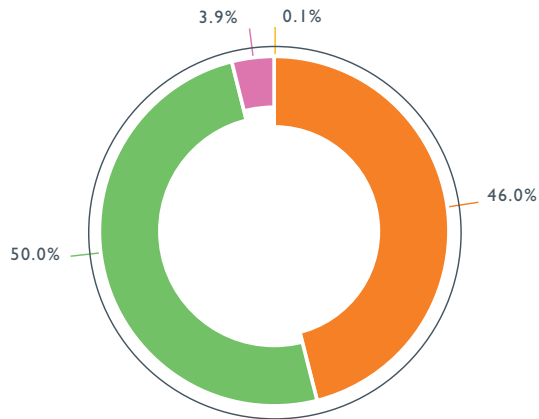
Operating profit goodwill, non-operating items and taxation by line of business



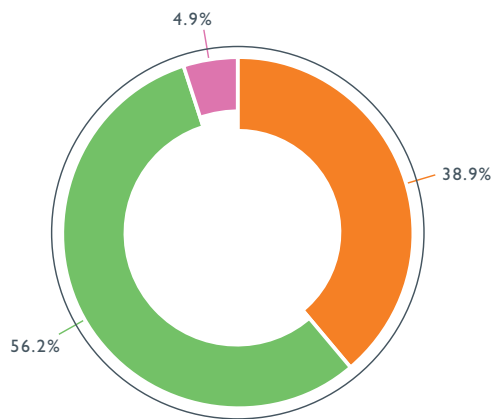
Segmental geographical and business analysis

Assets by geography

30 September 2007



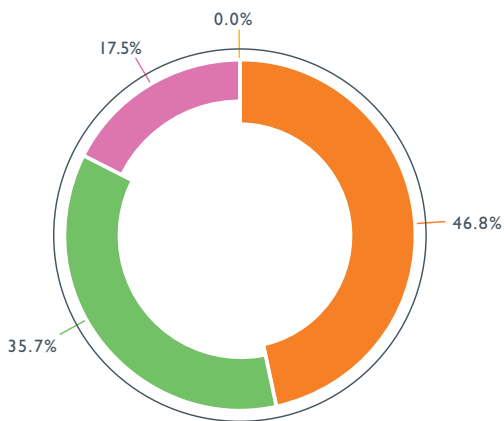
31 March 2007



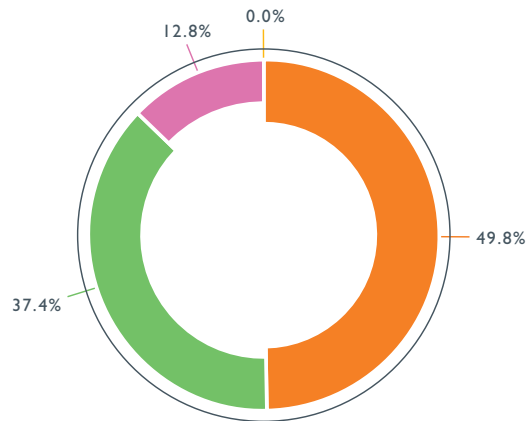
- UK and Europe
- Southern Africa
- Australia
- Other geographies

Adjusted shareholders' equity by geography

30 September 2007



31 March 2007

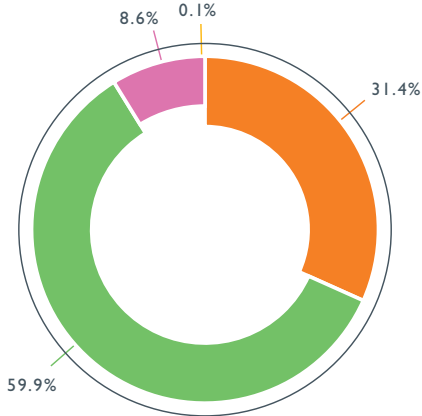


- UK and Europe
- Southern Africa
- Australia
- Other geographies

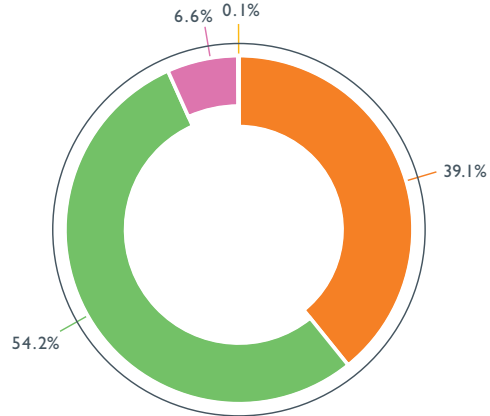
Segmental geographical and business analysis

Operating profit before goodwill, non-operating items and taxation by geography

30 September 2007



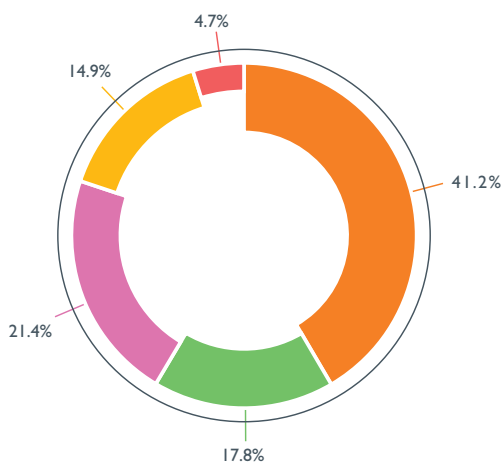
30 September 2006



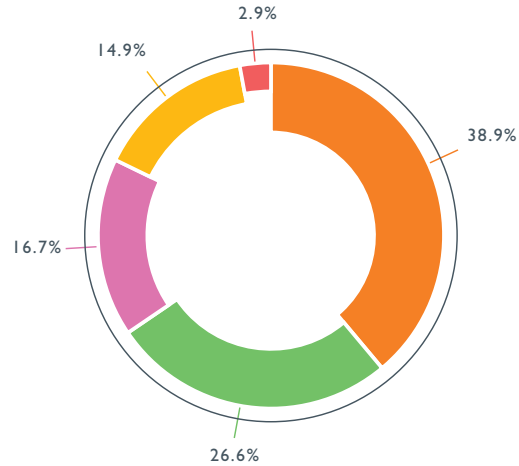
- UK and Europe
- Southern Africa
- Australia
- Other geographies

Operating profit before goodwill, non-operating items and taxation by line of business (excluding Group Services and Other Activities)

30 September 2007



30 September 2006



- Private Client Activities
- Capital Markets
- Investment Banking
- Asset Management
- Property Activities

