

25 November 2004

Investec plc (incorporating the results of Investec Limited)

Unaudited consolidated financial results in UK GAAP Pounds Sterling for the six months ended 30 September 2004.

Investec announces strong interim results

Investec, the international specialist banking group, announces today its interim results for the six months ended 30 September 2004.

Financial highlights

- Operating profit of £88.7 million (2003: £57.9 million)*
 - Operating profit: Southern Africa of £55.0 million, 62.0% of overall (2003: £30.6 million, 52.8%)*
 - Operating profit: UK & Europe, Australia, Israel and the US of £33.7 million, 38% of overall (2003: £27.3 million, 47.2%)*
- Profit before tax of £95.9 million (2003: £62.7 million)*
- Profit after tax of £72.6 million (2003: £50.1 million)*
- Earnings per share of 61.7p (2003: 47.0p)*
- Total dividends per share of 30.0p (2003: 28.0p)

Business highlights

- Strong operating profit growth from:
 - Private Client Activities: £40.9 million, 63.1% increase (2003: £25.1 million)*
 - Treasury and Specialised Finance: £21.5 million, 39.5% increase (2003: £15.4 million)*
 - Asset Management: £14.9 million, 37.0% increase (2003: £10.9 million)*
 - Investment Banking performed well despite a decline in operating profit to £18.0 million (2003: £20.0 million) due to more moderate performances from Direct Investments and Private Equity.

**before exceptional items and amortisation of goodwill, totalling £34.1 million (2003: £22.2 million)*

Stephen Koseff, Chief Executive of Investec, said:

"Investec has focused heavily on changing the shape of the group to improve the quality and stability of earnings by strengthening and growing the group profit contribution of the less volatile and less market sensitive businesses. The result is that Investec now has a robust and well balanced business model with a more stable earnings stream, highlighted by the fact that Private Client Activities contributed 46.1% of group operating profit."

Bernard Kantor, Managing Director of Investec, said:

"Investec achieved solid operating profit growth across the group during the first half of the year which was supported by an exceptional performance from our Private Client Activities business. We are optimistic about the outlook for the remainder of the year and believe we can continue to build a sustainable business model that will deliver value to shareholders."

For further information please contact:

Investec +44 (0) 207 597 4000
Stephen Koseff, Chief Executive
Bernard Kantor, Managing Director

Citigate Dewe Rogerson +44(0)20 7638 9571
Jonathan Clare
Simon Rigby
Sara Batchelor

Investec +27 82 552 8808
Ursula Munitich, Investor Relations

A telephone conference will be available at 9am (UK time), for further viewing options please refer to www.investec.com

Overall performance

Investec is pleased to announce that for the half-year ended 30 September 2004, earnings per share (EPS) before exceptional items and amortisation of goodwill increased 31.3% to 61.7 pence from 47.0 pence (as restated). These six months were characterised by favourable economic conditions in all principal markets in which the group operates. The group continued to make significant progress towards achieving the financial objectives it set at the time of the release of the 2004 year-end results.

Salient features of the six month period were:

- Operating profit before exceptional items and amortisation of goodwill increased 53.2% from £57.9 million to £88.7 million.
- Earnings attributable to ordinary shareholders before exceptional items and amortisation of goodwill increased 40.9% from £47.0 million to £66.2 million.
- Annuity/recurring income as a percentage of total operating income increased from 67.3% to 69.2%.
- The ratio of total operating expenses to total operating income decreased from 75.0% to 68.6%.
- Annualised return on adjusted equity shareholders' funds (inclusive of compulsorily convertible instruments) increased from 14.0% to 18.7%.
- Dividends of 30 pence per share are proposed, equating to a dividend cover of 2.06 based on the group's EPS before exceptional items and goodwill amortisation.

Commentary

The financial information contained in the Commentary section is prepared in accordance with UK GAAP. Rand values included in the Commentary section are translated into Pounds Sterling - in the case of the profit and loss accounts at the weighted average rate for the relevant period, and in the case of the balance sheets at the relevant closing rate. Reuters quotes the average Rand/Pounds Sterling exchange rate at 11.74 and 12.25 for the six months ended 30 September 2004 and 30 September 2003, respectively. This represents an appreciation of approximately 4% of the Rand during the period under review.

Unless the context indicates otherwise, all comparatives included below relate to the six months ended 30 September 2003.

Business unit review

Private Client Activities

The group's Private Client Activities, comprising the Private Banking and Private Client Portfolio Management and Stockbroking divisions, reported substantial growth in operating profit before exceptional items and amortisation of goodwill of 63.1% to £40.9 million from £25.1 million.

