

Corporate information

Investec plc

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Reg. No. 3633621

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Niched

Our strategic goals and objectives are based on a strong aspiration to be recognised as a distinctive specialist banking group. Rather than try to be all things to all people, we aim to build well-defined, value-added businesses that serve the needs of select market niches where we can compete effectively.

Niched



Overview of the Investec group

Investec (comprising Investec plc and Investec Limited) is an international, specialist banking group that provides a diverse range of financial products and services to a select client base.

Founded as a leasing company in Johannesburg in 1974, we acquired a banking licence in 1980 and were listed on the JSE Securities Exchange South Africa in 1986.

In July 2002, we implemented a Dual Listed Companies structure with linked companies listed in London and Johannesburg. A year later, we concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited.

Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions. Today, we have an efficient integrated international business platform, offering all our core activities in South Africa and the UK and select activities in Australia.

We are organised as a network comprising five business divisions: Private Client Activities, Treasury and Specialised Finance, Investment Banking, Asset Management and Property Activities. Our head office provides certain group-wide integrating functions and is also responsible for our central funding and the Trade Finance business.

Our strategic goals and objectives are based on the aspiration to be recognised as a distinctive specialist banking group. This distinction is embodied in our entrepreneurial culture, which is balanced by a strong risk management discipline, client-centric approach and ability to be nimble, flexible and innovative. We do not seek to be all things to all people and aim to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.

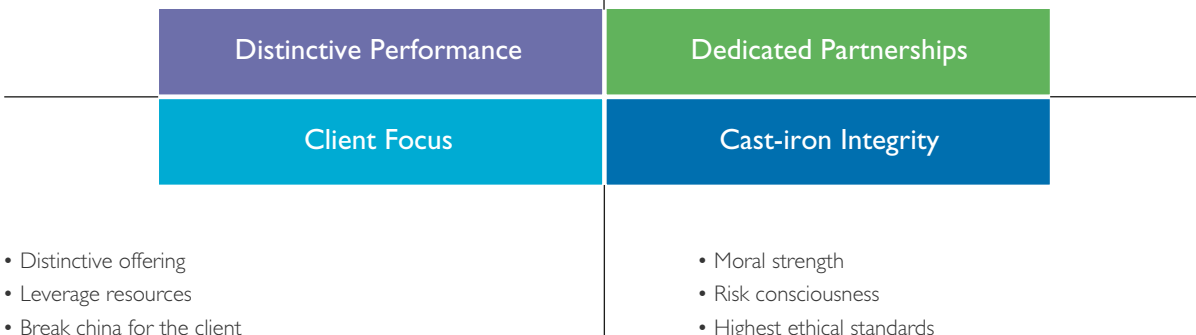
Mission statement

We strive to be a distinctive specialist banking group, driven by commitment to our core philosophies and values.

Values

- Outstanding talent - empowered, enabled and inspired
- Meritocracy
- Passion, energy, stamina, tenacity
- Entrepreneurial spirit

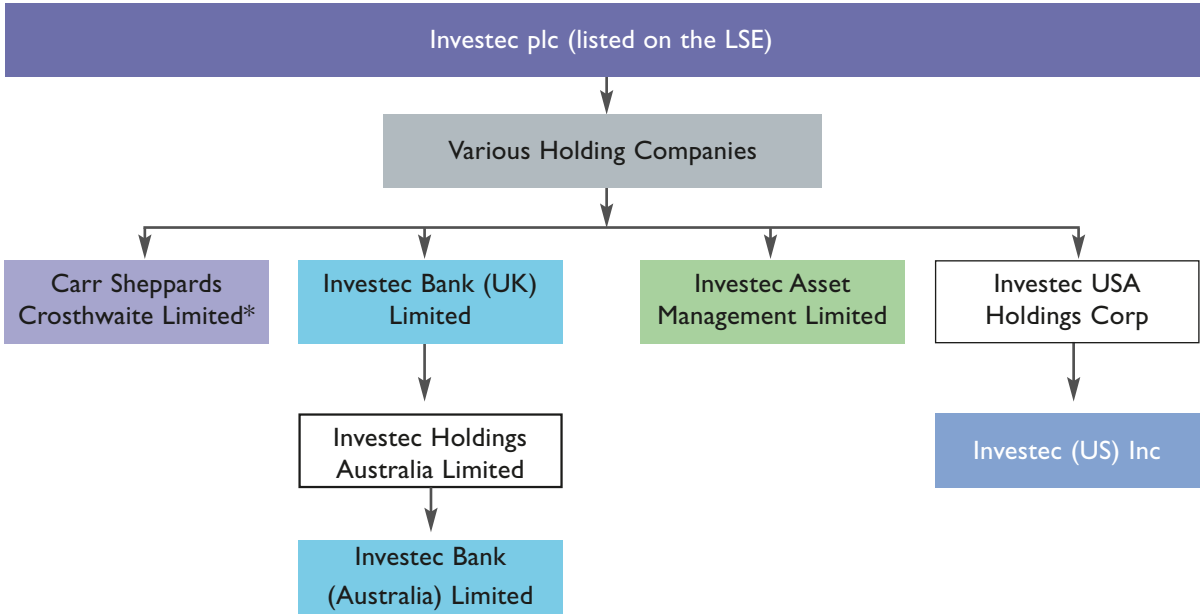
- Respect for others
- Embrace diversity
- Open and honest dialogue
- Unselfish contribution to colleagues, clients and society



