Out of the Ordinary™

Investec

Specialist Bank and Asset Manager

Investec plc and Investec Limited (combined results)

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

2012

Salient Features

	30 September 2012	30 September 2011	% Change	31 March 2012
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests (£'000)	**229 419**	223 629	2.6	358 625
Earnings attributable to shareholders (£'000)	**168 472**	178 920	(5.8)	247 527
Adjusted earnings before goodwill, acquired intangibles and non-operating items (£'000)	**168 575**	162 867	3.5	257 579
Adjusted earnings per share (pence)	**19.7**	20.6	(4.4)	31.8
Earnings per share (pence)	**16.8**	19.2	(12.5)	25.7
Headline earnings per share (pence)	**15.9**	18.7	(15.0)	26.8
Dividends per share (pence)	**8.0**	8.0	–	17.0
Total equity (£'million)	**3 977**	3 797	4.7	4 013
Third party assets under management (£'million)	**99 522**	80 000	24.4	96 776

Combined consolidated income statement

£'000	**Six months to 30 September 2012**	Six months to 30 September 2011*	Year to 31 March 2012
Interest income	**1 127 516**	1 183 565	2 299 925
Interest expense	**(777 797)**	(818 853)	(1 600 878)
Net interest income	**349 719**	364 712	699 047
Fee and commission income	**534 981**	507 980	1 013 379
Fee and commission expense	**(73 270)**	(62 812)	(129 145)
Investment income	**75 775**	85 022	174 327
Trading income arising from			
– customer flow	**34 223**	35 907	77 066
– balance sheet management and other trading activities	**25 003**	17 332	32 204
Other operating income	**20 976**	44 262	65 128
Total operating income before impairment on loans and advances	**967 407**	992 403	1 932 006
Impairment losses on loans and advances	**(115 640)**	(143 328)	(325 118)
Operating income	**851 767**	849 075	1 606 888
Operating costs	**(619 601)**	(607 860)	(1 230 628)
Depreciation on operating leased assets	**(9 765)**	(22 154)	(28 670)
Operating profit before goodwill and acquired intangibles	**222 401**	219 061	347 590
Impairment of goodwill	**(4 751)**	(672)	(24 366)
Amortisation of acquired intangibles	**(6 631)**	(4 096)	(9 530)
Costs arising from integration of acquired subsidiaries	**(9 462)**	–	(17 117)
Operating profit	**201 557**	214 293	296 577
Non-operational costs arising from acquisition of subsidiary	**(1 903)**	–	(5 342)
Profit before taxation	**199 654**	214 293	291 235
Taxation on operating profit before goodwill	**(42 222)**	(41 985)	(62 907)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	**4 022**	2 044	8 164
Profit after taxation	**161 454**	174 352	236 492
Operating losses attributable to non-controlling interests	**7 018**	4 568	11 035
Earnings attributable to shareholders	**168 472**	178 920	247 527
Earnings attributable to shareholders	**168 472**	178 920	247 527
Impairment of goodwill	**4 751**	672	24 366
Amortisation of acquired intangibles, net of taxation	**4 907**	2 052	7 052
Non-operational costs arising from acquisition of subsidiary (including integration costs), net of taxation	**9 067**	–	16 773
Preference dividends paid	**(25 021)**	(26 730)	(39 306)
Additional earnings attributable to other equity holders	**5 818**	6 201	(557)
Currency hedge attributable to perpetual equity instruments	**581**	1 752	1 724
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	**168 575**	162 867	257 579
Headline adjustments (gain on investment properties and available-for-sale instruments recognised in income)	**(32 202)**	(14 949)	(40 326)
Headline earnings	**136 373**	147 918	217 253
Earnings per share (pence)			
– Basic	**16.8**	19.2	25.7
– Diluted	**15.9**	18.1	24.3
Adjusted earnings per share (pence)			
– Basic	**19.7**	20.6	31.8
– Diluted	**18.7**	19.4	30.1
Headline earnings per share (pence)			
– Basic	**15.9**	18.7	26.8
– Diluted	**15.1**	17.6	25.4
Number of weighted average shares (million)	**855.2**	792.1	809.6

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

Combined consolidated statement of comprehensive income

£'000	**Six months to 30 September 2012**	Six months to 30 September 2011	Year to 31 March 2012
Profit after taxation	**161 454**	174 352	236 492
Other comprehensive income/(loss):			
Cash flow hedge movements taken directly to other comprehensive income†	**(10 186)**	(34 524)	(34 691)
Gains on realisation of available-for-sale assets recycled to the income statement	**(11 007)**	(1 070)	(12 891)
Fair value movements on available-for-sale assets taken directly to other comprehensive income†	**10 778**	(22 115)	(312)
Foreign currency adjustments on translating foreign operations	**(145 257)**	(237 073)	(196 351)
Pension fund actuarial gains	**–**	–	282
Total comprehensive income/(loss)	**5 782**	(120 430)	(7 471)
Total comprehensive loss attributable to non-controlling interests	**(19 607)**	(19 971)	(21 798)
Total comprehensive income/(loss) attributable to ordinary shareholders	**368**	(127 189)	(24 979)
Total comprehensive income attributable to perpetual preferred securities	**25 021**	26 730	39 306
Total comprehensive income/(loss)	**5 782**	(120 430)	(7 471)

† Net of taxation of £3.1 million (six months to 30 September 2011: £5.7 million, year to 31 March 2012: (£8.4 million)).