▪ Private Banking

Operating profit before exceptional items and amortisation of goodwill of the Private Banking division increased by 60.2% to £34.9 million driven by a solid growth in total advances and non-interest income.

Strong performances were recorded across the majority of Private Banking activities with notable performances from Specialised Lending and Property Finance. Since 31 March 2004, the global private client lending book has grown by 19.5% to £3.8 billion and the division increased its retail deposit book by 17.5% to £3.0 billion.

▪ Private Client Portfolio Management and Stockbroking

Private Client Portfolio Management and Stockbroking recorded a strong result, earning operating profit before exceptional items and amortisation of goodwill of £6.0 million, an increase of 82.2%.

Improved equity market conditions and strict cost control benefited both Carr Sheppards Crosthwaite in the UK and Investec Securities in SA. Since 31 March 2004, total private client funds under management have increased by 1.8% to £8.6 billion.

Treasury and Specialised Finance

The group's Treasury and Specialised Finance division posted operating profit before exceptional items and amortisation of goodwill of £21.5 million, an increase of 39.5%.

The SA operation benefited from a relatively stable interest rate environment and a significant increase in dealing profits following a disappointing performance reported in the prior period. The advisory and lending activities in the UK and SA performed well with a notable performance from the Project Finance division in the UK. These results were somewhat offset by an unsatisfactory result recorded by the Commodities trading operation in the UK.

Investment Banking

The group's Investment Banking division recorded a decline in operating profit before exceptional items and amortisation of goodwill of 10.4% from £20.0 million to £18.0 million.

The Corporate Finance divisions performed well with a strong performance from the UK and sound contributions from Australia and SA. The Institutional Stockbroking operations posted sound results against a backdrop of favourable equity markets. Off a high base in the prior period the Direct Investments and Private Equity divisions posted a lower operating profit.

Asset Management

The Asset Management division delivered operating profit before exceptional items and amortisation of goodwill of £14.9 million, which represented growth of 37.0%. Since 31 March 2004, with £302 million net inflows, assets under management increased by 7.2% in Pounds Sterling to £22.1 billion and by 7.4% in Rands to R257.7 billion.

The UK and other international operations recorded a significant improvement in profit due to strong net inflows across its product range, with investment performance remaining solid. The South African business continues to deliver good results on the back of a well-established market position and strong investment performance across its core products.

Assurance Activities

The group's SA assurance activities, conducted by Investec Employee Benefits (IEB) reported an increase in operating profit of 60.3% to £3.5 million. The business has benefited from continued market penetration and improved efficiencies.

Group Services and Other Activities

Group Services and Other Activities posted an operating loss of £10.0 million compared to the prior period loss of £15.7 million. The UK Property division performed particularly well whilst the SA Central Funding division benefited from an improved capital structure and a lower interest rate environment. These results were partially offset by a net increase in interest costs in the UK Central Funding division following the issue of Tier II debt of £200 million in March 2004.

Financial statements analysis

Operating income

Operating income increased by 24.0% to £311.6 million. The movements in total operating income are analysed further below.

Net interest income increased by 30.7% to £61.6 million. The group reported strong growth in its Private Banking and UK Treasury and Specialised Finance lending portfolios. A more stable interest rate environment in SA has led to an improvement in the performance of the Treasury and Specialised Finance and Central Funding divisions.

Net fees and commissions increased by 34.4% to £195.7 million. This was largely attributable to increased lending turnover and transactional activity in the Private Banking division and a sound performance by the Project Finance, Investment Banking and Property divisions in the UK. The Asset Management and Private Client Portfolio and Stockbroking divisions benefited from improved equity market conditions and net inflows across a number of the product ranges.

Dealing profits decreased by 14.1% to £33.8 million mainly as a result of a more moderate performance of the trading investments held in the Investment Banking and Private Equity portfolios and certain other investments held in the group's corporate portfolio.

The performance of the group's long-term assurance activities is discussed under "Business unit review".

The growth in the return on shareholders' funds in the long-term assurance business conducted through IEB is as a result of the substantial increase in long-term assurance assets attributable to the shareholder from £188.7 million to £299.2 million, supported by favourable capital market conditions.

Other operating income declined as the prior period included a significant one-off gain.

Overall, annuity/recurring income as a percentage of total operating income increased from 67.3% to 69.2%.