Investec plc organisational structure

In terms of the implementation of the DLC structure (refer to page 3), Investec plc is the controlling company of the majority of our non-Southern African operations. Investec plc has a primary listing on the London Stock Exchange (LSE) and a secondary listing on the JSE Securities Exchange South Africa (JSE).

As at 31 March 2005



Key: activities conducted

- Private Client Portfolio Management and Stockbroking
- Other Activities
- Private Banking, Investment Banking, Treasury and Specialised Finance and Other Activities
- Asset Management

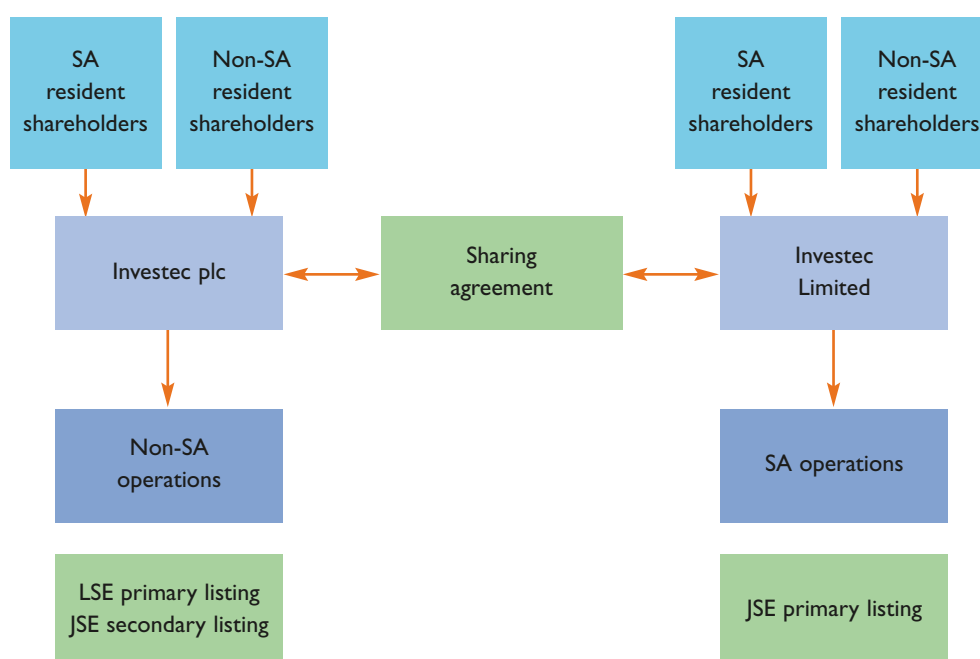
Note: All shareholdings are 100%, unless otherwise stated.
 * Transaction concluded with Rensburg Plc after year end, for further details see page 9.

Overview of Investec's Dual Listed Companies structure

Introduction

During July 2002 Investec Group Limited (since renamed Investec Limited), implemented a Dual Listed Companies (DLC) structure and listed its offshore businesses on the London Stock Exchange. A circular on the establishment of our DLC structure was issued on 20 June 2002.