04

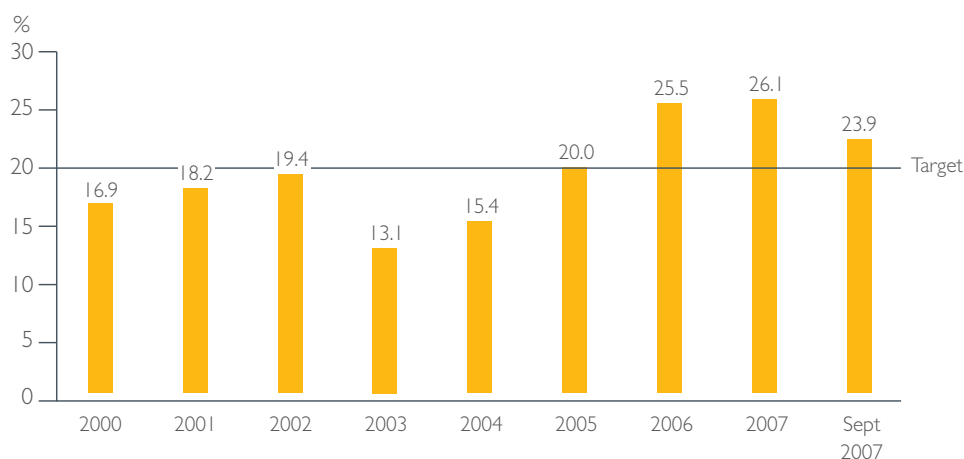


Financial objectives and
additional information

Financial objectives

We have achieved our financial objectives

ROE*



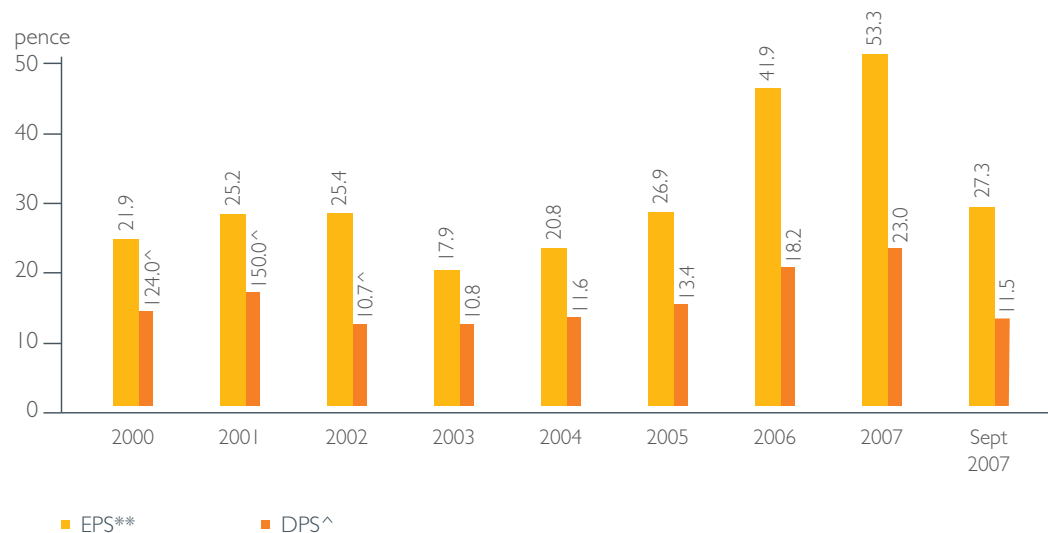
* ROE is post-tax return on adjusted average shareholder's equity (inclusive of compulsory convertible instruments) as calculated on page 87.

Our objective is to continue to focus on increasing ROE, as opposed to nominal capital, through the efficient deployment of our capital base. We intend to generate ROE in excess of our cost of capital.

We have set out the following targets over the medium to long-term.

- **Group ROE: Greater than 20% in Pounds Sterling**

Adjusted earnings per share (EPS) and dividends per share (DPS)



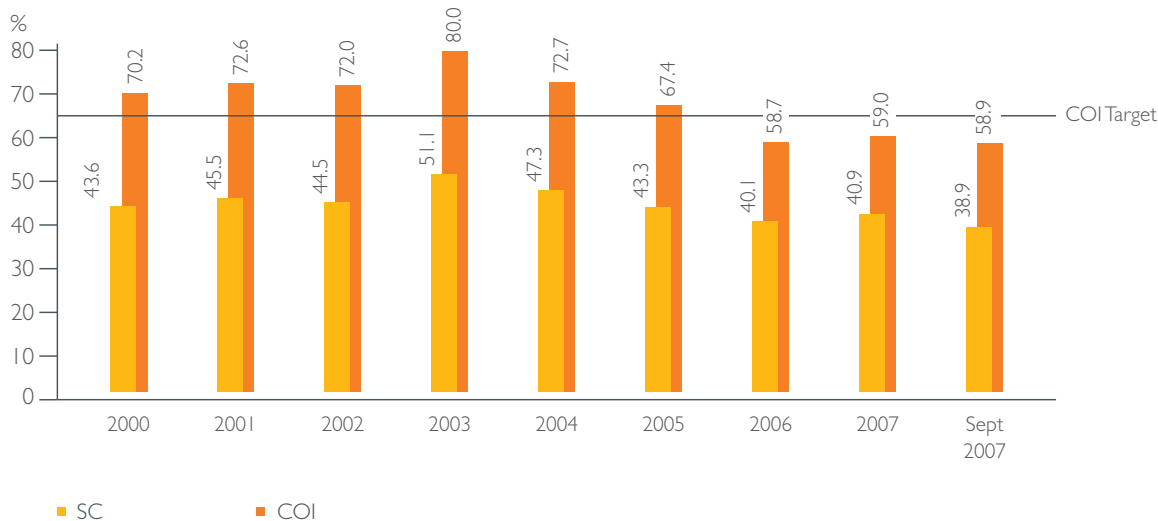
** Adjusted EPS before goodwill and non-operating items as defined on page 21.

^ The dividend for 2000 and 2001 was set in Rand and the dividend thereafter was determined in Pounds Sterling. The numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.

In the medium to long-term, we aim to achieve adjusted **EPS growth of 10% in excess of UK inflation (in Pounds Sterling)**. We continually strive to build and maintain a sustainable business model. We intend to maintain a dividend cover of between 1.7 and 2.3 times based on earnings per share as defined above, denominated in Pounds Sterling. We maintain this range to allow us the ability to apply a progressive dividend policy in terms of which dividends should grow in line with earnings. Interim and final dividends will be declared and proposed in accordance with the above policy.

Refer to note on page 75.

Cost to income ratio (COI) and staff compensation to operating income ratio (SC)

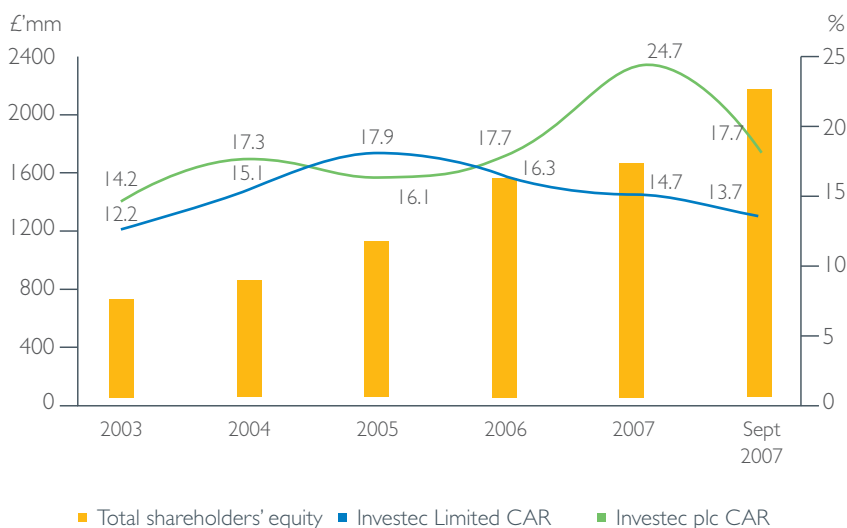


We have significantly rationalised and restructured our operations over the past couple of years in an effort to reduce our overall cost base. Increased emphasis continues to be placed on enhancing income growth while at the same time ensuring effective containment of costs.