Administrative expenses

Total administrative expenses increased by 15.0% from £181.9 million to £209.2 million largely as a result of an increase in variable remuneration due to increased profitability, an increase in compliance and regulatory costs, and an increase in rental costs given that the group no longer owned certain of the buildings from which it operates.

The group made material progress towards achieving its operating expenses to total operating income target of 65% as the ratio decreased from 75.0% to 68.6%, principally as a result of the strong growth in operating income of 24.0%.

Goodwill amortisation

The charge for goodwill amortisation and impairment decreased from £29.8 million to £18.4 million. Included in the current period is £5 million relating to negative goodwill arising from a structured finance transaction. The prior period included an amount of £6.3 million relating to an impairment of the Traded Endowments business.

Provision for bad and doubtful debts

The bad and doubtful debts charge in the income statement increased by 86.4% to £9.1 million largely due to an increase in general provisions reflecting solid book growth.

The percentage of gross non-performing loans (NPLs) to core loans and advances increased marginally from 1.1% to 1.2%. Total provision coverage remains high both as a percentage of gross NPLs and net NPLs (gross NPLs net of security), at 139.1% and 361.1% respectively. The group's general provision coverage as a percentage of net loans and advances has remained at approximately 1.2%.

Taxation

The operational effective tax rate of the group (excluding the tax effect on exceptional items) increased from 21.7% to 26.3% due to reduced availability of assessed losses.

Share of income of associated companies

The group's main associate is Capital Alliance Holdings Limited (CAL). An amount £7 million before goodwill amortisation was accrued, representing Investec's share of the directors estimate of CAL's operating earnings for the six months ended 30 September 2004.

Exceptional items

Exceptional items include:

- Provisions for losses arising on the pending sale of the banking subsidiary in Israel of £6.5 million largely relating to a write down in the value of the buildings it occupies.
- Losses of £3 million and an impairment of goodwill of £2.7 million arising on the closure of the Traded Endowments operation in the UK.

Capital resources

Total capital resources and shareholders' funds of £1.3 billion and £765.4 million, respectively, have remained relatively unchanged since 31 March 2004. The annualised return on average total equity shareholders' funds, inclusive of goodwill, increased from 15.1% to 20.7%. The annualised return on adjusted shareholders' funds (inclusive of compulsorily convertible instruments) increased from 14.0% to 18.7%, representing material progress towards the target of 20%.

Investec plc and Investec Limited are well capitalised and capital adequacy ratios comfortably exceed the minimum regulatory requirements. The capital adequacy of Investec plc (applying UK Financial Services Authority rules to its capital base) is 17.0% (March 2004: 17.3%). The capital adequacy of Investec Limited (applying South African Reserve Bank rules to its capital base) is 15.0% (March 2004: 15.1%).

Total assets under administration

Total assets under administration (including on and off balance sheet assets) increased by 9.5% from £47.8 billion at 31 March 2004 to £52.3 billion. This was mainly attributable to growth in assets under management of £3.3 billion across all ranges of third party funds, due to improved equity values, and a solid growth in core advances.

Prospects

Conditions are currently favourable and the board remains optimistic on the outlook for the remainder of the financial year. The group strives to build distinctive businesses in its core areas of operation focusing on activities in regions where it believes it can compete effectively. The group has made significant progress towards delivering on its financial objectives and remains committed to ensuring that these objectives are met over the long-term. By concentrating on the fundamentals of growing revenues, improving efficiency and maintaining credit quality, Investec is confident that it can continue to build a sustainable business model that will deliver value to shareholders.

On behalf of the boards of Investec plc and Investec Limited

Hugh Herman
Chairman

Stephen Koseff
Chief Executive Officer

Bernard Kantor
Managing Director

Presentation of financial information

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 Securities Exchange South Africa.

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 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 consolidating the results and financial position of both companies using merger accounting principles.

Accordingly, the half-year results for Investec plc present the results and financial position of the combined DLC group under UK GAAP, denominated in Pounds Sterling. However, because SA GAAP differs in certain respects from UK GAAP, the group publishes a high-level reconciliation and summary of the principal differences. In the commentary below, all references to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

As announced on 30 July 2004 Investec plc sold its 80.28% stake in Investec Bank (Israel) Limited to The First International Bank of Israel. The details with respect to the transaction as well as regulatory approval were obtained subsequent to 30 September 2004 and hence the results of Investec Bank (Israel) Limited have been consolidated into the group results for the six months ended 30 September 2004.

