

Investec plc and Investec Limited (combined results)

Unaudited consolidated financial results in Pounds Sterling for the six months to 30 September 2010



Salient Features

	30 Sept. 2010	30 Sept. 2009	% Change	31 March 2010
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after minorities (£'000)	228 157	215 979	5.6	432 258
Earnings attributable to shareholders (£'000)	246 993	178 534	38.3	346 133
Adjusted earnings before goodwill, acquired intangibles and non-operating items (£'000)	163 202	160 422	1.7	309 710
Adjusted earnings per share (pence)	22.1	24.0	(7.9)	45.1
Earnings per share (pence)	29.7	22.2	33.8	44.0
Headline earnings per share (pence)	19.8	20.4	(2.9)	40.1
Dividends per share (pence)	8.0	8.0	–	16.0
Total equity (£'million)	3 798	2 993	26.9	3 292
Third party assets under management (£'million)	77 819	62 872	23.8	74 181

Combined consolidated income statement

£'000	Six months to 30 Sept. 2010	Six months to 30 Sept. 2009	Year to 31 March 2010*
Interest income	1 118 360	974 116	2 041 153
Interest expense	(797 186)	(676 759)	(1 428 067)
Net interest income	321 174	297 357	613 086
Fee and commission income	389 961	256 650	612 574
Fee and commission expense	(49 467)	(30 222)	(67 497)
Principal transactions	208 706	230 821	457 759
Operating income from associates	3 172	5 929	11 595
Investment income on assurance activities	17 986	68 573	94 914
Premiums and reinsurance recoveries on insurance contracts	5 028	2 179	31 938
Other operating income	5 215	10 470	22 737
Other income	580 601	544 400	1 164 020
Claims and reinsurance premiums on insurance business	(20 727)	(68 777)	(119 918)
Total operating income net of insurance claims	881 048	772 980	1 657 188
Impairment losses on loans and advances	(122 850)	(134 296)	(286 581)
Operating income	758 198	638 684	1 370 607
Administrative expenses	(524 159)	(417 960)	(920 694)
Depreciation, amortisation and impairment of property, equipment and software	(16 719)	(15 588)	(36 457)
Operating profit before goodwill and acquired intangibles	217 320	205 136	413 456
Impairment of goodwill	(2 763)	(1 234)	(3 526)
Amortisation of acquired intangibles	(2 254)	–	–
Operating profit after goodwill and acquired intangibles	212 303	203 902	409 930
Profit arising from associate converted to subsidiary	73 465	–	–
Write-down of subsidiaries held for sale	(7 942)	–	–
Profit before taxation	277 826	203 902	409 930
Taxation	(43 151)	(36 211)	(82 599)
Profit after taxation	234 675	167 691	327 331
Operating losses attributable to minority interests	10 837	10 843	18 802
Write-down of subsidiaries held for sale attributable to minorities	1 481	–	–
Earnings attributable to shareholders	246 993	178 534	346 133
Earnings attributable to shareholders	246 993	178 534	346 133
Impairment of goodwill	2 763	1 234	3 526
Amortisation of acquired intangibles	1 577	–	–
Write-down of subsidiaries held for sale attributable to minorities	(1 481)	–	–
Profit arising from associate converted to subsidiary	(73 465)	–	–
Write-down of subsidiaries held for sale	7 942	–	–
Preference dividends paid	(27 031)	(29 922)	(43 860)
Additional earnings attributable to other equity holders	5 904	10 576	3 911
Adjusted earnings before goodwill, acquired intangibles and non-operating items	163 202	160 422	309 710
Headline adjustments (gain on investment properties and available for sale instruments recognised in income)	(17 002)	(24 005)	(34 579)
Headline earnings	146 200	136 417	275 131
Earnings per share (pence)	29.7	22.2	44.0
– basic	29.7	22.2	44.0
– diluted	27.9	21.2	41.5
Adjusted earnings per share (pence)	22.1	24.0	45.1
– basic	22.1	24.0	45.1
– diluted	20.7	22.9	42.5
Headline earnings per share (pence)	19.8	20.4	40.1
– basic	19.8	20.4	40.1
– diluted	18.6	19.5	37.8
Number of weighted average shares	739.7	669.2	686.3
– basic (millions)	739.7	669.2	686.3

* As restated for reclassifications detailed in the commentary section of this report.