We have set the following targets over the medium to long-term:

- **Group COI ratio: less than 65% in Pounds Sterling.**

Total shareholders' equity and capital adequacy ratios (CAR)



We intend to maintain a sufficient level of capital to satisfy regulatory requirements, as well as take advantage of opportunities that may arise in the financial services industry focusing on increasing our return on equity in the medium to long-term. We target a capital adequacy ratio of between 13% - 16% for Investec plc and Investec Limited and we target a minimum tier 1 ratio of 10%.

Note:

The numbers shown in the financial objectives graphs on pages 74 and 75 are for the years ended 31 March, unless stated otherwise. The numbers prior to 2005 are reported in terms of UK GAAP.

Financial statement analysis

Income statement analysis

The overview that follows will highlight the main reasons for the variance in the major category line items on the face of the income statement during the period under review.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net interest income	223 102	162 377	60 725	37.4%
Private Banking	123 789	103 227	20 562	19.9%
Private Client Portfolio Management and Stockbroking	36	(142)	178	>(100.0%)
Capital Markets	66 395	41 623	24 772	59.5%
Investment Banking	(2 839)	(1 229)	(1 610)	>100.0%
Asset Management	2 914	3 063	(149)	(4.9%)
Property Activities	(4 351)	(2 694)	(1 657)	61.5%
Group Services and Other Activities	37 158	18 529	18 629	>100.0%

Net interest income increased by 37.4% to £223.1 million (2006: £162.4 million) as a result of strong growth in average advances, the acquisition of Kensington and a solid performance from the Central Funding division.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Net fees and commissions income	277 702	251 638	26 064	10.4%
Private Banking	46 004	55 395	(9 391)	(17.0%)
Private Client Portfolio Management and Stockbroking	17 504	13 401	4 103	30.6%
Capital Markets	48 312	42 894	5 418	12.6%
Investment Banking	51 806	39 390	12 416	31.5%
Asset Management	97 124	85 423	11 701	13.7%
Property Activities	14 959	12 841	2 118	16.5%
Group Services and Other Activities	1 993	2 294	(301)	(13.1%)

Net fees and commissions increased by 10.4% to £277.7 million (2006: £251.6 million) benefiting from increased transactional activity and higher average assets under management.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Principal transactions	108 492	103 928	4 564	4.4%
Private Banking	25 284	9 699	15 585	>100.0%
Private Client Portfolio Management and Stockbroking	1 245	817	428	52.4%
Capital Markets	20 227	45 046	(24 819)	(55.1%)
Investment Banking	43 774	29 848	13 926	46.7%
Asset Management	42	877	(835)	(95.2%)
Property Activities	12 589	5 817	6 772	>100.0%
Group Services and Other Activities	5 331	11 824	(6 493)	(54.9%)

Income from principal transactions increased by 4.4% to £108.5 million (2006: £103.9 million). Our Growth and Acquisition Finance, Property, Private Equity and Direct Investments divisions delivered a strong performance. This result was negatively impacted by the write downs on the US structured credit investments mentioned on page 8.

Operating income from associates

Operating income from associates increased by 48.8% to £6.4 million (2006: £4.3 million). The current year's figure includes Investec's 47.3% share of the post-tax profit of Rensburg Sheppards plc for the period 1 April 2007 to 30 September 2007.

Other operating income

Other operating income amounts to £28.1 million (2006: £10.0 million). The operating results of two investments held within the Private Equity portfolio have been consolidated with the respective income and expenses largely reflected in other operating income and administration expenses. These investments generated a net loss after tax and minority interest of £1.6 million and have a combined net on-balance sheet carrying value of £69 million. Any realisation of these investments in excess of their carrying values will be recognised as income from principal transactions.

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Impairment losses on loans and advances	(11 738)	(8 173)	(3 565)	43.6%
Private Banking	(7 126)	(3 806)	(3 320)	87.2%
Capital Markets	(5 097)	(4 521)	(576)	12.7%
Investment Banking	(1 121)	-	(1 121)	100.0%
Group Services and Other Activities	1 606	154	1 452	>100.0%

Notwithstanding, the weaker credit cycle, we have not seen evidence of a decline in the performance of our loan portfolios. The percentage of gross default loans to core loans and advances has improved from 1.23% to 1.01% since 31 March 2007. Total impairment coverage as a percentage of net default loans (gross default loans net of security) remains highly satisfactory at 137.3% (31 March 2007: 137.9%). These factors resulted in a decrease in impairment losses on loans and advances of 53.6% from £8.2 million to £3.8 million (excluding Kensington). Refer to page 82 for further details.

Included in the current period's figure of £11.7 million is an amount of £7.9 million relating to Kensington. These impairments have been made in the ordinary course of business, with asset quality improving as the percentage of accounts greater than 90 days in arrears have decreased from 9.4% to 9.1% since 31 March 2007.

Financial statement analysis

£'000	30 Sept 2007	30 Sept 2006	Variance	% Change
Administrative expenses and depreciation	(381 264)	(319 722)	(61 542)	19.2%
Private Banking	(102 496)	(90 872)	(11 624)	12.8%
Private Client Portfolio Management and Stockbroking	(10 416)	(8 412)	(2 004)	23.8%
Capital Markets	(86 594)	(67 966)	(18 628)	27.4%
Investment Banking	(66 026)	(41 616)	(24 410)	58.7%
Asset Management	(65 038)	(57 467)	(7 571)	13.2%
Property Activities	(11 711)	(9 645)	(2 066)	21.4%
Group Services and Other Activities	(38 983)	(43 744)	4 761	(10.9%)

Total expenses increased by 19.2% to £381.3 million (2006: £319.7 million). Variable remuneration decreased by 3.0% to £93.3 million. Other operating expenses (excluding variable remuneration) increased by 28.8% to £288.0 million largely as a result of an increase in headcount in certain of the businesses in line with our growth initiatives, an increase in costs associated with complying with new and forthcoming regulatory requirements, an investment in product development and IT infrastructure, the consolidation of two private equity investments and the acquisition of Kensington.

We achieved our target of operating expenses to total operating income of less than 65% with the ratio improving from 60.0% to 58.9%.

Taxation

The operational effective tax rate of the group decreased from 28.3% to 25.0% as a result of certain income accruing in lower tax jurisdictions.

Earnings attributable to minority interests

Earnings attributable to minority interests of £9.7 million largely comprise:

- £5.7 million in relation to investments held in the Private Equity division.
- £3.6 million relating to the Euro denominated preferred securities issued by a subsidiary of Investec plc which are reflected on the balance sheet as part of minority interests. The transaction is hedged and a forex translation gain arising on the hedge is reflected in operating profit before goodwill, with the equal and opposite impact reflected in earnings attributable to minorities.