DLC structure:



Salient features:

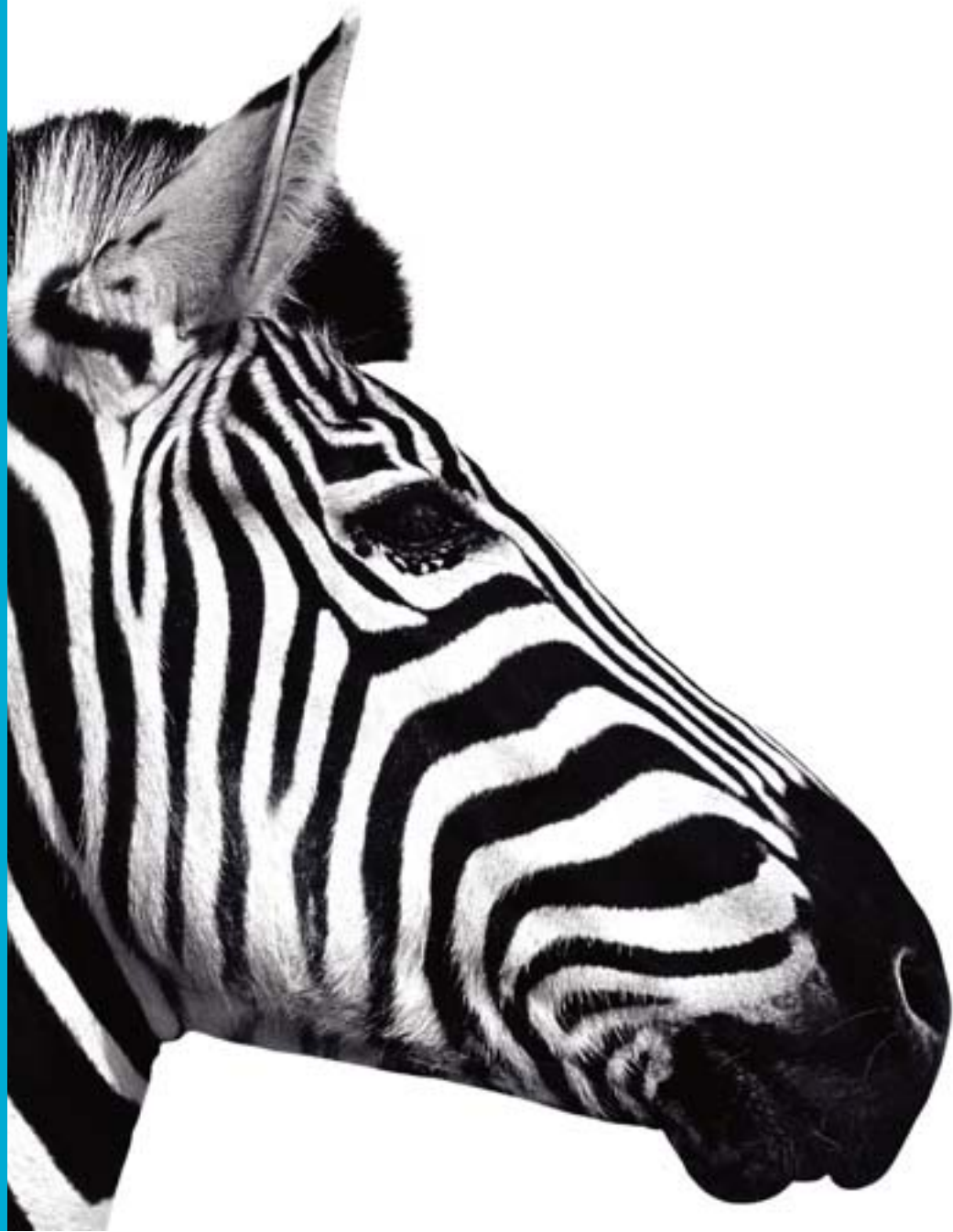
- Investec plc and Investec Limited are separate legal entities and listings, but are bound together by contractual agreements and mechanisms.
- Investec operates as if it is a single unified economic enterprise.
- Shareholders have common economic and voting interests as if Investec plc and Investec Limited were a single company.
- Creditors, however, are ring-fenced to either Investec plc or Investec Limited as there are no cross guarantees between the companies.

Further information on our DLC structure is available in the circular mentioned above, as well as in the preliminary offering circular issued on 8 July 2002. A copy of these circulars can be found on our website at www.investec.com/grouplinks/investorrelations

Partnership

We encourage internal partnerships between business units, smaller teams and individuals, and undertake external partnerships with clients, corporates, communities and other stakeholders. At the core of these partnerships are internal networks that use the skills across our businesses.