Accounting policies and disclosures

The comparative information provided in the financial information is for the six months ended 30 September 2003 and the 12 months ended 31 March 2004. Changes in accounting policies adopted at 31 March 2004 were not yet effective at 30 September 2003. For this reason, the note below discusses changes to accounting policies since the release of 31 March 2004 annual results followed by changes to the previously released September 2003 interim results. Other than changes noted below, accounting policies adopted by the group are consistent with the prior period.

Change in accounting policies since the release of the 31 March 2004 annual results

UITF 38: Accounting for ESOP trusts

The group has adopted UITF 38 in respect of accounting for employee share incentive trusts (ESOP trusts). In summary the impact on the adoption of the new standard from prior accounting policies is as follows:

- Own shares held by the ESOP trusts (which have not vested to employees) are deducted from shareholders' funds (previously included on balance sheet as an asset under "own shares").
- No gain or loss is recognised in the profit and loss account or statement of total recognised gains and losses on the purchase, sale or cancellation of the group's own shares held by the ESOP trusts.
- The net finance costs of the ESOP trusts are charged to the profit and loss account as they accrue.

Other than UITF 38, the changes in policies noted below were already included in the 31 March 2004 annual results.

The impact of the change in accounting policies arising from the adoption of UITF 38 is detailed below:

12 months to 31 March 2004	Total
£'000	
Interest receivable	1 184
Interest payable	-
Net interest income	1 184
Other operating income	(1 063)
Profit on ordinary activities before taxation	121
Taxation	-
Profit on ordinary activities after taxation	121

The impact of the change in accounting policies arising from the adoption of UITF 38 on reserves is detailed below:

	£'000
Reserves at 31 March 2004 as previously reported	808 969
UITF 38	(42 596)
Relating to 2004 opening reserves	(51 502)
Relating to 2004 movement in reserves	8 906
• Retained profit for the year	121
• Net reduction in treasury shares	5 764
• Net movement in share premium on reduction of treasury shares	3 021
Restated total reserves at 31 March 2004	766 373

Impact of changes in accounting policies on the 30 September 2003 interim results

UITF 37: Purchase and sale of own shares (excluding ESOP trusts)

The group has adopted UITF 37 in respect of own shares held. In summary the impact for the group is as follows:

- Consideration paid for the group's own shares (referred to as 'treasury shares') are deducted from shareholders' funds.
- No gain or loss is recognised in the profit and loss account or statement of total recognised gains and losses on the purchase, sale or cancellation of the group's own shares.

UITF 38: Accounting for ESOP trusts

The impact on adoption of this standard is as noted above.

FRS 17 – Retirement Benefits

The group has fully adopted the requirements of FRS 17 in respect of retirement benefits. In line with the objective of the standard, the group reflects the fair value of assets and liabilities and any related funding arising from defined benefit schemes within the group.

The impact of the above changes in accounting policies on reserves is detailed below:

6 months to 30 September 2003	UITF 38	UITF 37	FRS 17	Total
£'000				
Interest receivable	1 184	-	-	1 184
Interest payable	-	214	(451)	(237)
Net interest income	1 184	214	(451)	947
Other operating income	(410)	(762)	-	(1 172)
Profit/(loss) on ordinary activities before taxation	774	(548)	(451)	(225)
Taxation	-	-	135	135
Profit/(loss) on ordinary activities after taxation	774	(548)	(316)	(90)

The cumulative impact on September 2003 closing reserves is detailed below:

	£'000
Reserves at 30 September 2003 as previously reported	842 710
Cumulative prior year adjustments to 30 September 2003	(114 204)
• Reduction in share premium	(12 492)
• Increase in treasury shares	(98 273)
• Increase in foreign currency reserves	6 011
• Decrease in cumulative profit and loss account	(9 450)
Restated total reserves at 30 September 2003	728 506

Restatements to 30 September 2003 consolidated profit and loss accounts and the weighted average number of shares ("wanos")

Reclassifications were made to the 30 September 2003 consolidated profit and loss account that are consistent with those noted in the 2004 annual report (full details are to be found on page 159 of the report). As noted in the annual report, the reclassifications were made so as to reflect the nature of the underlying transactions in a more meaningful manner. These reclassifications have no impact on the profit and loss account.

Investec has established a number of share incentive plans that are designed to link the interests of employees with shareholders and long-term organisational interest through performance and risk-based equity grants. These schemes are required to be consolidated into the accounts of the group. However, to the extent that the underlying risks and rewards inherent in these schemes have already vested with the participants, Investec is entitled to recognise its respective pro-rata share of any income on related balances. This accounting treatment has been consistently applied in the current and prior periods.