Balance sheet analysis

Capital resources and total assets

Since 31 March 2007:

- Total shareholders' equity (including minority interests) increased by 18.4% to £2.2 billion largely as a result of the issue of £235 million of ordinary shares and increased retained earnings.
- Net asset value per share increased from 216.0 pence to 251.6 pence, and net tangible asset value per share (which excludes goodwill and intangible assets) increased from 178.6 pence to 197.1 pence.
- On balance sheet assets have increased by 32.3% to £34.8 billion, principally as a result of a solid growth in loans and advances to customers and the acquisition of Kensington.

The annualised return on adjusted average shareholders' equity (inclusive of compulsorily convertible instruments) improved marginally from 23.8% to 23.9% over the period meeting our target of greater than 20%.

Investec plc and Investec Limited have capital adequacy ratios well in excess of the minimum regulatory requirements. The capital adequacy of Investec plc (applying UK Financial Services Authority rules to its capital base) is 17.7% (31 March 2007: 24.7%). The decline since 31 March 2007 is largely as a result of an increase in risk-weighted assets and the acquisition of Kensington. The capital adequacy of Investec Limited (applying South African Reserve Bank rules to its capital base) is 13.7% (31 March 2007: 14.7%). If the Growthpoint transaction had been completed prior to 30 September 2007, the capital adequacy ratio of Investec Limited would have been 14.7%.

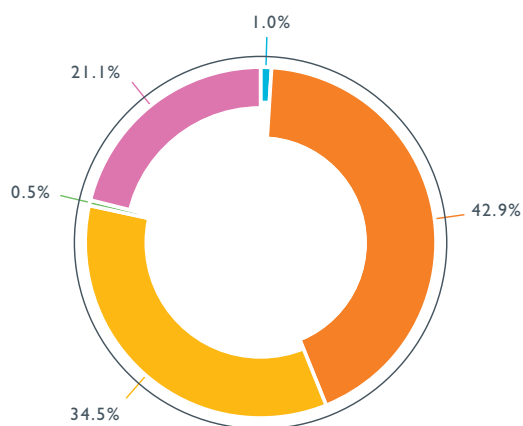
Additional financial information

An analysis of operating income

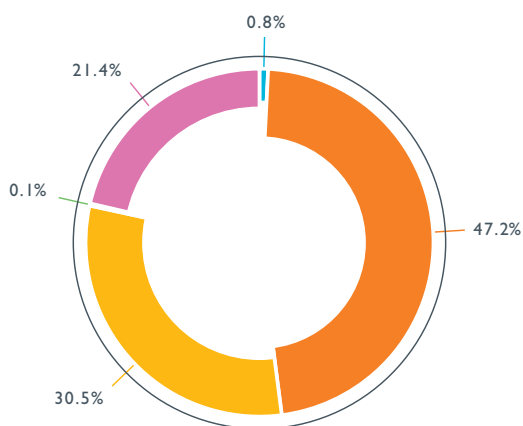
£'000	30 Sept 2007	30 Sept 2006	% Change
Net interest income	223 102	162 377	37.4%
Other income	424 151	370 809	14.4%
Net fees and commissions income	277 702	251 638	10.4%
Principal transactions	108 492	103 928	4.4%
Operating income from associates	6 369	4 279	48.8%
Net income on assurance activities	3 446	934	>100.0%
Other operating income	28 142	10 030	>100.0%
Total operating income net of insurance claims	647 253	533 186	21.4%

% of total income

30 Sept 2007



30 Sept 2006



- Net fees and commissions income
- Net interest income
- Net income on insurance activities
- Principal transactions and other operating income
- Operating income from associates

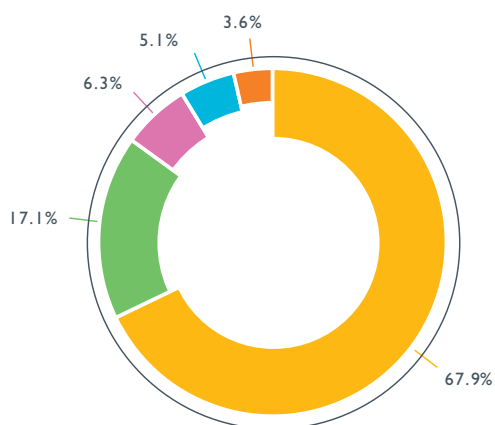
An analysis of administrative expenses

£'000

	30 Sept 2007	30 Sept 2006	% Change
Staff costs	251 745	222 999	12.9%
-fixed	158 464	126 854	24.9%
-variable	93 281	96 145	(3.0%)
Business expenses	63 536	45 425	39.9%
Equipment (excluding depreciation)	19 105	14 051	36.0%
Premises (excluding depreciation)	23 346	20 038	16.5%
Marketing expenses	13 513	11 453	18.0%
Administrative expenses	371 245	313 966	18.2%

% of total expenses

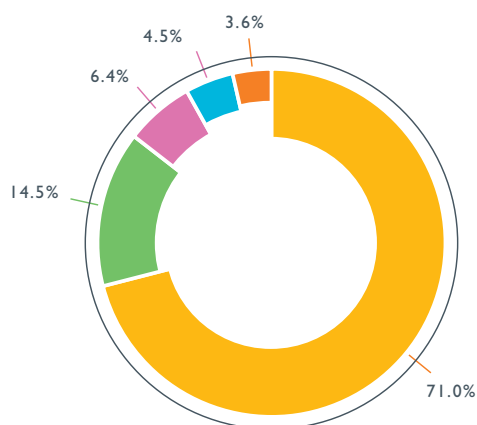
30 Sept 2007



Marketing
Staff costs

Premises
Equipment

30 Sept 2006



Marketing

Additional financial information

Asset quality

£'000	30 Sept 2007	30 March 2007
Core loans and advances to customers (gross of impairments)	13 103	9 567
Core loans and advances included in securitised assets	663	665
Less: assets warehoused for securitisation	(1 963)	(242)
Total core loans and advances to customers	11 803	9 990
Net core loans and advances to customers	11 755	9 950
Specific impairments	40	33
Portfolio impairments	8	7
Total impairments	48	40
Gross default loans	119	123
Sub standard	48	42
Doubtful	32	41
Loss	39	40
Less: security	84	94
Net default loans (pre-impairments held against these loans)	35	29
Adequacy of impairments		
Specific impairments as a % of core loans and advances to customers	0.34%	0.33%
Portfolio impairments as a % of net core loans and advances to customers	0.07%	0.07%
Total impairments as a % of core loans and advances to customers	0.41%	0.40%
Total impairments as a % gross default loans	40.34%	32.52%
Total impairments as a % of net default loans	137.14%	137.93%
Specific impairments as a % of gross default loans	33.61%	26.83%
Specific impairments as a % of net default loans	114.29%	113.79%
Gross default loans as a % of core loans and advances to customers	1.01%	1.23%