Through close cooperation, we ensure that our clients and other stakeholders benefit to the maximum from the expertise of an integrated international banking group.



Partnership



Overview of Investec plc activities

The activities conducted by the significant "operating" subsidiaries of Investec plc are discussed below.

I. Investec Bank (UK) Limited

The principal business units of Investec Bank (UK) Limited are Private Banking, Treasury and Specialised Finance, Investment Banking and Property Activities. Each division provides specialised products and services to defined target markets. Furthermore, our head office fulfils certain functions including Risk Management, Information Technology, Finance, Marketing, Human Resources and Organisational Development. It is also responsible for our central funding.

Investec Bank (Australia) Limited is one of our subsidiaries.

Private Banking

Our range of private banking services targets select high net worth individuals in chosen niche markets. These services include:

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

We position ourselves as "an investment bank for private clients" in the high value advisory market, striving to "out-think" not "out-muscle" our competitors. One of our key strengths is the ability to originate new business by leveraging off the strong client relationships that we establish through our lending activities. This operating model sets us apart from other private banks that depend on the more traditional asset-gathering model.

We are based in London, with offshore subsidiaries in the Channel Islands, Switzerland and Ireland. Our target market comprises high income and high net worth individuals, including property developers, and investors and management buy-out/buy-in candidates of owner managed businesses. Our unique offering has a strong franchise among successful entrepreneurs and self-directed internationally mobile clients, with a specific focus on select niches and community groups.

Our principal private banking products and services are described in further detail below.

Structured Property Finance

Structured property finance, a key part of our business, concentrates on the provision of senior debt, mezzanine and equity in residential and commercial property markets.

Specialised Lending

We provide credit facilities and derivative structures to clients with complex financing requirements. Our focus is on transactions where leverage can significantly enhance a client's after-tax cash flow returns. These services are used for bespoke liquidity and gearing facilities on equity and debt securities, international tax planning and immigration/emigration planning structures.

Trust and Fiduciary Services

The ability to implement appropriate structures on behalf of clients is critical to all areas of the Private Bank. Investec Trust operates in a unique space in the fiduciary market, as a bank owned trust company with the independence to operate with partners best suited to client needs. Working alongside these partners, we specialise in the delivery and administration of complex and effective international financial structures.

Treasury and Banking Services

We provide a wide range of onshore and offshore banking services from various jurisdictions in multiple currencies. These include currency deposits, money market deposits, transactional accounts, foreign exchange, structured deposits and cash management services.

Investment Management

Our ultra high net worth and family office-type clients benefit from an independent wealth management service. Driven by each individual's specific requirements, our offering represents a bespoke strategic asset allocation where a dedicated investment practitioner proactively partners each client on an ongoing basis. Through an open architecture, this highly disciplined yet personal service encapsulates a diversity of asset types, blending traditional and alternative investments in accordance with the targeted risk profile and agreed objectives. Our investment methodology, detailed qualitative and quantitative due diligence process, and access to the expertise of some of the world's leading financial institutions enable us to offer our clients products and services that are often exclusive and institutional in nature.

Growth Finance

We provide entrepreneurs and management teams with mezzanine or composite debt funding and minority equity investment. To fulfil the needs of UK based mid-market companies with an enterprise value of £8 million to £50 million, we offer flexible and bespoke finance for implanting acquisition and organic growth strategies.

Treasury and Specialised Finance

Our Treasury and Specialised Finance division provides a wide range of specialist products, services and solutions to select corporate clients, public sector bodies and institutions. We undertake the bulk of Investec's proprietary trading activities. Furthermore, all non-private client deposit taking, corporate and public sector lending, project finance, advisory and

structuring activities are transacted through us.

Our activities can be described as either banking or financial markets operations.

Banking Activities comprise structured and asset finance, project finance, commodity and resource finance, financial products, corporate treasury and balance sheet management.

Financial Markets Activities consist of foreign exchange, equity derivatives and interest rates. These units are mainly involved in the execution of client driven transaction flow, structuring and proprietary trading. Speculative proprietary trading is limited.

The breadth of activities allows us to provide a portfolio whereby sustained growth should be achievable.

Banking Activities

Treasury - corporate treasury and asset and liability management

Treasury provides Rand, Sterling, Euro and US Dollar funding to the group, and manages liquidity and interest rate risk on behalf of the group. We offer a broad range of treasury products and services to the corporate and public sector markets.