Historically shares that were not entitled to dividends were not included in the wanos. In order to match the wanos to the group's share of income associated with such schemes, the wanos has been increased by the weighted number of shares vested, notwithstanding no dividend being payable on these shares.

The impact of this change in methodology has resulted in the wanos increasing from 95 791 802 to 100 066 802 for the 6 months ended 30 September 2003, resulting in the comparative earnings per share – before goodwill and exceptional items decreasing from 49.2 pence (including the effects of UITF 37, UITF 38 and FRS 17 per above) to 47.0 pence.

Dividend announcement

Investec plc

In terms of the DLC structure, Investec plc shareholders who are non-South African resident shareholders may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and / or through dividends declared and paid on the SA DAN share issued by Investec Limited.

Investec plc shareholders who are South African residents, may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and / or through dividends declared and paid on the SA DAS share issued by Investec Limited.

Notice is hereby given that an interim dividend (No. 5) has been declared and will be paid on 24 December 2004 in respect of the six months ended 30 September 2004. Shareholders in Investec plc will receive a total distribution of 30 pence (2003: 28 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 30 pence per ordinary share.
- for South African resident shareholders of Investec plc, through a dividend paid by Investec plc of 14 pence per ordinary share and a dividend paid on the SA DAS share equivalent to 16 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, 14 December 2004
- On the JSE Securities Exchange South Africa Thursday, 9 December 2004

Shares commence trading ex-dividend:

- On the London Stock Exchange Wednesday, 15 December 2004
- On the JSE Securities Exchange South Africa Friday, 10 December 2004

Record date:

- On the London Stock Exchange Friday, 17 December 2004
- On the JSE Securities Exchange South Africa Friday, 17 December 2004

Payment date:

- United Kingdom register Friday, 24 December 2004
- South African register Friday, 24 December 2004

Share certificates on the South African branch register may not be dematerialised or rematerialised between Friday, 10 December 2004 and Friday, 17 December 2004, both dates inclusive, nor may transfers between the UK and SA registers take place between Friday, 10 December 2004 and Friday, 17 December 2004, both dates inclusive.

Shareholders registered on the South African register are advised that the total distribution of 30 pence, equivalent to 335 cents per share, has been arrived at using the Rand/Pounds Sterling conversion rate, at 11h00 (SA time) on 24 November 2004.

By order of the board

R Vardy
Company Secretary

25 November 2004

Dividend announcement

Investec Limited

Notice is hereby given that an interim dividend (No. 98) of 335 cents (2003: 309 cents) per ordinary share has been declared in respect of the six months ended 30 September 2004.

The dividend is payable to shareholders recorded in the members' register of the company at the close of business on Friday, 17 December 2004.

the relevant dates for the payment of the dividend are:

Last day to trade cum-dividend	Thursday, 9 December 2004
Shares commence trading ex-dividend	Friday, 10 December 2004
Record date	Friday, 17 December 2004
Payment date	Friday, 24 December 2004

The interim dividend of 335 cents per ordinary share has been determined by converting the Investec plc distribution of 30 pence per ordinary share into Rand using the Rand/Pounds Sterling average spot rate at 11h00 (SA time) on 24 November 2004.

Share certificates may not be dematerialised or rematerialised between Friday, 10 December 2004 and Friday, 17 December 2004, both dates inclusive.

By order of the board

S Noik

Company Secretary

25 November 2004

Further information

Information provided on the Company's website at www.investec.com includes:

- Copies of this statement.
- The results presentation.
- Additional report produced for the investment community including more detail on the results.
- Excel worksheets containing the salient financial information in UK GAAP Pounds Sterling.

Alternatively for further information please contact the Investor Relations division on e-mail investorrelations@investec.co.za or telephone +27 11 286 7070.

Investec plc (incorporating the results of Investec Limited)

Unaudited consolidated financial results in UK GAAP Pounds Sterling for the six months ended 30 September 2004

Salient features

UK GAAP	30 September 2004 Unaudited	% Change	30 September 2003* Unaudited	31 March 2004* Audited
Operating profit before goodwill amortisation, exceptional items and taxation (£'000)	88 706	53.2	57 895	132 260
Earnings before goodwill amortisation and exceptional items (£'000)	66 208	40.9	47 003	106 203
Profit attributable to shareholders (£'000)	37 776	41.8	26 642	68 906
Earnings per share (before goodwill amortisation and exceptional items) (pence)	61.7	31.1	47.0	103.8
Earnings per share (pence)	29.9	20.6	24.8	60.0
Dividend per share (pence)	30.0	7.1	28.0	58.0

* Restated for changes to accounting policies and disclosures.