£'000	Core loans and advances	Portfolio impairments	Specific impairments	Total impairments	Gross default loans	Security held against default loans	Net default loans
30 Sept 2007							
UK and Europe	4 710	3	12	15	30	24	6
Southern Africa	6 323	5	14	19	68	55	13
Australia	770	-	14	14	21	5	16
Total group	11 803	8	40	48	119	84	35
31 March 2007							
UK and Europe	3 770	2	6	8	34	26	8
Southern Africa	5 547	5	17	22	71	59	19
Australia	673	-	10	10	18	9	2
Total group	9 990	7	33	40	123	94	29

Total third party assets under management

£'000	30 Sept 2007	30 March 2007	30 Sept 2006
Private Banking funds under advice	3 336	2 532	1 932
UK and Europe	1 338	951	762
South Africa	1 651	1 275	924
Australia	347	306	246
Private Client Portfolio Management and Stockbroking	22 461	21 836	19 200
South Africa Private Client Securities	8 051	7 436	5 900
Rensburg Sheppards plc	14 410	14 400	13 300
Property Activities	2 034	1 825	1 181
Investec Asset Management	31 678	29 891	26 491
UK and international	14 058	13 039	11 874
Southern Africa	17 620	16 852	14 617
Total third party assets under management	59 509	56 084	48 804

£'million 30 Sept 2007	UK, Europe & Other	Southern Africa	Total
Private Banking	1 685	1 651	3 336
Private Client Portfolio Management and Stockbroking	14 410	8 051	22 461
- Discretionary	n/a	1 414	n/a
- Non-discretionary	n/a	6 637	n/a
Institutional	6 343	12 317	18 660
Retail	7 715	5 303	13 018
Property Activities	-	2 034	2 034
Total third party assets under management	30 143	29 356	59 509
30 March 2007			
Private Banking	1 257	1 275	2 532
Private Client Portfolio Management and Stockbroking	14 400	7 436	21 836
- Discretionary	n/a	1 297	n/a
- Non-discretionary	n/a	6 139	n/a
Institutional*	6 378	11 986	18 364
Retail*	6 661	4 866	11 527
Property Activities	-	1 825	1 825
Total third party assets under management	28 696	27 388	56 084
30 March 2006			
Private Banking	1 008	924	1 932
Private Client Portfolio Management and Stockbroking	13 300	5 900	19 200
- Discretionary	n/a	1 017	n/a
- Non-discretionary	n/a	4 883	n/a
Institutional*	5 578	10 916	16 494
Retail*	6 181	3 816	9 997
Property Activities	-	1 181	1 181
Total third party assets under management	26 067	22 737	48 804

* Some of Asset Management's clients invest in retail funds. Previously this was classified as retail, now we classify it as institutional. The change has been made in order to more accurately reflect our asset split.

Additional financial information

Net tangible asset value per share

In calculating net tangible asset value per share we assume that all previously issued Compulsory Convertible Debentures (CCD's) are treated as equity. Under IFRS however, a portion of these CCD's are treated as debt and not included in shareholders equity. As a result, adjustments must be made to the shareholder base which would be more appropriately reflect their permanent capital nature.

£'000	30 Sept 2007	31 March 2007	30 Sept 2006	Notes
Shareholders' equity	1 857 871	1 542 485	1 345 635	
Less: perpetual preference shares issued by holding companies	(294 698)	(292 173)	(239 132)	
Convertible debt included in subordinated liabilities	18 098	19 079	19 910	
Less: goodwill and intangible assets (excluding software)	(342 168)	(219 854)	(213 340)	
Net tangible asset value	1 239 103	1 049 537	913 073	
Number of shares in issue	653.5	609.3	602.7	
CCD's	8.1	8.9	18.0	Relates to convertible debt mentioned above
Treasury shares	(33.0)	(30.5)	(30.4)	
Number of shares in issue in this calculation (million)	628.6	587.7	590.3	
Net tangible asset value per share (pence)	197.1	178.6	154.7	

Goodwill and intangible assets analysis - balance sheet information

£'000	30 Sept 2007	31 March 2007	30 Sept 2006
UK and Europe	285 517	163 034	160 648
Private Banking	17 445	17 434	17 485
Capital Markets	135 238	13 720	13 713
Investment Banking	44 789	43 835	41 405
Asset Management	88 045	88 045	88 045
South Africa	39 613	40 561	36 500
Private Client Portfolio Management and Stockbroking	2 591	2 550	2 493
Asset Management	24 443	24 067	29 539
Property Activities	12 579	13 944	4 468
Australia	17 038	16 259	16 192
Investment Banking	17 038	16 259	16 192
Software	13 916	11 858	4 543
Total group	356 084	231 712	217 883

Additional financial information

Capital adequacy

Investec plc and Investec Limited are the two listed holding companies in terms of the DLC structure. Investec Bank (UK) Limited (IBUK) and Investec Bank Limited (IBL) are the main banking subsidiaries of Investec plc and Investec Limited respectively. Investec Bank (Australia) Limited (IBAL) is a subsidiary of IBUK.

Investec plc and Investec Limited are well capitalised and capital adequacy ratios exceed the minimum regulatory requirements.

The group aims to maintain a capital adequacy ratio on a consolidated basis for Investec plc and Investec Limited of 13-16%, and targets a Tier I ratio of 10%.

	IBL R'million	Investec Limited R'million	IBAL A\$million	IBUK £'million	Investec plc £'million
30 September 2007					
Net qualifying capital	13 458	14 150	587	1 246	1 427
Risk-weighted assets	99 904	103 536	2 477	6 826	8 080
Capital adequacy ratio	13.5%	13.7%	23.7%	18.3%	17.7%
Tier I ratio	9.1%*	9.9%*	19.0%	11.5%	11.9%
31 March 2007					
Net qualifying capital	12 789	13 687	568	1 284	1 357
Risk-weighted assets	90 426	93 075	2 383	5 314	5 485
Capital adequacy ratio	14.1%	14.7%	23.8%	24.2%	24.7%
Tier I ratio	9.3%	10.4%	19.0%	14.1%	14.8%
30 September 2006					
Net qualifying capital	11 543	12 542	522	915	924
Risk-weighted assets	76 974	85 304	2 486	5 020	5 416
Capital adequacy ratio	15.0%	14.7%	21.0%	18.2%	17.1%
Tier I ratio	9.7%	10.3%	16.3%	14.6%	13.1%

The above ratios are determined under South African Reserve Bank regulations in respect of IBL (consolidated) and Investec Limited (consolidated) and Financial Services Authority requirements in respect of IBUK (consolidated) and Investec plc (consolidated).

* The Growthpoint transaction (refer to page 9) will result in a R1 billion increase in tier I capital for Investec Limited and Investec Bank Limited.

ROE by country and division

In order to assess the return on economic capital utilised, the group believes that certain adjustments should be made to the income statement analysis and balance sheet analysis as reflected under IFRS. The group believes that these adjustments are necessary as they reflect the actual utilisation of capital and return thereon, notwithstanding accounting conventions.