Financial Products

We are involved in commercial paper, bond origination, securitisation, financial engineering, preference share investments and structures, equities scrip lending, credit structuring, credit derivatives and the development of investment products.

Structured and Asset Finance

This focuses on structured and conventional lending, bond origination, securitisation and advice, asset leasing and finance, preference share finance, mezzanine debt financing, leveraged buy-out funding, executive share schemes and financing solutions for corporate, government and public sector clients.

Project Finance

We provide advisory services, debt arranging and underwriting and equity raising in infrastructure and industrial sectors with a focus on roads, ports, healthcare, defence projects, transport and power.

Commodities and Resource Finance

We are a participant in the precious and base metals markets, and provide hedging and structured trades for clients in the spot and derivatives markets.

We also offer advisory services, debt arranging and underwriting, equity raising in the mining resources industry and structured hedging solutions.

Financial Markets Activities

Interest Rates

This unit is involved with interest rate products, forward rate agreements, interest rate swaps, money market instruments, government and certain public sector bonds, interest rate options and repurchase agreements.

Foreign Exchange

We are a participant in the spot, forward exchange, currency swaps and currency derivatives markets, principally in ZAR and G7 currencies and certain emerging markets currencies.

Equity Derivatives

Our focus is on major equity index options, certain single stock options, equity structured products, futures index arbitrage and equity warrants. We provide hedging and structuring services to financial intermediaries, institutions and companies.

Investment Banking

In the UK, we operate our Investment Banking division under the name Investec Investment Banking and Securities, which trades as Investec. We focus on two distinct activities: corporate finance and institutional broking, both specialising in companies capitalised at £50 million to £500 million. We also provide institutional broking services to large capitalisation companies where we have strong research capabilities and we have a small managed private equity portfolio.

Corporate Finance

We provide financial advisory services, particularly for mergers and acquisitions. We also advise on and participate in equity capital market fundraisings for our clients. Our corporate client list currently comprises 73 quoted companies and a number of private company advisory roles and we continue to expand our client base.

Institutional Broking

Our Institutional broking activities in the UK are carried out under the name of Investec Securities. We provide research, sales, trading and market making services to a full range of UK and international institutional clients. A team of about 23 equity analysts compiles research coverage on approximately 255 companies in the UK, focusing on 17 sectors. Our research effort was recently highly acknowledged when we were awarded second place in the Starmine survey, which reflects the quality of research by measuring the accuracy of both forecasts and research recommendations. In addition, our individual analysts received 11 top three rankings, including five number one rankings. This achievement is particularly significant in that the survey included a number of "bulge bracket" banks. We also act as market maker for approximately 137 small to mid cap stocks and have further introduced price making in selected large cap stocks.

Overview of Investec plc activities

Private Equity

In 1998 we inherited a UK managed private equity portfolio as part of the Guinness Mahon and Hambros acquisitions.

Property Activities

Our Property Activities offer agency and investment, professional property management and bank valuation services. Following the sale of our only development property during 2002, our direct property portfolio consists of a number of investment properties with prospects for value enhancement through active management.

We now devote an increasing amount of time to assisting the Private Bank with mezzanine investments in client transactions. These niche investments have attractive risk/reward profiles and we therefore intend to allocate some of the capital from the property group to them.

Group Services

Central Services

Central Services is made up of functional areas that provide services centrally across all our business operations. Consistent with our philosophy of operating as a single organisation, Central Services provides integrating mechanisms between the business operations. While these services do not form part of the operating divisions, we recently adopted a policy of allocating a portion of these costs to the divisions.

Our principal Central Services, relating to the operations and control of our business, are Group Risk Management, Group Information Technology, Group Finance, Investor Relations, Group Marketing and Organisation Development. Other group support services include: Head Office, Internal Audit and Compliance, Legal, Company Secretarial, Tax, Information Centre, Regulatory and Facilities. As certain costs are strategic in nature, they have not been allocated to the operating divisions.

Central Funding

Our business model involves maintaining a central pool of capital, with the aim of obtaining economies of scale for corporate investments, funding and overall management. We use various sources of funding, depending on the specific financial and strategic requirements we face at the time. The funds raised are applied towards making acquisitions, funding central services and debt obligations, and purchasing corporate assets and investments not allocated to our principal operating divisions.