Summarised combined consolidated statement of changes in equity

£'000	**Six months to 30 September 2012**	Six months to 30 September 2011	Year to 31 March 2012
Balance at the beginning of the period	**4 012 522**	3 961 102	3 961 102
Total comprehensive income/(loss)	**5 782**	(120 430)	(7 471)
Share-based payment adjustments	**34 382**	36 660	69 796
Dividends paid to ordinary shareholders	**(78 622)**	(70 558)	(134 436)
Dividends paid to perpetual preference shareholders	**(25 021)**	(26 730)	(39 306)
Dividends paid to non-controlling interests	**(116)**	(247)	(390)
Issue of ordinary shares	**34 685**	40 030	219 642
Issue of perpetual preference shares	**24 263**	20 638	20 638
Share issue expenses	**–**	(587)	(607)
Movement of treasury shares	**(27 315)**	(42 894)	(81 212)
Issue of equity instruments by subsidiaries	**–**	–	72
Acquisition of non-controlling interests	**(4 111)**	–	(483)
Non-controlling interests relating to disposal of subsidiaries	**220**	–	5 177
Balance at the end of the period	**3 976 669**	3 796 984	4 012 522

Combined consolidated balance sheet

£'000	**30 September 2012**	31 March 2012*	30 September 2011*
Assets			
Cash and balances at central banks	**1 964 616**	2 593 851	1 274 647
Loans and advances to banks	**2 548 691**	2 725 347	2 186 698
Non-sovereign and non-bank cash placements	**736 548**	642 480	398 068
Reverse repurchase agreements and cash collateral on securities borrowed	**2 268 021**	975 992	2 332 960
Sovereign debt securities	**4 078 756**	4 067 093	3 718 994
Bank debt securities	**2 452 196**	3 081 061	2 873 850
Other debt securities	**379 491**	377 832	217 544
Derivative financial instruments	**1 941 073**	1 913 650	2 543 704
Securities arising from trading activities	**742 879**	640 146	997 590
Investment portfolio	**835 136**	890 702	825 040
Loans and advances to customers	**16 834 925**	17 192 208	16 505 560
Own originated loans and advances to customers securitised	**917 033**	1 034 174	992 024
Other loans and advances	**2 193 571**	2 829 189	2 963 232
Other securitised assets	**3 303 116**	3 101 422	3 145 539
Interests in associated undertakings	**27 425**	27 506	24 164
Deferred taxation assets	**153 849**	150 381	117 340
Other assets	**1 410 455**	1 802 121	1 516 069
Property and equipment	**132 491**	171 685	266 452
Investment properties	**395 202**	407 295	354 700
Goodwill	**470 716**	468 320	454 417
Intangible assets	**187 249**	192 099	130 346
	43 973 439	45 284 554	43 838 938
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	**6 234 294**	6 265 846	5 887 649
Total assets	**50 207 733**	51 550 400	49 726 587
Liabilities			
Deposits by banks	**2 732 271**	2 967 428	2 594 634
Derivative financial instruments	**1 560 408**	1 421 130	2 010 287
Other trading liabilities	**676 970**	612 884	834 417
Repurchase agreements and cash collateral on securities lent	**1 936 204**	1 864 137	1 721 545
Customer accounts (deposits)	**24 688 559**	25 343 771	24 184 573
Debt securities in issue	**1 624 648**	2 243 948	2 149 556
Liabilities arising on securitisation of own originated loans and advances	**922 347**	1 036 674	997 254
Liabilities arising on securitisation of other assets	**2 541 900**	2 402 043	2 578 539
Current taxation liabilities	**210 724**	209 609	207 298
Deferred taxation liabilities	**113 254**	102 478	138 110
Other liabilities	**1 335 279**	1 575 154	1 297 615
	38 342 564	39 779 256	38 713 828
Liabilities to customers under investment contracts	**6 232 217**	6 263 913	5 885 448
Insurance liabilities, including unit-linked liabilities	**2 077**	1 933	2 201
	44 576 858	46 045 102	44 601 477
Subordinated liabilities	**1 654 206**	1 492 776	1 328 126
Total liabilities	**46 231 064**	47 537 878	45 929 603
Equity			
Ordinary share capital	**223**	221	210
Perpetual preference share capital	**153**	153	153
Share premium	**2 502 909**	2 457 019	2 292 401
Treasury shares	**(74 746)**	(72 820)	(62 313)
Other reserves	**(60 326)**	82 327	38 838
Retained income	**1 332 068**	1 249 515	1 234 384
Shareholders' equity excluding non-controlling interests	**3 700 281**	3 716 415	3 503 673
Non-controlling interests	**276 388**	296 107	293 311
– Perpetual preferred securities issued by subsidiaries	**273 880**	291 769	293 829
– Non-controlling interests in partially held subsidiaries	**2 508**	4 338	(518)
Total equity	**3 976 669**	4 012 522	3 796 984
Total liabilities and equity	**50 207 733**	51 550 400	49 726 587