Combined summarised consolidated statement of comprehensive income

£'000	Six months to 30 Sept. 2010	Six months to 30 Sept. 2009	Year to 31 March 2010
Profit after taxation	234 675	167 691	327 331
Fair value movements on cash flow hedges*	2 113	9 905	14 202
Gains on realisation of available for sale assets recycled through income statement*	(1 624)	(6 758)	(8 887)
Fair value movements on available for sale assets*	10 527	24 950	20 370
Foreign currency adjustments on translating foreign operations	8 224	111 476	239 789
Pension fund actuarial losses	–	–	(8 180)
Total comprehensive income	253 915	307 264	584 625
Total comprehensive (loss)/income attributable to minority shareholders	(11 351)	(3 018)	9 918
Total comprehensive income attributable to ordinary shareholders	235 472	257 815	493 073
Total comprehensive income attributable to perpetual preferred securities	29 794	52 467	81 634
Total comprehensive income	253 915	307 264	584 625

* Net of taxation of £3.0 million (Six months to 30 September 2009: £7.6 million, Year to 31 March 2010: £10.0 million).

Combined consolidated balance sheet

£'000	30 Sept. 2010	31 March 2010	30 Sept.* 2009
Assets			
Cash and balances at central banks	1 550 807	2 338 234	1 474 204
Loans and advances to banks	2 257 741	2 781 630	1 779 104
Cash equivalent advances to customers	527 758	581 117	496 792
Reverse repurchase agreements and cash collateral on securities borrowed	1 207 255	911 432	560 424
Trading securities	5 338 673	4 221 645	3 569 743
Derivative financial instruments	1 970 670	1 591 841	1 677 224
Investment securities	2 915 969	1 996 073	1 236 293
Loans and advances to customers	18 110 210	17 414 691	16 438 919
Loans and advances to customers – Kensington warehouse assets	1 683 586	1 776 525	1 873 778
Securitisised assets	5 150 421	5 334 453	5 369 003
Interest in associated undertakings	22 303	104 059	98 467
Deferred taxation assets	132 252	134 355	139 611
Other assets	1 188 678	1 240 624	1 022 061
Property and equipment	57 774	161 255	159 062
Investment properties	324 672	273 038	200 695
Goodwill	466 125	274 417	260 987
Intangible assets	167 506	36 620	35 914
Non-current assets classified as held for sale	122 133	–	–
	43 194 533	41 172 009	36 392 281
Other financial instruments at fair value through income in respect of			
– liabilities to customers	5 781 206	5 397 014	4 162 088
– assets related to reinsurance contracts	2 699	2 842	3 196
	48 978 438	46 571 865	40 557 565
Liabilities			
Deposits by banks	2 181 563	2 439 670	3 050 282
Deposits by banks – Kensington warehouse funding	1 082 431	1 213 042	1 354 737
Derivative financial instruments	1 618 990	1 193 421	1 377 955
Other trading liabilities	540 254	504 618	305 770
Repurchase agreements and cash collateral on securities lent	942 699	1 110 508	655 556
Customer accounts (deposits)	23 493 808	21 934 044	18 013 512
Debt securities in issue	1 815 113	1 791 869	1 166 386
Liabilities arising on securitisation	4 488 245	4 714 556	4 749 629
Current taxation liabilities	191 560	196 965	168 088
Deferred taxation liabilities	202 938	136 974	139 283
Other liabilities	1 561 941	1 572 760	1 342 718
Pension fund liabilities	487	1 285	934
Liabilities directly associated with non-current assets held for sale	103 465	–	–
	38 223 494	36 809 712	32 324 850
Liabilities to customers under investment contracts	5 776 517	5 392 662	4 155 535
Insurance liabilities, including unit-linked liabilities	4 689	4 352	6 553
Reinsured liabilities	2 699	2 842	3 196
	44 007 399	42 209 568	36 490 134
Subordinated liabilities	1 173 244	1 070 436	1 074 041
	45 180 643	43 280 004	37 564 175
Equity			
Called up share capital	201	195	195
Perpetual preference share capital	181	152	151
Share premium	2 256 628	1 928 296	1 861 329
Treasury shares	(55 182)	(66 439)	(74 208)
Other reserves	270 030	246 718	150 510
Retained income	999 077	846 060	734 845
Shareholders' equity excluding minority interests	3 470 935	2 954 982	2 672 822
Minority interests	326 860	336 879	320 568
– Perpetual preferred securities issued by subsidiaries	311 312	314 944	307 330
– Minority interests in partially held subsidiaries	15 548	21 935	13 238
Total equity	3 797 795	3 291 861	2 993 390
Total liabilities and equity	48 978 438	46 571 865	40 557 565