Investec Bank (Israel) Limited

On 22 December 2004, Investec plc concluded the sale of its 80.28% stake in Investec Bank (Israel) Limited to First International Bank of Israel.

Investec Bank (Australia) Limited

We entered the Australian investment banking market in March 2001, with the acquisition of Wentworth Associates (since renamed Investec Wentworth), one of the leading corporate finance boutiques in Australia. This acquisition provided a platform to expand our activities into the corporate finance and private equity arenas in Australia.

In August 2002, we received a banking licence which opened up many growth opportunities. These included expansion of the Private Client division, specialising in property investment banking, investment management services and more recently, growth and acquisition finance.

Furthermore, we have established a project finance capability which, coupled with a limited range of treasury activities, has led to significant strategic diversification of our Australian operation.

2. Carr Sheppards Crosthwaite

Our principal activities are portfolio management for private clients and small charities, and private client stockbroking. After year end, a transaction was concluded where Carr Sheppards Crosthwaite was merged with Rensburg Plc and we now retain a 47.7% stake in the combined entity.

For further details, please see page 9.

3. Investec Asset Management

We provide a comprehensive range of portfolio management services and products to institutional and retail clients.

Our operation in the UK was launched in 1998, following Investec's acquisition of Guinness Flight Hambro. This provided us with, as at the date of the acquisition, approximately £7 billion of additional assets, and the infrastructure of Guinness Flight Hambro's operations. During 1999 and 2000, we redesigned our product platform to focus on the creation of a domestic franchise in the UK for both the institutional and retail fund businesses. We emerged from the restructuring as a multi-specialist investment manager with key strengths in UK and global equities and UK and global fixed income.

Today, we have a strong brand in the UK retail funds market and continue to penetrate the UK institutional market. As at 31 March 2005, our assets under management sourced in the UK and internationally amounted to £8.2 billion.

We are committed to achieving excellent investment performance, delivering quality client service and creating appropriate investment options that fulfill the needs of our clients.

4. Investec (US) Incorporated

Our activities are conducted through Investec (US) Incorporated (formerly Investec Ernst & Company), a registered broker-dealer. A summary of our activities follows.

Inter-dealer bonds (Vilas & Hickey)

This business consists primarily of traders who operate as an intermediary between other broker-dealers and execute bond trades on their behalf.

Institutional fixed income

This area comprises primarily institutional salesmen who execute bond trades for institutional customers.

Corporate bonds

While this business is similar to the Vilas & Hickey operation, the trades are much smaller in size.

Nasdaq market making

This business makes markets in certain over the counter (OTC) equities and executes trades in OTC equities on a principal and agency basis. It also executes listed options on an agency basis. The desk was established primarily to service the needs of Investec Bank (Israel) Limited and its customers.

Institutional equities

Institutional equities provides research to institutional customers and earns revenues through execution of listed and OTC equity orders for these customers on an agency and riskless principal basis.

Institutional options

Institutional options offers technical analysis of options strategies to institutional customers and earns revenues through execution of options and equity orders on an agency basis.

Entrepreneurial

Entrepreneurship is inspired through a flat integrated management structure that encourages individuality and fosters the constant creativity needed to capture growth opportunities. We promote entrepreneurial flair and the freedom to operate within the context of risk consciousness, sound judgement and the obligation to do things properly. This mind-set together with our strong values system creates a working environment that encourages extraordinary performance.





Entrepreneurial

Commentary on the results of Investec plc (excluding Investec Limited) for the year ended 31 March 2005

Introduction

Investec plc reported an operating profit before exceptional items and goodwill amortisation of £76.0 million increasing 38.9%. We benefited from continued strict focus on driving profitable growth in our core businesses supported by favourable economic conditions.

An analysis of the performance of each business unit operating within Investec plc is provided below.

Financial highlights

As at 31 March	2005	2004
Operating profit before amortisation of goodwill and exceptional items (£'000)	76 009	54 710
Earnings before amortisation of goodwill and exceptional items (£'000)	56 008	41 781
Total capital resources (£'000)	677 368	689 388
Total shareholders' funds (£'000)	456 453	473 401
Total assets (£'000)	7 951 665	6 222 545
Cost to income ratio	76.4%	80.5%
Capital adequacy ratio	15.5%	17.3%
Tier 1 ratio	9.5%	11.2%
Number of employees	1 515	1 831

Business unit review

Private Client Activities

Overview of performance

Private Client Activities, comprising Private Banking and Private Client Portfolio Management and Stockbroking, performed well, increasing operating profit before exceptional items and amortisation of goodwill by 51.4% to £51.9 million.