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

Summarised combined consolidated cash flow statement

£'000	**Six months to 30 September 2012**	Six months to 30 September 2011	Year to 31 March 2012
Cash inflows from operations	**366 363**	394 574	658 379
Increase in operating assets	**(1 827 308)**	(3 428 440)	(2 538 282)
Increase in operating liabilities	**636 863**	2 834 291	3 393 045
Net cash (outflow)/inflow from operating activities	**(824 082)**	(199 575)	1 513 142
Net cash (outflow)/inflow from investing activities	**(78 825)**	(19 493)	39 560
Net cash inflow from financing activities	**203 386**	28 144	105 679
Effects of exchange rate changes on cash and cash equivalents	**(118 413)**	(129 249)	(102 563)
Net (decrease)/increase in cash and cash equivalents	**(817 934)**	(320 173)	1 555 818
Cash and cash equivalents at the beginning of the period	**4 942 806**	3 386 988	3 386 988
Cash and cash equivalents at the end of the period	**4 124 872**	3 066 815	4 942 806

Cash and cash equivalents are defined as including cash and balances at central banks, on demand loans and non-sovereign and non-bank cash placements (all of which have a maturity profile of less than three months).

Investec plc
(Registration number 3633621)
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ISIN: GB00B17BBQ50

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London, EC2V 7QP
United Kingdom

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

Company secretary:
D Miller•

Investec Limited
(Registration number 1925/002833/06)
JSE code: INL
ISIN: ZAE000081949

Registered office:
100 Grayston Drive
Sandown
Sandton, 2196

Transfer secretaries:
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70 Marshall Street, Johannesburg, 2001

Company secretary:
B Coetsee

Investec

Segmental geographic and business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests for the six months to 30 September 2012

£'000	UK and Europe	Southern Africa	Australia	Total group
Asset Management	28 081	39 116	–	67 197
Wealth & Investment	14 223	8 628	–	22 851
Specialist Banking	47 264	87 352	4 755	139 371
Total group	**89 568**	**135 096**	**4 755**	**229 419**
Non-controlling interest – equity				(7 018)
Operating profit				**222 401**

Segmental geographic and business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests for the six months to 30 September 2011

£'000	UK and Europe	Southern Africa	Australia	Total group
Asset Management	28 401	37 177	–	65 578
Wealth & Investment	13 217	8 571	–	21 788
Specialist Banking	52 716	104 926	(21 379)	136 263
Total group	**94 334**	**150 674**	**(21 379)**	**223 629**
Non-controlling interest – equity				(4 568)
Operating profit				**219 061**

Commentary

Investec plc and Investec Limited (combined results)
Unaudited combined consolidated financial results in Pounds Sterling for the six months ended 30 September 2012

OVERALL GROUP PERFORMANCE

Operating profit before goodwill, acquired intangibles, non-operating items and taxation and after non-controlling interests ("operating profit") increased 2.6% to GBP229.4 million (2011: GBP223.6 million).

The South African business reported an increase in operating profit of 6.6% in Rand terms benefiting from growth in revenue and cost containment. The Australian business returned to profitability as a result of a significant decline in impairments. The UK business reported results marginally behind the prior period due to lower investment income.

The group's low-capital intensive asset and wealth management businesses were supported by continued net inflows, with these businesses accounting for 39.3% of the group's operating profit. Overall results have been impacted by the depreciation of the average Rand: Pounds Sterling exchange rate of approximately 15% and low activity levels given the volatile economic environment.

The main features of the period under review are:

- Adjusted earnings attributable to shareholders before goodwill, acquired intangibles and non-operating items increased 3.5% to GBP168.6 million (2011: GBP162.9 million) – an increase of 13.6% on a currency neutral basis.
- Adjusted earnings per share (EPS) before goodwill, acquired intangibles and non-operating items decreased 4.4% from 20.6 pence to 19.7 pence – an increase of 4.9% on a currency neutral basis.
- Recurring income as a percentage of total operating income amounts to 69.3% (2011: 67.8%).
- The credit loss charge as a percentage of average gross core loans and advances has improved from 1.12% at 31 March 2012 to 0.85%.
- Third party assets under management increased 2.8% to GBP99.5 billion (31 March 2012: GBP96.8 billion) – an increase of 6.7% on a currency neutral basis.
- Customer accounts (deposits) decreased 2.6% to GBP24.7 billion (31 March 2012: GBP25.3 billion) – an increase of 2.3% on a currency neutral basis.
- Core loans and advances decreased 2.5% to GBP17.8 billion (31 March 2012: GBP18.2 billion) – an increase of 2.5% on a currency neutral basis.
- The board declared a dividend of 8.0 pence per ordinary share (2011: 8.0 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 2.5 times (2011: 2.6 times), consistent with the group's dividend policy.

BUSINESS UNIT REVIEW

The successful strategic alignment of the group towards low capital intensive businesses over the past few years has resulted in a scaleable platform from which the group's asset management and wealth management businesses can continue to grow. These businesses have sound franchises and are well placed to broaden their client base and maintain net inflows. Substantial effort through the "One-Bank" process has being made to align infrastructure and processes and to create the appropriate platforms for future growth and development of the Specialist Bank. The focus of the group remains on efficiency and balance sheet optimisation within the banking businesses, whilst growing the business organically and running down the legacy portfolios. The group has a strong core banking franchise which it will continue to broaden and develop.

Asset Management
Asset Management increased operating profit 2.5% to GBP67.2 million (2011: GBP65.6 million) benefiting from higher average funds under management with net inflows of GBP1.5 billion recorded. Total funds under management amount to GBP62.4 billion (31 March 2012: GBP61.6 billion).