* As restated for reclassifications detailed in the commentary section of this report.

Investec plc
(Registration number 3633621)
JSE Code: INP
ISIN: GB00B17BBQ50

Registered office
2 Gresham Street
London, EC2V 7QP
United Kingdom

Transfer secretaries
Computershare Investor
Services (Pty) Ltd
70 Marshall Street
Johannesburg, 2001

Company secretary: D Miller[†]

Directors: H S Herman (Chairman), S Koseff* (Chief Executive), B Kantor* (Managing Director), S E Abrahams, G F O Alford[†], G R Burger*, C A Carolus, P K O Crosthwaite[†], B Fried[†], H Fukuda OBE[†], G M T Howe[†], I R Kantor, M P Malungani, Sir David Prosser[†], A Tapack[†], P R S Thomas, F Titi.

*Executive [†]British

[†]B Fried and P K O Crosthwaite were appointed to the Board of Directors with effect from 01 April 2010 and 18 June 2010 respectively.

Sir Chips Keswick resigned from the Board of Directors on 13 August 2010.

Losses attributable to minority interests

Losses attributable to minority interests of GBP12.3 million comprise:

- GBP7.4 million relating to investments consolidated in the Private Equity division;
- GBP4.9 million relating to 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 transaction loss 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

Since 31 March 2010:

- Total shareholders' equity (including minority interests) increased by 15.4% to GBP3.8 billion largely as a result of retained earnings and the issue of shares.
- Total assets increased from GBP46.6 billion to GBP49.0 billion largely as a result of increased cash holdings and advances, as well as an increase in goodwill and intangibles associated with the acquisition of Rensburg Sheppards plc.
- The return on adjusted average shareholders' equity declined from 13.5% to 11.5%.
- Net asset value per share increased by 8.4% to 394.6 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased by 1.9% to 317.8 pence.

Outlook

The group's operational performance is reflective of our forward-focused approach over the past year and the ongoing effort to build our brand throughout the financial crisis. While the pace of economic recovery varies across the world, and the regulatory environment remains challenging, the system has stabilised and activity levels are starting to improve.

The strength and resilience of our franchise, together with a solid balance sheet position, provides appropriate flexibility to support our existing businesses and allows us to capture opportunities arising from the realignment of the financial services industry.

On behalf of the boards of Investec plc and Investec Limited

Hugh Herman Chairman
Stephen Koseff Chief Executive Officer
Bernard Kantor Managing Director

Notes to the commentary section above**• Presentation of financial information**

Investec operates under a Dual Listed Companies (DLC) structure with premium/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 IFRS, denominated in Pounds Sterling. In the commentary above, all references to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

Unless the context indicates otherwise, all comparatives included in the commentary above relate to the six months ended 30 September 2009.

• Foreign currency impact

The group's reporting currency is Pounds Sterling. Certain of the group's operations are conducted by entities outside the UK. The results of operations and the financial condition of the 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 Pounds Sterling at the applicable foreign currency exchange rates for inclusion in the group's combined consolidated financial statements. 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 GBP1.00	6 months to 30 Sep 2010		Year to 31 Mar 2010		6 months to 30 Sep 2009	
	Close	Ave	Close	Ave	Close	Ave
South African Rand	11.00	11.29	11.11	12.38	11.99	12.74
Australian Dollar	1.63	1.70	1.66	1.88	1.81	1.87
Euro	1.15	1.18	1.12	1.13	1.09	1.11
Dollar	1.57	1.52	1.52	1.59	1.60	1.59

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the appreciation of the Rand. The average exchange rate over the period has appreciated by 11.4% and the closing rate has appreciated by 1.0% since 31 March 2010.