Return on capital by segment

The methodology applied in accessing the utilisation of the group's economic capital is as follows:

- A notional return on capital (net of the cost of subordinated debt) which is managed and borne in the centre is allocated from Group Services and Other Activities ("GSO") to the business segments based on their total capital utilisation
- Shareholders' equity is increased to reflect permanent capital which is included under subordinated debt

£'000	30 Sept 2007	31 March 2007	Average [^]	30 Sept 2006	31 March 2006	Average [^]
Calculation of average shareholders' equity						
Shareholders' equity per balance sheet (excluding preference shares)	1 563 173	1 250 312	1 328 601	1 106 503	1 011 187	1 058 845
Add: Convertible debt included in subordinated liabilities	18 098	19 079	18 589	19 910	28 016	23 963
Adjusted shareholders' equity	1 581 271	1 269 391	1 347 190	1 126 413	1 039 203	1 082 808
Goodwill and intangible assets (excluding software)	(342 168)	(219 854)	(238 139)	(213 340)	(189 700)	(201 520)
Adjusted tangible shareholders' equity	1 239 103	1 049 537	1 109 051	913 073	849 503	881 288

	30 Sept 2007	30 Sept 2007	31 March 2007
Operating profit before goodwill and non-operating items	254 251	205 291	466 585
Minority interests	(9 716)	(2 271)	(9 054)
Preference dividends	(21 766)	(17 370)	(37 046)
Profit before taxation	222 769	185 650	420 485
Tax on ordinary activities	(61 911)	(56 974)	(119 781)
Profit after taxation	160 858	128 676	300 704
Pre-tax return on average adjusted shareholders' equity	33.1%	34.3%	36.4%
Post-tax return on average adjusted shareholders' equity	23.9%	23.8%	26.1%
Pre-tax return on average adjusted tangible shareholders' equity	40.2%	42.1%	44.3%
Post-tax return on average adjusted tangible shareholders' equity	29.0%	29.2%	31.7%

Note:

The returns for the six months to 30 September 2007 and 30 September 2006 have been annualised.

[^] These numbers are not necessarily straight line averages.

Additional financial information

ROE by country

For the period to 30 September

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Total operating profit	79 880	152 343	21 992	36	254 251
Tax on ordinary activities	(17 211)	(41 166)	(3 441)	(93)	(61 911)
Minority interests	(9 408)	653	(961)	-	(9 716)
Preference dividends	(9 783)	(11 983)	-	-	(21 766)
Profit on ordinary activities after taxation - Sept 2007	43 478	99 847	17 590	(57)	160 858
Profit on ordinary activities after taxation - Sept 2006	56 935	63 473	8 059	209	128 676
Adjusted shareholders' equity at 30 Sept 2007	739 559	564 267	277 445	-	1 581 271
Goodwill and intangible assets (excluding software)	285 518	39 612	17 038	-	342 168
Adjusted tangible shareholders' equity at 30 Sept 2007	454 041	524 655	260 407	-	1 239 103
Adjusted shareholders' equity at 30 Sept 2006	538 545	425 064	162 804	-	1 126 413
Goodwill and intangible assets (excluding software)	160 649	36 499	16 192	-	213 340
Adjusted tangible shareholders' equity at 30 Sept 2006	377 896	388 565	146 612	-	913 073
Adjusted shareholders' equity - March 2007	631 953	475 026	162 412	-	1 269 391
Adjusted average shareholders' equity - 30 Sept 2007	649 833	519 646	177 711	-	1 347 190
Adjusted average shareholders' equity - 30 Sept 2006	558 518	430 575	93 402	313	1 082 808
Adjusted average shareholders' equity - 31 March 2007	574 177	455 556	124 570	(6)	1 154 297
Post tax return on average shareholders' equity - 30 Sept 2007*	13.4%	38.4%	19.8%	-	23.9%
Post tax return on average shareholders' equity - 30 Sept 2006*	20.4%	29.5%	17.3%	-	23.8%
Post tax return on average shareholders' equity - 31 March 2007	19.6%	37.1%	15.0%	(6350.0%)	26.1%

* Annualised.

ROE by business

For the period to 30 September

£'000	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Total operating profit	85 694	14 367	43 199	51 910	36 203	11 486	11 392	254 251
Notional return on regulatory capital	29 019	2 052	29 623	4 654	618	650	(66 616)	-
Notional cost of statutory capital	(2 041)	(429)	(848)	-	(3 624)	(417)	7 359	-
Cost of subordinated debt	(9 521)	(734)	(10 252)	(1 516)	(205)	(199)	22 427	-
Minority interest	-	-	-	(3 797)	-	-	(5 919)	(9 716)
Cost of preference shares	(7 543)	(615)	(8 384)	(1 162)	(178)	(181)	(3 703)	(21 766)
Absorption of additional residual costs **	(8 856)	(2 114)	(8 151)	(11 824)	(2 960)	(3 091)	36 996	-
Adjusted earnings - 30 Sept 2007	86 752	12 527	45 187	38 265	29 854	8 248	1 936	222 769
Adjusted earnings/(losses) - 30 Sept 2006	72 915	8 472	55 586	27 329	27 692	3 951	(10 295)	185 650
Adjusted shareholders' equity at 30 Sept 2007	569 024	42 023	754 649	129 876	121 641	12 851	(48 793)	1 581 271
Goodwill and intangible assets (excluding software)	17 445	2 591	135 238	61 827	112 488	12 579	-	342 168
Adjusted tangible shareholders' equity at 30 Sept 2007	551 579	39 432	619 411	68 049	9 153	272	(48 793)	1 239 103
Adjusted shareholders' equity at 30 Sept 2006	423 852	44 615	319 103	111 588	127 554	10 388	89 313	1 126 413
Goodwill and intangible assets (excluding software)	17 485	2 493	13 713	57 597	117 584	4 468	-	213 340
Adjusted tangible shareholders' equity at 30 Sept 2006	406 367	42 122	305 390	53 991	9 970	5 920	89 313	913 073
Adjusted shareholders' equity - March 2007	478 947	42 932	358 724	130 816	123 211	19 975	114 786	1 269 391
Adjusted average shareholders' equity - 30 Sept 2007 [^]	464 676	41 879	521 339	132 378	121 527	20 488	44 903	1 347 190
Adjusted average shareholders' equity - 30 Sept 2006 [^]	385 054	42 835	275 929	78 222	132 596	12 359	155 813	1 082 808
Adjusted average shareholders' equity - 31 March 2007 [^]	404 897	43 034	306 192	94 570	130 129	17 264	158 211	1 154 297
Pre-tax return on adjusted average shareholders' equity - 30 Sept 2007^{^^}	37.3%	59.8%	17.3%	57.8%	49.1%	80.5%	8.6%	33.1%
Pre-tax return on adjusted average shareholders' equity - 30 Sept 2006 [^]	37.9%	39.6%	40.3%	69.9%	41.8%	63.9%	(13.2%)	34.3%
Pre-tax return on adjusted average shareholders' equity - 31 March 2007	38.1%	44.2%	37.7%	68.6%	44.9%	50.0%	(0.1%)	36.4%

* Where: PB=Private Banking PCSB=Private Client Stockbroking CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

** This allocation represents a portion of the costs remaining in the centre which are indirectly allocated to operating divisions as they facilitate their operations but are excluded in calculating performance incentive remuneration. These allocations are based on managements' estimates of relative benefit derived.