Wealth & Investment
Wealth & Investment increased operating profit 4.9% to GBP22.9 million (2011: GBP21.8 million) benefiting from higher average funds under management with net inflows of GBP0.6 billion recorded. Total funds under management amount to GBP36.7 billion (31 March 2012: GBP34.8 billion). The integration of Williams de Broë is progressing well. Williams de Broë migrated onto the group's platforms in August 2012 and the business has been rebranded Investec Wealth & Investment. Costs relating to the integration of these acquisitions will however, still reflect in the group's 2013 financial results.

Specialist Banking
Specialist Banking increased operating profit 2.3% to GBP139.4 million (2011: GBP136.3 million).

In South Africa the division has reported an increase net interest due to higher lending and fixed income balances and a solid performance from the principal investment and investment properties portfolios. Net fees and commissions and customer flow trading income have been negatively impacted by lower activity in the corporate and institutional banking businesses.

In the UK the division benefited from improved margins and an increase in net fees and commissions in the corporate advisory business. Levels of transactional activity within the corporate and institutional banking businesses however, remain mixed.

The Australian division reported a significant decrease in impairments, with revenue and costs remaining largely in line with the prior year.

Further information on key developments within each of the business units is provided in a detailed report published on the group's website: http://www.investec.com

INCOME STATEMENT ANALYSIS

Total operating income
Total operating income decreased by 2.5% to GBP967.4 million (2011: GBP992.4 million).

Net interest income decreased by 4.1% to GBP349.7 million (2011: GBP364.7 million) largely as a result of the depreciation of the Rand. The South African and UK businesses both reported an increase in net interest.

Net fee and commission income increased by 3.7% to GBP461.7 million (2011: GBP445.2 million). The group benefited from higher average funds under management, solid net inflows and the acquisitions of the Evolution Group plc and the NCB Group. The Specialist Banking business recorded a decrease in net fees and commissions largely due to lower levels of activity in the corporate and institutional banking businesses.

Investment income decreased by 10.9% to GBP75.8 million (2011: GBP85.0 million) due to a weaker performance from the fixed income and investment portfolios in the UK. The unlisted investment portfolios in South Africa and Hong Kong continued to perform in line with expectations.

Trading income arising from customer flow decreased 4.7% to GBP34.2 million (2011:GBP35.9 million) whilst trading income arising from other trading activities increased 44.3% to GBP25.0 million (2011: GBP17.3 million) due to effective balance sheet management.

Other operating income includes associate income, assurance income and income earned on an operating lease portfolio acquired during December 2010.

Impairment losses on loans and advances
Impairments on loans and advances decreased from GBP143.3 million to GBP115.6 million, with impairments in South Africa and the UK remaining in line with the prior period, whilst impairments in Australia decreased from GBP32.9 million to GBP6.4 million. This current impairment charge is 36.5% lower than that recorded in the second half of the group's 2012 financial year.

Since 31 March 2012 the level of defaults has improved marginally with the percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounting to 3.07% (31 March 2012: 3.31%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.29 times (31 March 2012: 1.39 times). The credit loss charge as a percentage of average gross core loans and advances has improved from 1.12% at 31 March 2012 to 0.85%.

Operating costs and depreciation
The ratio of total operating costs to total operating income amounted to 64.7% (2011:62.6%).

Total operating expenses grew by 1.9% to GBP619.6 million (2011: GBP607.9 million) largely as a result of the acquisitions of the Evolution Group plc and the NCB Group. Excluding these acquisitions, costs in the UK business were marginally lower than the prior period, whilst costs in the South African business increased by 4.8% in Rands.

Impairment of goodwill
The current year's goodwill impairment relates to Asset Management businesses acquired in prior years and the Swiss Trust business.

Amortisation of acquired intangibles
Amortisation of acquired intangibles relates to the Wealth & Investment business and mainly comprises amortisation of amounts attributable to client relationships.

Costs arising from acquisitions
As anticipated in the 2012 financial year a further cost of GBP9.5 million (before tax) arose on the integration of the Evolution Group plc, and GBP1.9 million arose on the acquisition of the NCB Group.

Taxation
The effective tax rate amounts to 19.0% (2011:19.2%)

Losses attributable to non-controlling interests
Losses attributable to non-controlling interests largely comprise GBP7.4 million relating to Euro denominated preferred securities issued by a subsidiary of Investec plc which are reflected on the balance sheet as part of non-controlling 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 non-controlling interests).

BALANCE SHEET ANALYSIS

Since 31 March 2012:

- Total shareholders' equity (including non-controlling interests) decreased by 0.9% to GBP4.0 billion – an increase of 2.8% on a currency neutral basis. The weakening of the closing Rand exchange rate relative to Pounds Sterling has resulted in a reduction in total equity of GBP149.2 million.
- Net asset value per share decreased 1.6% to 385.8 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased by 1.7% to 311.6 pence largely as a result of the depreciation of the Rand as described above.
- The return on adjusted average shareholders' equity increased from 7.8% to 10.1%, however this percentage was in line with that reported at 30 September 2011.

The group's gearing ratios remain low with core loans and advances to equity at 4.5 times (2011:4.6 times) and total assets (excluding assurance assets) to equity at 11.1 times (2011:11.5 times).

Liquidity and funding
Diversifying Investec's funding sources has been a key element in improving the quality of the group's balance sheet and reducing its reliance on wholesale funding. As at 30 September 2012 the group held GBP10.4 billion in cash and near cash balances (GBP5.7 billion in Investec Limited and GBP4.7 billion in Investec plc) which amounted to 33% of its liability base. Loans and advances to customers as a percentage of customer deposits amounted to 68.2% (31 March 2012: 67.8%).