Consolidated profit and loss accounts

6 Months ended 30 September 2004

6 Months ended 30 September 2003*

Year ended 31 March 2004*

£'000	Before goodwill and exceptional items	Goodwill and exceptional items	Total	Before goodwill and exceptional items	Goodwill and exceptional items	Total	Before goodwill and exceptional items	Goodwill and exceptional items	Total
Interest receivable – interest income arising from debt securities	39 528	-	39 528	54 170	-	54 170	91 845	-	91 845
Interest receivable – other interest income	310 283	-	310 283	285 950	-	285 950	588 188	-	588 188
Interest payable	(288 183)	-	(288 183)	(292 950)	-	(292 950)	(574 249)	-	(574 249)
Net interest income	61 628	-	61 628	47 170	-	47 170	105 784	-	105 784
Dividend income	879	-	879	3 511	-	3 511	3 450	-	3 450
Fees and commissions receivable	205 781	-	205 781	153 857	-	153 857	339 942	-	339 942
- annuity	156 966	-	156 966	126 884	-	126 884	273 977	-	273 977
- deal	48 815	-	48 815	26 973	-	26 973	65 965	-	65 965
Fees and commission payable	(10 117)	-	(10 117)	(8 318)	-	(8 318)	(21 569)	-	(21 569)
Dealing profits	33 771	-	33 771	39 312	-	39 312	91 015	-	91 015
Income from long-term assurance business	3 538	-	3 538	2 699	-	2 699	5 082	-	5 082
Return on shareholders' fund in the long-term assurance business	14 515	-	14 515	6 769	-	6 769	24 122	-	24 122
Other operating income	1 650	-	1 650	6 385	-	6 385	13 028	-	13 028
Other income	250 017	-	250 017	204 215	-	204 215	455 070	-	455 070
Total operating income	311 645	-	311 645	251 385	-	251 385	560 854	-	560 854
Administrative expenses	(209 193)	-	(209 193)	(181 922)	-	(181 922)	(395 188)	-	(395 188)
Depreciation and amortisation	(4 631)	(18 419)	(23 050)	(6 679)	(29 780)	(36 459)	(12 448)	(50 644)	(63 092)
- tangible fixed assets	(4 631)	-	(4 631)	(6 679)	-	(6 679)	(12 448)	-	(12 448)
- amortisation and impairment of goodwill	-	(18 419)	(18 419)	-	(29 780)	(29 780)	-	(50 644)	(50 644)
Provision for bad and doubtful debts	(9 115)	-	(9 115)	(4 889)	-	(4 889)	(20 958)	-	(20 958)
Operating profit before exceptional items	88 706	(18 419)	70 287	57 895	(29 780)	28 115	132 260	(50 644)	81 616
Share of income of associated companies	7 181	(1 033)	6 148	4 791	(1 008)	3 783	11 205	(2 132)	9 073
Exceptional items	-	(14 655)	(14 655)	-	8 571	8 571	-	8 529	8 529
Provision for losses on termination and disposal of group operations – discontinued	-	-	-	-	(5 103)	(5 103)	-	(5 103)	(5 103)
Losses on termination and disposal of group operations – discontinued	-	(2 602)	(2 602)	-	(24 328)	(24 328)	-	(24 328)	(24 328)
Less provision raised in prior periods	-	2 602	2 602	-	19 225	19 225	-	19 225	19 225
Impairment of goodwill on termination and disposal of group operations-continuing	-	(2 712)	(2 712)	-	-	-	-	-	-
(Loss)/profit on termination and disposal of group operations – continuing	-	(11 943)	(11 943)	-	13 674	13 674	-	13 632	13 632
Profit on ordinary activities before taxation	95 887	(34 107)	61 780	62 686	(22 217)	40 469	143 465	(44 247)	99 218
Tax on profit on ordinary activities	(23 292)	-	(23 292)	(12 592)	-	(12 592)	(27 821)	(678)	(28 499)
Tax on profit on ordinary continuing activities	(23 292)	-	(23 292)	(12 592)	-	(12 592)	(27 821)	-	(27 821)
Tax on provision for losses on termination and disposal of group operations – discontinued	-	-	-	-	-	-	-	(678)	(678)
Profit on ordinary activities after taxation	72 595	(34 107)	38 488	50 094	(22 217)	27 877	115 644	(44 925)	70 719
Minority interests-equity	(712)	-	(712)	(1 235)	-	(1 235)	(1 888)	75	(1 813)
Profit attributable to shareholders	71 883	(34 107)	37 776	(48 859)	(22 217)	26 642	113 756	(44 850)	68 906
Dividends-including non-equity	(36 118)	-	(36 118)	(29 819)	-	(29 819)	(63 709)	-	(63 709)
Retained profit / (loss) for the period	35 765	(34 107)	1 658	19 040	(22 217)	(3 177)	50 047	(44 850)	5 197

* Restated for changes to accounting policies and disclosures.