• Acquisition of Rensburg Sheppards plc

On 30 March 2010, it was announced that Investec and Rensburg Sheppards plc had reached agreement on the terms of a recommended all share offer under which Investec would acquire the entire issued and to be issued ordinary share capital of Rensburg Sheppards plc not already owned by it. Following shareholder and regulatory approvals the acquisition became effective on 25 June 2010. Prior to this date Investec's 47.1% interest in Rensburg Sheppards plc was accounted for as an associate. As a result of requirements under new accounting rules, the group was required to fair value its existing 47.1% holding in Rensburg Sheppards plc at the point it acquired the remaining 52.9%. This has resulted in an exceptional gain of GBP73.5 million (net of acquisition costs). The group issued 37.9 million shares to acquire the remaining shares in Rensburg Sheppards plc for a consideration of GBP180.4 million. This consideration combined with the existing fair valued holding resulted in the recognition of goodwill and intangibles of GBP193.6 million and GBP133.4 million, respectively.

• Accounting policies and disclosures

The accounting policies applied in the preparation of the results for the period ended 30 September 2010 are consistent with those adopted in the financial statements for the year ended 31 March 2010, except for the adoption of the revised IFRS 3 – Business Combinations. This standard is applicable to all business combinations effective from 1 April 2010 in the group accounts. The main change arising from the adoption is that acquisition related costs are expensed in the period in which the costs are incurred

and the services rendered, except for costs related to the issue of debt (recognised as part of the effective interest rate) and the cost of issue of equity (recognised directly in shareholders' equity).

• Restatements

The group applies a policy of offsetting financial assets and financial liabilities when there is both an intention to settle on a net basis (or simultaneously) and a legal right to offset exists. With regard to derivative instruments, the group identified that in certain isolated instances offsetting was applied in prior financial periods to derivative assets and liabilities where it is not market practice to settle net, while the legal right to settle net exists. This restatement had been identified and disclosed in the 2010 annual report. The corresponding restatement for the 30 September 2009 balance sheet is noted below:

GBP'000	30 Sep 2009
Restated	
Derivative financial instrument assets	1,677,224
Derivative financial instrument liabilities	1,377,955
As previously reported	
Derivative financial instrument assets	1,453,804
Derivative financial instrument liabilities	1,154,535
Changes to previously reported	
Derivative financial instrument assets	223,420
Derivative financial instrument liabilities	223,420

The above restatements had no impact on equity, nor the net cash position and are consistent with the restatements as disclosed in the 2010 annual report.

Offsetting of intergroup interest received and interest paid

On review, it was detected that the gross interest income and expense, as reported at 31 March 2010, had not appropriately netted certain intergroup interest income and expense between the two line items. Whilst net interest income was correctly reported, the restatement to interest received and paid is noted below:

GBP'000	31 March 2010
Restated	
Interest income	2,041,153
Interest expense	(1,428,067)
Net interest income	613,086
As previously reported	
Interest income	2,726,011
Interest expense	(2,112,925)
Net interest income	613,086
Changes to previously reported	
Interest income	(684,858)
Interest expense	684,858
Net interest income	-

• Proviso

- Please note that matters discussed in this announcement 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 18 November 2010.
- The information in the announcement for the six months ended 30 September 2010, which was approved by the board of directors on 17 November 2010, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006.

Ordinary dividend announcements

Investec plc
Reg. No.: 3633621
Share Code: INP
ISIN: GB00B17BBQ50

In terms of the DLC structure, Investec plc shareholders who are not 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 number 17 of 8 pence (2009: 8 pence) per ordinary share has been declared by the board in respect of the six months ended 30 September 2010 payable to shareholders recorded in the members' register of the company at the close of business on Friday, 10 December 2010, which will be paid as follows:

- for non-South African resident Investec plc shareholders, through a dividend payment by Investec plc of 8 pence per ordinary share
- for South African resident shareholders of Investec plc, through a dividend payment by Investec plc of 2.25 pence per ordinary share and through a dividend paid, on the SA DAS share equivalent to 5.75 pence per ordinary share

The relevant dates for the payment of dividend number 17 are as follows:

Last day to trade cum-dividend
On the Johannesburg Stock Exchange (JSE) Friday, 03 December 2010
On the London Stock Exchange (LSE) Tuesday, 07 December 2010

Shares commence trading ex-dividend
On the Johannesburg Stock Exchange (JSE) Monday, 06 December 2010
On the London Stock Exchange (LSE) Wednesday, 08 December 2010

Record date (on the JSE and LSE) Friday, 10 December 2010

Payment date (on the JSE and LSE) Tuesday, 21 December 2010

Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 06 December 2010 and Friday, 10 December 2010, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 06 December 2010 and Friday, 10 December 2010, both dates inclusive.