Capital adequacy
The group met its capital adequacy targets of a minimum tier one capital ratio range of 11% to 12% and a total capital adequacy ratio range of 15% to 18% on a consolidated basis for each of Investec plc and Investec Limited respectively. Capital adequacy ratios remain sound in both Investec plc and Investec Limited, as reflected in the table below.

	Basel 2.5 ratios 30 September 2012	Basel 2.5 ratios 31 March 2012	Basel 2 ratios 30 September 2011
Investec plc			
Capital adequacy ratio	17.2%	17.5%	17.1%
Tier 1 ratio	11.3%	11.6%	11.6%
Investec Limited			
Capital adequacy ratio	17.2%	16.1%	15.7%
Tier 1 ratio	11.6%	11.6%	12.0%

Credit and counterparty exposures
The group lends mainly to high net worth and high income individuals, mid to large sized corporates, public sector bodies and institutions. The majority of the group's credit and counterparty exposures reside within its three core geographies. Net defaults on core loans and advances have decreased and are fully covered by collateral, as detailed in the "Financial statement analysis" above.

OUTLOOK

The financial system has started to show signs of increased stability, as the process of deleveraging slows down and the capital and liquidity structures of the major global banks continue to improve. However, the volatile global economic environment and some unresolved macro risks remain a significant feature. Investec's business model has been substantially realigned and the focus going forward is to consolidate the gains made in its asset management business and broaden the distribution of the wealth management offering. The group will continue its focus on building on the progress made in clearing legacy issues and improving returns in its specialist banking business. Overall, Investec's balanced business model positions the group to adapt to an uncertain and changing environment and ensures it is well placed to benefit from an improvement in market conditions.

On behalf of the boards of Investec plc and Investec Limited

Sir David Prosser	Fani Titi	Stephen Koseff	Bernard Kantor
Joint Chairman	*Joint Chairman*	*Chief Executive Officer*	*Managing Director*

14 November 2012

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 International Financial Reporting Standards (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 2011.

Amounts represented on a currency neutral basis for balance sheet items assume that the closing exchange rates of the group's relevant exchange rates, as reflected below, remain the same as at 30 September 2012 when compared to 31 March 2012. Whilst, amounts represented on a currency neutral basis for income statement items assume that the average exchange rates of the group's relevant exchange rates, as reflected below, remain the same as at 30 September 2012 when compared to 30 September 2011.

- **ADDITIONAL INFORMATION**

Acquisitions
On 11 June 2012, Investec completed the acquisition of 100% of the issued share capital of Neontar Limited (parent of the NCB group). The assets and liabilities at the date of acquisition, goodwill arising on the above (and other minor transactions) and total consideration paid are disclosed in the table below:

£'000	Book value at date of acquisition	Fair value at date of acquisition
Loans and advances to banks	10 400	10 400
Trading securities	799	799
Investment securities	6 627	6 627
Deferred taxation assets	70	884
Other assets	52 008	51 117
Property and equipment	1 179	1 179
Intangible assets	–	4 063
Goodwill	–	8 683
	71 083	**83 752**
Current taxation liabilities	75	75
Deferred taxation liabilities	–	311
Other trading liabilities	281	281
Other liabilities	45 909	51 405
	46 265	**52 072**
Net assets/fair value of net assets acquired	**24 818**	**31 680**

The goodwill arising from the acquisition of the NCB group is GBP6.0 million, and consists largely of the benefits expected to arise from the enhancement of Investec's business in Ireland with particular reference to Investec's wealth and investment offering. The remaining goodwill arises from non-material acquisitions.

- **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:

	Six months to 30 September 2012		Year to 31 March 2012		Six months to 30 September 2011	
Currency per GBP1.00	**Period end**	**Average**	**Period end**	**Average**	**Period end**	**Average**
South African Rand	13.39	12.96	12.27	11.85	12.62	11.25
Australian Dollar	1.55	1.54	1.54	1.52	1.60	1.53
Euro	1.26	1.24	1.20	1.16	1.16	1.13
US Dollar	1.61	1.58	1.60	1.60	1.56	1.63

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 over the period has depreciated by 15.2% and the closing rate has depreciated by 9.1% since 31 March 2012.

Accounting policies and disclosures
These unaudited summarised combined consolidated financial results have been prepared in terms of the recognition and measurement criteria of International Financial Reporting Standards, and the presentation and disclosure requirements of IAS 34, Interim Financial Reporting.

The accounting policies applied in the preparation of the results for the six months ended 30 September 2012 are consistent with those adopted in the financial statements for the year ended 31 March 2012. The financial results have been prepared under the supervision of Glynn Burger, the Group Risk and Finance Director.

Restatements and presentation of information
Consistent with the year ended 31 March 2012, the Investec group has positioned its strategic disclosures around three core business areas, namely, Asset Management, Wealth and Investment and Specialist Banking. In some respects the group believes that it has historically overcomplicated its external disclosures by elaborating on six core areas of business. As you would have already seen in the group's recent presentations, all the banking businesses have been combined under one broader umbrella of Specialist Banking. As a result the group has chosen to refine some of its disclosures which are explained further below. The group believes that these refinements provide greater clarity on the key income and balance sheet drivers of its business.