[^] This number is not necessarily a straight line average as these numbers are calculated on a monthly basis using actual capital utilised.

^{^^} Annualised.

Additional financial information

Operating profit (before goodwill), non-operating items and taxation and excluding income from associates per employee

By business

£'000	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Number of employees - 30 Sept 2007	2 091	205	1 095	358	994	316	1 137	6 196
Number of employees - 31 March 2007	1 941	205	715	336	924	273	1 036	5 430
Number of employees - 30 Sept 2006	1 832	186	627	323	884	259	944	5 055
Number of employees - 31 March 2006	1 598	167	530	287	790	258	823	4 453
Average employees - six months to 30 Sept 2007	2 016	205	905	347	959	295	1 087	5 814
Average employees - six months to 30 Sept 2006	1 715	176	579	305	837	259	884	4 755
Operating profit [^] - 30 Sept 2007 (£'000)	85 455	8 369	43 243	51 868	36 203	11 486	11 258	247 882
Operating profit [^] - 30 Sept 2006 (£'000)	73 643	5 664	57 076	35 700	31 896	6 319	(9 286)	201 012
Operating profit per employee^{^^} - 30 Sept 2007 (£'000)	42.4	40.8	47.8	149.5	37.8	38.9	10.4	42.6
Operating profit per employee ^{^^} - 30 Sept 2006 (£'000)	42.9	32.2	98.6	117.0	38.1	24.4	(10.5)	42.3

By geography

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Number of employees - 30 Sept 2007	1 900	4 012	266	18	6 196
Number of employees - 31 March 2007	1 412	3 778	235	5	5 430
Number of employees - 30 Sept 2006	1 307	3 532	211	5	5 055
Number of employees - 31 March 2006	1 166	3 114	168	5	4 453
Average employees - six months to 30 Sept 2007	1 656	3 895	251	12	5 814
Average employees - six months to 30 Sept 2006	1 237	3 323	190	5	4 755
Operating profit [^] - 30 Sept 2007 (£'000)	73 706	152 343	21 797	36	247 882
Operating profit [^] - 30 Sept 2006 (£'000)	75 845	111 284	13 674	209	201 012
Operating profit per employee^{^^} - 30 Sept 2007 (£'000)	44.5	39.1	86.8	3.0	42.6
Operating profit per employee ^{^^} - 30 Sept 2006 (£'000)	61.3	33.5	72.0	41.8	42.3

* Where: PB=Private Bank PCSB=Private Client Stockbroking CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

[^] Excluding operating income from associates.

^{^^} Based on average number of employees over the period.

Number of employees

By business - permanent employees

	30 Sept 2007	30 Sept 2006	31 March 2007
Private Banking			
UK and Europe	508	407	429
SA and Other	1 369	1 204	1 305
Australia	82	81	78
Total	1 959	1 692	1 812
Private Client Stockbroking and Portfolio Management			
UK and Europe	-	-	-
SA and Other	191	176	191
Total	191	176	191
Private Client Activities total			
UK and Europe	508	407	429
SA and Other	1 560	1 380	1 496
Australia	82	81	78
Total	2 150	1 868	2 003
Capital Markets			
UK and Europe	657	243	279
SA and Other	361	325	348
Australia	29	28	38
Total	1 047	596	662
Investment Banking			
UK, Europe and Hong Kong	142	140	143
SA and Other	155	132	139
Australia	39	37	33
USA	10	5	5
Total	346	314	320
Asset Management			
UK and Europe and other	250	214	231
SA and Other	621	595	603
Total	871	809	834
Property Activities			
UK and Europe	5	3	3
SA and Other*	281	242	248
Australia	4	-	-
Total	290	245	251
Group Services and other activities			
UK and Europe	232	185	212
SA and Other	665	622	642
Australia	112	62	86
Total	1 009	869	940
Total number of permanent employees	5 713	4 701	5 010

* Reduced by 252 employees following the Growthpoint transaction.

Additional financial information

Number of employees (continued)

By geography	30 Sept 2007	31 March 2007	30 Sept 2006	31 March 2006	31 March 2005
SA and Other	3 643	3 476	3 296	3 114	2 648
UK and Europe	1 794	1 294	1 192	1 166	1 308
Australia	266	235	208	168	140
USA	10	5	5	5	67
Temps and contractors	483	420	354	*	*
Total number of employees	6 196	5 430	5 055	4 453	4 163

* The treatment of temps and contractors for headcount disclosure purposes was not consistently applied across all divisions. The line of business information now only reflects permanent headcount. The geographical information has been presented for comparative purposes. Historical information did include temps and contractors.

Shareholder analysis

The group has implemented a Dual Listed Companies (DLC) structure in terms of which it has primary listings both in Johannesburg and London. Investec plc, which houses the majority of the group's non-Southern African businesses, was listed on the London Stock Exchange on 29 July 2002. Investec plc also has a secondary listing on the JSE Limited (JSE). Investec Limited, which houses the group's Southern African and Mauritius operations, has been listed in South Africa since 1986 and is also listed on the Botswana and Namibian Stock Exchanges.

As at 30 September 2007 Investec plc and Investec Limited had 422.1 million and 231.4 million ordinary shares in issue, respectively.

Largest shareholders as at 30 September 2007

In accordance with the terms provided for in Section 212 of the UK Companies Act 1985 and Section 140A of the South African Companies Act, 1973, the group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as disclosed below.

Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1 Old Mutual Asset Managers (ZA)	26 176 721	6.2
2 Fidelity Management and Research Co (UK and ZA)	25 014 452	5.9
3 Public Investment Commissioner (ZA)	24 948 130	5.9
4 JP Morgan Asset Management (UK)	22 102 593	5.2
5 Barclays Global Investors Ltd (UK and US)	19 257 343	4.6
6 Legal and General Investment Management Ltd (UK)	17 612 454	4.2
7 Investec Securities (Pty) Limited (ZA)**	16 161 064	3.8
8 Jupiter Asset Management Limited (UK)	13 242 954	3.1
9 Sanlam Investment Management (ZA)	9 744 275	2.3
10 Schroder Investment Management Ltd (UK)	8 726 025	2.1
Cumulative total	182 986 011	43.3%

The top 10 shareholders account for 43.3% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated. The above analysis excludes shares held by Investec directors.

Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1 Public Investment Commissioner (ZA)	24 106 640	10.4
2 Investec Staff Share Schemes (ZA)	21 674 368	9.4
3 Old Mutual Asset Managers (ZA)	18 398 071	7.9
4 Investec Asset Management (ZA)**	15 708 371	6.8
5 Entrepreneurial Development Trust (ZA)*	14 000 000	6.0
6 Tiso INL Investments (Pty) Ltd (ZA)*	14 000 000	6.0
7 Peu INL Investments I (Pty) Ltd (ZA)*	13 055 555	5.6
8 Polaris Capital (Pty) Limited (ZA)	10 352 978	4.5
9 Stanlib Asset Management (ZA)	9 243 030	4.0
10 Investec Securities (Pty) Limited (ZA)**	8 193 910	3.5
Cumulative total	148 732 923	64.1%

The top 10 shareholders account for 64.1% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated. The above analysis excludes shares held by Investec directors.