Shareholders registered on the South African register are advised that the distribution of 8 pence, equivalent to 90 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday, 17 November 2010.

By order of the board

D Miller
Company Secretary 18 November 2010

Investec Limited
Reg. No.: 1925/002833/06
Share Code: INL
ISIN: ZAE000081949

Notice is hereby given that an interim dividend number 110 of 90 cents (2009: 100 cents) per ordinary share has been declared by the board in respect of the six months ended 30 September 2010 payable to shareholders recorded in the members' register of the company at the close of business on Friday, 10 December 2010.

The relevant dates for the payment of the dividend number 110 are as follows:

Last day to trade cum-dividend Friday, 03 December 2010
Shares commence trading ex-dividend Monday, 06 December 2010
Record date (on the JSE) Friday, 10 December 2010
Payment date (on the JSE) Tuesday, 21 December 2010

The interim dividend of 90 cents per ordinary share has been determined by converting the Investec plc distribution of 8 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 11h00 (SA time) on Wednesday, 17 November 2010.

Share certificates may not be dematerialised or rematerialised between Monday, 06 December 2010 and Friday, 10 December 2010, both dates inclusive.

By order of the board

B Coetsee
Company Secretary 18 November 2010

Investec plc
Reg. No.: 3633621
Share Code: INPP
ISIN: GB00B19RX541

Non-redeemable non-cumulative non-participating preference shares**Declaration of dividend number 9**

Notice is hereby given that preference dividend number 9 has been declared for the period 01 April 2010 to 30 September 2010 amounting to 7.52 pence per share 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, 03 December 2010.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 7.52 pence per share is equivalent to 85 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA Time) on Wednesday, 17 November 2010.

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

Last day to trade cum-dividend
On the Johannesburg Stock Exchange (JSE) Friday, 26 November 2010
On the Channel Islands Stock Exchange (CISX) Tuesday, 30 November 2010

Shares commence trading ex-dividend
On the Johannesburg Stock Exchange (JSE) Monday, 29 November 2010
On the Channel Islands Stock Exchange (CISX) Wednesday, 01 December 2010

Record date (on the JSE and CISX) Friday, 03 December 2010

Payment date (on the JSE and CISX) Tuesday, 14 December 2010

Share certificates may not be dematerialised or rematerialised between Monday, 29 November 2010 and Friday, 03 December 2010, both dates inclusive, nor may transfers between the UK and SA registers may take place between Monday, 29 November 2010 and Friday, 03 December 2010, both dates inclusive.

By order of the board

D Miller
Company Secretary 18 November 2010

Investec Limited
Reg. No.: 1925/002833/06
Share Code: INPR
ISIN: ZAE 000063814

Non-redeemable non-cumulative non-participating preference shares**Declaration of dividend number 12**

Notice is hereby given that preference dividend number 12 has been declared for the period 01 April 2010 to 30 September 2010 amounting to 348.95 cents per share 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, 03 December 2010.

The relevant dates for the payment of dividend number 12 are as follows:

Last day to trade cum-dividend Friday, 26 November 2010
Shares commence trading ex-dividend Monday, 29 November 2010
Record date Friday, 03 December 2010
Payment date Tuesday, 14 December 2010

Share certificates may not be dematerialised or rematerialised between Monday, 29 November 2010 and Friday, 03 December 2010, both dates inclusive.

By order of the board

B Coetsee
Company Secretary 18 November 2010

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 under IFRS in Pounds Sterling.

Alternatively for further information please contact the

Investor Relations division on e-mail investorrelations@investec.com or telephone +44 207 597 5546 / +27 11 286 7070.