Commentary on combined consolidated income statement reclassifications
Consistent with the year ended 31 March 2012, the previously reported principal transactions income line item has been split into the following line items:

- Investment income: income, other than net interest, from securities held for the purpose of generating interest yield, dividends and capital appreciation.
- Customer flow trading income: income from trading activities arising from facilitating customer activities.
- Income from balance sheet management and other trading activities: includes proprietary trading income and other gains and losses as well as income earned from the balance sheet management desk.

With the continued reduction in insurance activity, it is deemed appropriate to move the associated line items to other operating income.

For the six months to 30 September 2011 £'000	New format	As previously reported	Reclassifications
Interest income	**1 183 565**	1 183 565	–
Interest expense	**(818 853)**	(818 853)	–
Net interest income	**364 712**	364 712	–
Fee and commission income	**507 980**	507 980	–
Fee and commission expense	**(62 812)**	(62 812)	–
Principal transactions	**–**	138 261	(138 261)
Investment income	**85 022**	–	85 022
Trading income arising from			
– customer flow	**35 907**	–	35 907
– balance sheet management and other trading activities	**17 332**	–	17 332
Investment income on assurance activities	**–**	11 630	(11 630)
Premiums and reinsurance recoveries on insurance contracts	**–**	4 198	(4 198)
Claims and reinsurance premiums on assurance business	**–**	(15 856)	15 856
Other operating income	**44 262**	44 290	(28)
Total operating income before impairment on loans and advances	**992 403**	**992 403**	**–**

Commentary on combined consolidated balance sheet reclassifications
The main driver behind the revision to the balance sheet is to enable a better understanding of Investec's exposures and to minimise the number of reconciliation items to the detailed risk disclosures in the annual report.

It is noted that there are no measurement changes nor are there any changes to total assets, liabilities and equity and the cash flow statement.

Each category of reclassification is noted below, and is consistent with those made at 31 March 2012:

Cash equivalent corporate paper
Cash equivalent advances to customers has been renamed to "non-sovereign and non-bank cash placements". These balances represent short-term placements in corporates that run an in-house treasury function.

Loans and securitisation
To better align the balance sheet with the group's risk management disclosures, loans and advances and securitised assets that form part of our "core" lending activities has been separated from assets that are in warehoused facilities and structured credit investments arising out of our securitisation and principal finance activities. This has resulted in a need to split loans and advances and securitised assets into two balance sheet categories for each. Securitised liabilities has been split into two line items to enable the relationship with securitised assets to be clearly identified.

Securities reclassification
The group's previous balance sheet split securities (other than lending related) into two key line items, being trading and investment securities. This classification was driven by the accounting rule sets that mainly distinguish between instruments fair valued through profit or loss, those carried at amortised cost (held to maturity) and those fair valued through equity (available-for-sale). The group is of the view that disclosure of the nature of exposures on the balance sheet, distinguishing between instruments held to manage balance sheet liquidity, as principal exposure and balance sheet instruments arising from trading desk activities provides more meaningful disclosure on the face of the balance sheet. The line item "securities arising from trading activities" includes all instruments (other than derivative instruments) that are held on balance sheet in relation to trading activities.

At 30 September 2011 £'000	New format	As previously reported	Total reclassifi-cations	Cash equivalent corporate paper	Loans and securitisation	Securities reclassifi-cation
Total assets reclassified						
Cash equivalent advances to customers	**–**	398 068	**(398 068)**	(398 068)	–	–
Non-sovereign and non-bank cash placements	**398 068**	–	**398 068**	398 068	–	–
Sovereign debt securities	**3 718 994**	–	**3 718 994**	–	–	3 718 994
Bank debt securities	**2 873 850**	–	**2 873 850**	–	–	2 873 850
Other debt securities	**217 544**	–	**217 544**	–	–	217 544
Trading securities	**–**	5 212 200	**(5 212 200)**	–	–	(5 212 200)
Securities arising from trading activities	**997 590**	–	**997 590**	–	–	997 590
Investment portfolio	**825 040**	–	**825 040**	–	–	825 040
Investment securities	**–**	3 461 471	**(3 461 471)**	–	–	(3 461 471)
Loans and advances to customers	**16 505 560**	17 938 242	**(1 432 682)**	–	(1 432 682)	–
Securitised assets	**–**	4 137 563	**(4 137 563)**	–	(4 137 563)	–
Own originated loans and advances to customers securitised	**992 024**	–	**992 024**	–	992 024	–
Other loans and advances*	**1 432 682**	–	**1 432 682**	–	1 432 682	–
Other securitised assets	**3 145 539**	–	**3 145 539**	–	3 145 539	–
Other assets	**1 516 069**	1 475 416	**40 653**	–	–	40 653
	32 622 960	32 622 960	**–**	**–**	**–**	**–**
Total liabilities reclassified						
Liabilities arising on securitisation	**–**	3 575 793	**(3 575 793)**	–	(3 575 793)	–
Liabilities arising on securitisation of own originated loans and advances	**997 254**	–	**997 254**	–	997 254	–
Liabilities arising on securitisation of other assets	**2 578 539**	–	**2 578 539**	–	2 578 539	–
	3 575 793	3 575 793	**–**	**–**	**–**	**–**

** Refer to further reclassification note below.*

Other balance sheet reclassifications
In the current period, the group has moved warehoused assets and liabilities into other loans and advances and deposits by banks respectively. This change arises from simplifying the face of the balance sheet with the relevant information more appropriately detailed in the notes to the financial statements.