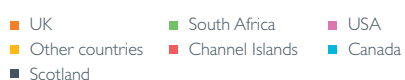
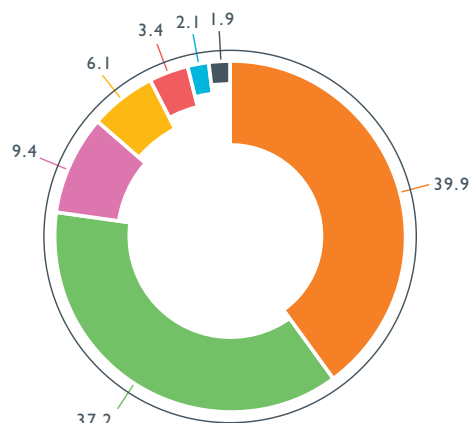
* In November 2003, Investec Limited implemented an empowerment transaction in which empowerment partners and an employee share scheme acquired 25.1% of the equity shareholding in Investec Limited.

** Managed on behalf of clients.

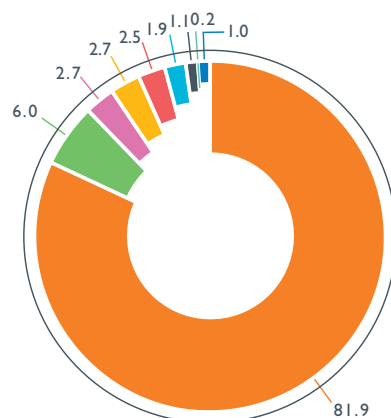
Shareholder analysis

Geographic holding by beneficial owner as at 30 September 2007

Investec plc



Investec Limited



Share statistics

Investec plc ordinary shares in issue for the period ended

	30 Sept 2007	31 March 2007	30 Sept 2006	31 March 2006
Closing market price per share (pence) ¹				
- period ended	512	658	525	588
- highest	765	676	659	607
- lowest	480	495	495	304
Number of ordinary shares in issue (million) ¹	422.1	381.6	377.2	373.0
Market capitalisation (£'million) ²	2 161	2 511	1 978	2 194
Daily average volumes of share traded ('000) ¹	4 369	2 832	2 973	1 489

Investec Limited ordinary shares in issue for the period ended

	30 Sept 2007	31 March 2007	30 Sept 2006	31 March 2006
Closing market price per share (cents) ¹				
- period ended	7 399	9 330	7 280	6 260
- highest	10 440	9 460	7 390	6 650
- lowest	7 170	5 906	5 900	3 410
Number of ordinary shares in issue (million) ¹	231.4	227.7	225.5	220.0
Market capitalisation (R'million) ³	48 353	56 848	45 986	37 121
Market capitalisation (£'million)	3 346	4 009	3 164	3 488
Daily average volumes of share traded ('000) ¹	843	620	643	478

Notes:

- ¹ On 4 September 2006 the group implemented a 5:1 share split of Investec plc and Investec Limited shares. Historical information has been restated for comparative purpose.
- ² The LSE only include the shares in issue for Investec plc i.e. currently 422.1 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK.
- ³ The JSE have agreed to use the total number of shares in issue for the combined group, comprising Investec plc and Investec Limited, in calculating market capitalisation i.e. currently a total of 653.5 million shares in issue.



05

Annexures

Annexure I Definitions

Adjusted shareholders' equity	Refer to calculation on page 87.
Cost to income ratio	Administrative expenses and depreciation divided by operating income.
Core loans and advances	Refer to calculation on page 82.
Dividend cover	Adjusted earnings per ordinary share before goodwill and non-operating items divided by dividends per ordinary share.
Earnings attributable to ordinary shareholders before goodwill and non-operating items	Refer to pages 21 and 22.
Adjusted earnings per ordinary share before goodwill and non-operating items	Refer to pages 21 and 22.
Effective operational tax rate	Tax on profit on ordinary activities divided by operating profit (excluding profit from associates and Assurance Activities).
Headline earnings	Refer to page 22.
Headline earnings per share	Refer to page 22.
Market capitalisation	Total number of shares in issue (including Investec plc and Investec Limited) multiplied by the closing share price of Investec plc on the London Stock Exchange.
Net tangible asset value per share	Refer to calculation on page 84.
Non-operating items	Reflects profits and/or losses on termination or disposal of group operations.
Operating profit	Operating income less administrative expenses, impairments for bad and doubtful debts and depreciation of tangible fixed assets. This amount is before goodwill and non-operating items.
Operating profit per employee	Refer to calculation on page 90.
Return on average adjusted shareholders' equity	Refer to calculation on page 87.
Return on average adjusted tangible shareholders' equity	Refer to calculation on page 87.
Staff compensation to operating income ratio	All employee related costs expressed as a percentage of operating income.
Third party assets under administration	Includes third party assets under administration managed by the Private Client, Asset Management and Property businesses.
Total capital resources	Includes shareholders' equity, subordinated liabilities and minority interests.
Total equity	Total shareholders' equity including minority interests.
Weighted number of ordinary shares in issue	The number of ordinary shares in issue at the beginning of the year; increased by shares issued during the year; weighted on a time basis for the period during which they have participated in the income of the group less treasury shares. Refer to calculation on page 21.

Annexure 2 Directors' responsibility statement

We confirm that to the best of our knowledge:

- a) The condensed set of financial statements have been prepared in accordance with IAS 34;
- b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) The interim management report includes a fair review of the information required by DTR 4.2.8R.

By order of the Board



Steven Koseff
Chief Executive Officer



Bernard Kantor
Managing Director

21 November 2007

Annexure 3 Independent review report to the directors of Investec plc (incorporating Investec Limited)

Introduction

We have been engaged by the company to review the financial statements in the half-yearly financial report of Investec plc (incorporating Investec Limited) for the six months ended 30 September 2007 which comprises the combined consolidated income statement, combined consolidated balance sheet, summarised combined consolidated cash flow statement and combined consolidated statement of total recognised income and expenses. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed on page 4, the annual financial statements of the group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements in the half-yearly financial report for the six months ended 30 September 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.



Ernst & Young LLP

London

21 November 2007

Annexure 4 Report on review of interim financial information

To the members of Investec Limited

We have reviewed the interim financial statements of Investec Limited which comprise the consolidated balance sheet at 30 September 2007, and the income statement, summarised consolidated statement of recognised income and expenses and summarised combined consolidated cash flow statement for the period then ended, and selected explanatory notes.

Directors' responsibility for the interim financial information

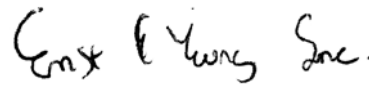
The company's directors are responsible for the preparation and fair presentation of the interim financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting, the JSE Limited Listing Requirements and the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the interim financial statements that are free from material misstatements, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express a conclusion on these interim statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements is not fairly presented, in all material respects, in accordance with International Financial Reporting Standards applicable to interim financial reporting and in the manner require by the Companies Act of South Africa.



Ernst & Young Inc.
Registered Auditor
21 November 2007
Johannesburg

Per JP Quinn
Chartered Accountant (SA)
Registered Auditor
Director
Wanderers Office Park
52 Corlett Drive
Illovo
2196