Earnings and dividends per share

£'000	6 months ended 30 September 2004 Unaudited	6 months ended 30 September 2003* Unaudited	Year ended 31 March 2004* Audited
Profit attributable to shareholders	37 776	26 642	68 906
Amortisation and impairment of goodwill	18 419	29 780	50 644
Loss/(profit) on termination and disposal of group operations (net of taxation and minority interest)	11 943	(13 674)	(13 029)
Provision for losses on termination and disposal of group operations	-	5 103	5 103
Impairment of goodwill on termination and disposal of group operations - continuing	2 712	-	-
Amortisation of goodwill of associates	1 033	1 008	2 132
Preference dividends	(5 675)	(1 856)	(7 553)
Earnings before goodwill amortisation and exceptional items	66 208	47 003	106 203
Earnings per share (pence)			
- Basic	29.9	24.8	60.0
- Diluted	29.7	23.9	59.6
Excluding goodwill amortisation and exceptional items			
- Basic	61.7	47.0	103.8
- Diluted	59.3	45.0	100.8
Dividends per share (pence)			
Weighted number of ordinary shares in issue	30.0	28.0	58.0
	107.4	100.1	102.3

* Restated for changes to accounting policies and disclosures.

Consolidated statements of recognised gains and losses

£'000	6 months ended 30 September 2004 Unaudited	6 months ended 30 September 2003* Unaudited	Year ended 31 March 2004* Audited
Profit for the period attributable to shareholders	37 776	26 642	68 906
Currency translation differences on foreign currency net investments	(4 803)	19 556	(4 104)
Unrealised surplus on revaluation of investment properties	2 735	2 033	13 982
Actuarial losses recognised on pension fund schemes	-	-	(1 294)
Total recognised gains and losses for the period	35 708	48 231	77 490
Prior year adjustments in respect of changes in accounting policies	(43)		
Total gains and losses since last annual report	35 665		

* Restated for changes to accounting policies and disclosures.

Consolidated balance sheets at

£'000	30 September 2004 Unaudited	30 September 2003* Unaudited	31 March 2004* Audited
Assets			
Cash and balances at central banks	217 460	348 391	363 862
Treasury bills and other eligible bills	277 583	311 422	332 208
Loans and advances to banks	2 676 378	1 523 294	1 704 715
Loans and advances to customers	6 532 100	5 844 318	6 347 032
Debt securities	1 761 409	1 902 519	1 466 437
Equity shares	240 744	263 895	418 254
Interests in associated undertakings	71 684	66 099	70 006
Other participating interests	9 137	8 890	9 135
Intangible fixed assets	225 358	280 286	251 508
Tangible fixed assets	143 567	174 297	146 326
Other assets	1 259 779	1 765 475	1 081 131
Prepayments and deferred income	110 221	120 297	81 511
Long-term assurance business attributable to the shareholder	299 209	188 700	265 315
	13 824 629	12 797 883	12 537 440
Long-term assurance assets attributable to policyholders	2 689 767	2 857 111	2 781 335
	16 514 396	15 654 994	15 318 775
Liabilities			
Deposits by banks	886 583	1 402 002	1 233 609
Customer accounts	7 233 545	6 907 589	7 211 292
Debt securities in issue	1 165 994	960 697	621 857
Other liabilities	3 031 690	2 212 605	1 969 855
Accruals and deferred income	191 299	231 644	185 600
Pension fund liability	11 967	10 041	11 967
	12 521 078	11 724 578	11 234 180
Long-term assurance liabilities attributable to policyholders	2 689 767	2 857 111	2 781 335
	15 210 845	14 581 689	14 015 515
Capital Resources			
Subordinated liabilities (including convertible debt)	500 326	302 812	497 858
Minority interests – equity	37 781	41 987	39 029
Called up share capital	165	158	165
Share premium account	1 027 539	981 606	1 027 539
Treasury shares	(101 541)	(98 273)	(101 304)
Shares to be issued	2 384	2 996	2 666
Perpetual preference shares	126 698	126 778	126 698
Revaluation reserves	45 877	31 193	43 142
Other reserves	(173 205)	(147 356)	(168 402)
Profit and loss account	(162 473)	(168 596)	(164 131)
Shareholders' funds	765 444	728 506	766 373
- equity	638 746	601 728	639 675
- non equity	126 698	126 778	126 698
	1 303 551	1 073 305	1 303 260
	16 514 396	15 654 994	15 318 775
Memorandum items			
Contingent liabilities	424 856	313 180	267 441
Commitments	327 062	250 046	522 879
	751 918	563 226	790 320