£'000	Restated	As previously reported	Changes to previously reported
31 March 2012			
Other loans and advances	2 829 189	1 397 477	1 431 712
Warehoused assets- Kensington warehouse funding	–	1 431 712	(1 431 712)
Deposits by banks	2 967 428	2 132 516	834 912
Deposits by banks- Kensington warehouse funding	–	834 912	(834 912)
30 September 2011			
Other loans and advances	2 963 232	1 432 682	1 530 550
Warehoused assets- Kensington warehouse funding	–	1 530 550	(1 530 550)
Deposits by banks	2 594 634	1 696 070	898 564
Deposits by banks- Kensington warehouse funding	–	898 564	(898 564)
31 March 2011			
Other loans and advances	2 678 349	1 066 168	1 612 181
Warehoused assets- Kensington warehouse funding	–	1 612 181	(1 612 181)
Deposits by banks	2 834 435	1 858 893	975 542
Deposits by banks- Kensington warehouse funding	–	975 542	(975 542)

Commentary on line of business segmental reclassifications
The group previously reported segmental disclosures by six core business lines as well as including a segment for the group's central functions. The group is now disclosing its segmental disclosures in three core business lines, namely, Asset Management, Wealth and Investment and Specialist Banking. In this regard:

- The income statement format has been revised as discussed above.
- The numbers as reported previously for Asset Management and Wealth and Investment have not changed (barring the income statement reclassifications as referred to above).
- To align with the information provided to the Chief Operating Decision Maker, the Property Activities, Private Banking, Investment Banking, Capital Markets and Group Services and Other divisions have now been grouped under one banner and collectively referred to as Specialist Banking. The total operating profit has, however, not changed from that which was previously reported.

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- 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 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 14 November 2012.
- The information in the announcement for the six months ended 30 September 2012, which was approved by the board of directors on 14 November 2012, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2012 financial statements were filed with the registrar and were unqualified with the audit report containing no statements in respect of sections 498(2) or 498(3) of the UK Companies Act.
- The interim financial statements for the six months ended 30 September 2012 will be posted to shareholders on 30 November 2012.

Investec plc
Ordinary dividend announcement
Registration number: 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 21 of 8 pence (2011: 8 pence) per ordinary share has been declared by the board in respect of the six months ended 30 September 2012 payable to shareholders recorded in the members' register of the company at the close of business on Friday, 14 December 2012, 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 1 pence per ordinary share and through a dividend paid by Investec Limited, on the SA DAS share equivalent to 7 pence per ordinary share

The relevant dates for the payment of dividend number 21 are as follows:

Last day to trade cum-dividend	
On the London Stock Exchange (LSE)	Tuesday, 11 December 2012
On the Johannesburg Stock Exchange (JSE)	Friday, 07 December 2012
Shares commence trading ex-dividend	
On the London Stock Exchange (LSE)	Wednesday, 12 December 2012
On the Johannesburg Stock Exchange (JSE)	Monday, 10 December 2012
Record date (on the JSE and LSE)	Friday, 14 December 2012
Payment date (on the JSE and LSE)	Friday, 28 December 2012

Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 10 December 2012 and Friday, 14 December 2012, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 10 December 2012 and Friday, 14 December 2012, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African register are advised that the distribution of 8 pence, equivalent to a gross dividend of 112 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, 14 November 2012.
- Investec plc UK tax reference number: 2683967322360
- The issued ordinary share capital of Investec plc is 605 196 771 ordinary shares.
- The dividend paid by Investec plc to South African resident shareholders and the dividend paid by Investec Limited on the SA DAS share are subject to South African Dividend Tax of 15% (subject to any available exemptions as legislated).
- Shareholders registered on the South African register who are exempt from paying the Dividend Tax will receive a net dividend of 112 cents per share, comprising 98 cents per share paid by Investec Limited on the SA DAS share and 14 cents per ordinary share paid by Investec plc.
- Shareholders registered on the South African register who are not exempt from paying the Dividend Tax will receive a net dividend of 99.44885 cents per share, comprising:
  - 87.54885 cents per share paid by Investec Limited on the SA DAS share (gross dividend of 98 cents per share less Dividend Tax of 10.45115 cents per share, having utilised Secondary Tax on Companies credits as part of the dividend by Investec Limited on the SA DAS share equivalent to 28.32564 cents per share), and
  - 11.9 cents per share paid by Investec plc (gross dividend of 14 cents per share less Dividend Tax of 2.1 cents per share).

By order of the board

D Miller
Company Secretary — 14 November 2012

Investec Limited
Ordinary share dividend announcement
Registration number: 1925/002833/06
Share code: INL
ISIN: ZAE000081949

Notice is hereby given that an interim dividend number 114 of 112 cents (2011: 103 cents) per ordinary share has been declared by the board in respect of the six months ended 30 September 2012 payable to shareholders recorded in the shareholder's register of the company at the close of business on Friday,14 December 2012.

The relevant dates for the payment of dividend number 114 are as follows:

Last day to trade cum-dividend	Friday, 07 December 2012
Shares commence trading ex-dividend	Monday, 10 December 2012
Record date (on the JSE)	Friday, 14 December 2012
Payment date (on the JSE)	Friday, 28 December 2012

The interim gross dividend of 112 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, 14 November 2012.

Share certificates may not be dematerialised or rematerialised between Monday, 10 December 2012 and Friday, 14 December 2012, both dates inclusive.

Additional information to take note of:

- The Investec Limited company tax reference number: 9800/181/71/2
- The issued ordinary share capital of Investec Limited is 279 639 164 ordinary shares.
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated).
- Shareholders who are exempt from paying the Dividend Tax will receive a net dividend of 112 cents per ordinary share.
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 100.05582 cents per ordinary share (gross dividend of 112 cents per ordinary share less Dividend Tax of 11.94418 cents per ordinary share, having utilised Secondary Tax on Companies credits as part of the dividend equivalent to 32.37216 cents per ordinary share).

By order of the board

B Coetsee
Company Secretary — 14 November 2012

Investec plc
Preference share dividend announcement
Registration number: 3633621
Share code: INPP
ISIN: GB00B19RX541

Non-redeemable non-cumulative non-participating preference shares ("preference shares")

Declaration of dividend number 13

Notice is hereby given that preference dividend number 13 has been declared for the period 01 April 2012 to 30 September 2012 amounting to 7.521 pence per preference 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, 07 December 2012.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 7.521 pence per preference share is equivalent to a gross dividend of 105.42 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 2012.

The relevant dates relating to the payment of dividend number 13 are as follows:

Last day to trade cum-dividend	
On the Channel Islands Stock Exchange (CISX)	Tuesday, 04 December 2012
On the Johannesburg Stock Exchange (JSE)	Friday, 30 November 2012
Shares commence trading ex-dividend	
On the Channel Islands Stock Exchange (CISX)	Wednesday, 05 December 2012
On the Johannesburg Stock Exchange (JSE)	Monday, 03 December 2012
Record date (on the JSE and CISX)	Friday, 07 December 2012
Payment date (on the JSE and CISX)	Tuesday, 18 December 2012

Share certificates may not be dematerialised or rematerialised between Monday, 03 December 2012 and Friday, 07 December 2012 both dates inclusive, nor may transfers between the UK and SA registers may take place between Monday, 03 December 2012 and Friday, 07 December 2012 both dates inclusive.

For SA resident preference shareholders, additional information to take note of:

- Investec plc tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 15 081 149 preference shares.
- The dividend paid by Investec plc to South African resident shareholders is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated).
- No Secondary Tax on Companies ("STC") Credits has been utilised in respect of this preference share dividend declaration.
- The net dividend amounts to 89.607 cents per preference share for preference shareholders liable to pay the Dividend Tax and 105.42 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company Secretary — 14 November 2012

Investec plc
Rand denominated preference share dividend announcement
Registration number: 3633621
Share code: INPPR
ISIN: GB00B4B0Q974

Rand denominated non-redeemable, non-cumulative, non-participating perpetual preference shares ("preference shares")

Declaration of dividend number 3

Notice is hereby given that preference dividend number 3 has been declared for the period 01 April 2012 to 30 September 2012 amounting to 419.17123 cents per preference share payable to holders of the Rand denominated non-redeemable non-cumulative non-participating perpetual preference shares as recorded in the books of the company at the close of business on Friday, 07 December 2012.

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

Last day to trade cum-dividend	Friday, 30 November 2012
Shares commence trading ex-dividend	Monday, 03 December 2012
Record date	Friday, 07 December 2012
Payment date	Tuesday, 18 December 2012

Share certificates may not be dematerialised or rematerialised between Monday, 03 December 2012 and Friday, 07 December 2012, both dates inclusive.

For SA resident preference shareholders, additional information to take note of:

- Investec plc tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 2 275 940 preference shares.
- The dividend paid by Investec plc to South African resident shareholders is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated).
- No Secondary Tax on Companies ("STC") Credits has been utilised in respect of this preference share dividend declaration.
- The net dividend amounts to 356.29555 cents per preference share for preference shareholders liable to pay the Dividend Tax and 419.17123 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company Secretary — 14 November 2012

Investec Limited
Preference share dividend announcement
Registration number: 1925/002833/06
Share code: INPR
ISIN: ZAE000063814

Non-redeemable non-cumulative non-participating preference shares ("preference shares")

Declaration of dividend number 16

Notice is hereby given that preference dividend number 16 has been declared for the period 01 April 2012 to 30 September 2012 amounting to 343.14681 cents per preference 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, 07 December 2012.

The relevant dates for the payment of dividend number 16 are as follows:

Last day to trade cum-dividend	Friday, 30 November 2012
Shares commence trading ex-dividend	Monday, 03 December 2012
Record date	Friday, 07 December 2012
Payment date	Tuesday, 18 December 2012

Share certificates may not be dematerialised or rematerialised between Monday, 03 December 2012 and Friday, 07 December 2012, both dates inclusive.

Additional information to take note of:

- The Investec Limited company tax reference number: 9800/181/71/2
- The issued preference share capital of Investec Limited is 32 214 499 preference shares.
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated).
- No Secondary Tax on Companies ("STC") credits has been utilised in respect of this preference share dividend declaration.
- The net dividend amounts to 291.67479 cents per preference share for shareholders liable to pay the Dividend Tax and 343.14681 cents per preference share for preference shareholders exempt from paying the dividend tax.

By order of the board

B Coetsee
Company Secretary — 14 November 2012

Out of the Ordinary™

Investec

Specialist Bank and Asset Manager