* Restated for changes to accounting policies and disclosures.

Consolidated statements of reconciliations of shareholders' funds and movements on reserves

£'000	6 months ended 30 September 2004 Unaudited	6 months ended 30 September 2003* Unaudited	Year ended 31 March 2004* Audited
Balance at the beginning of the period	766 373	588 466	588 466
As previously reported	808 969	696 968	639 968
Changes in accounting policies			
Adoption of UITF 38:			
Accounting for ESOP trusts	(42 596)	(51 502)	(51 502)
Adoption of UITF 37: Purchase and sale of own shares	-	(47 827)	-
Adoption of full requirements of FRS 17: Retirement benefits	-	(9 173)	-
Foreign currency adjustments	(4 803)	19 556	(4 104)
Retained profit/(loss) for the period	1 658	(3 177)	5 197
Reduction in shareholding of associate	-	(1 055)	(1 056)
Issue of shares	-	568	46 325
Issue of perpetual preference shares	-	127 465	127 484
Share issue expenses	-	(697)	(2 031)
Re-issue of treasury shares	-	410	18 975
Purchase of treasury shares	(519)	(5 063)	(25 571)
Transfer to pension fund deficit	-	-	(1 294)
Revaluation of investment properties	2 735	2 033	13 982
Balance at end of the period	765 444	728 506	766 373

* Restated for changes to accounting policies and disclosures.

Consolidated cash flow statements

£'000	6 months ended 30 September 2004 Unaudited	6 months ended 30 September 2003* Unaudited	Year ended 31 March 2004* Audited
Net cash inflow/(outflow) from operating activities	487 999	(58 383)	(485 602)
Net cash outflow from return on investments and servicing of finance	(35 444)	(17 022)	(54 318)
Taxation	(16 691)	(4 973)	(31 917)
Net cash (outflow)/inflow from capital expenditure and financial investment	(525 744)	25 006	334 187
Net cash (outflow)/inflow from acquisitions and disposals	(2 423)	(1 055)	40 227
Ordinary share dividends paid	(28 833)	(26 298)	(52 810)
Net cash (outflow)/inflow from financing	(6 886)	122 585	389 225
(Decrease)/increase in cash	(128 022)	39 860	138 992
Cash and demand bank balances at beginning of period	1 172 894	1 033 902	1 033 902
Cash and demand bank balances at end of period	1 044 872	1 073 762	1 172 894

* Restated for changes to accounting policies and disclosures.

Segmental analysis – geographical and business analysis of operating profit before taxation, goodwill amortisation and exceptional items

For the 6 months ended 30 September 2004

£'000	Southern Africa	United Kingdom and Europe	Australia	Israel	United States of America	Total group
Private Client Activities	16 207	21 763	1 180	1 753	-	40 903
Treasury and Specialised Finance	15 006	6 178	611	(343)	-	21 452
Investment Banking	11 488	3 155	1 540	1 842	(41)	17 984
Asset Management	12 748	1 981	-	152	-	14 881
Assurance Activities	3 525	-	-	-	-	3 525
Group Services and Other Activities	(3 966)	(7 110)	1 135	(112)	14	(10 039)
	55 008	25 967	4 466	3 292	(27)	88 706

For the 6 months ended 30 September 2003*

£'000	Southern Africa	United Kingdom and Europe	Australia	Israel	United States of America	Total group
Private Client Activities	9 149	14 328	1 229	370	-	25 076
Treasury and Specialised Finance	5 239	8 909	65	1 165	-	15 378
Investment Banking	15 884	1 516	1 591	1 086	-	20 077
Asset Management	10 537	215	-	111	-	10 863
Assurance Activities	2 198	-	-	-	-	2 198
Group Services and Other Activities	(12 420)	(4 314)	885	(691)	843	(15 697)
	30 587	20 654	3 770	2 041	843	57 895

* Restated for changes to accounting policies and disclosures.