Private Banking

We continued to benefit from the diverse nature of our activities with contributions from Structured Property Finance, Specialised Lending, Growth Finance and Investment Management activities.

The Private Banking lending book growth since 31 March 2004 was as follows:

- UK and Europe grew by 20.3% to £1 491 million.
- Australia grew by 33.0% £294 million.

The Private Banking deposit book growth since 31 March 2004 was as follows:

- UK and Europe grew by 15.8% to £1 826 million.
- Australia grew by 30.0% £182 million.

Developments

UK and Europe

- Our Structured Property Finance distribution capability increased within London, Manchester and Dublin.
- We established a leading facilitation role among providers of specialised lending products for high net worth individuals.
- Our Growth and Acquisition Finance brand was entrenched in the market and we concluded 12 transactions.
- We succeeded in attracting talented investment practitioners.

Australia

- A Growth and Acquisition Finance team was established and concluded 6 transactions during the period.
- We continued to enhance and achieve growth in our Structured Property Finance and advisory capability with further expansion into the Melbourne and Brisbane markets.
- We raised private client money of A\$172 million into the Investec Wentworth Specialised Property Trust and Private Equity Fund.

Outlook

We have carefully planned growth strategies, which include increased distribution capability, a pipeline of new initiatives and existing deal flow that will support the current momentum. Although the Structured Property Finance specialisation grew strongly over the last three years, we reduced dependency on this business by developing scale in our Growth and Acquisition Finance, Investment Management and Specialised Lending areas.

Strategic focus

Mission: To be the specialist banking partner of choice in the creation of distinctive value for our targeted clientele.

What is our strategy?

- Our strategy is to provide both financial leverage and acumen necessary to achieve our clients' financial dreams.
- It is our intent to be recognised as a leading, distinct and specialist wealth generator.
- In the pursuit of risk adjusted returns for our clients, partners and shareholders, we seek to differentiate ourselves by leveraging our core competence in risk management to create, hold and provide privileged access to niched credits and niched investment opportunities.

Commentary on the results of Investec plc (excluding Investec Limited) for the year ended 31 March 2005

How is it implemented?

- Identified specialisations leverage off our core competence and exploit distinct value and margin opportunity.
- We achieve this through a chosen talent pool delivering distinctive value through partnerships and a diagnostic approach to our select clients.
- We concentrate on growth markets and client segments where we have an affinity and can establish and maintain a leadership position.
- Adherence to our core philosophies and brand values underpin our platform for growth and aspiration.
- The focus for the forthcoming period will be to:
 - Establish scale in each of the existing specialisations.
 - Invest in new and enhance existing specialisations.

Private Client Portfolio Management and Stockbroking

Developments

- We benefited from the rising and more buoyant equity market and a healthy flow of net new business.
- Funds under management increased by 2.7% to £6.1 billion.
 - The loss of a £230 million client, acquired by a competitor, was substantially offset by the addition of £224 million in net new business.
 - Private clients and trusts made up 62%, by value, of these funds and 38% emanated from charities, with virtually 100% of net new funds being subject to discretionary mandates.
- The Charities Property Fund continued to grow strongly, increasing by £97 million to £262 million during the year.
- Restructuring of the London fund manager teams produced a tighter, more efficient administration, improving client service.
- After year end, Carr Sheppards Crosthwaite merged with Rensburg Plc. In terms of the transaction, Rensburg Plc issued 22.7 million new shares and a £60 million subordinated loan in settlement of the purchase price for Carr Sheppards Crosthwaite. A further 2.8 million Rensburg shares were placed in an Employee Benefit Trust for the benefit of key Carr Sheppards Crosthwaite employees. Investec retains 47.7% of the merged company, which will be called Rensburg Sheppards plc. The combined entity has approximately £10.3 billion in funds under management, making it the seventh largest private client fund manager in the UK. Rensburg Plc shareholders' approved the transaction on 20 April 2005.

Strategic focus

- Successful and controlled integration with Rensburg Plc.
- Concentration on core activities where the enlarged group has critical mass.
- Maintenance of high levels of service and continued attraction of appropriate clients.

Treasury and Specialised Finance

Overview of performance

The Treasury and Specialised Finance division posted operating profit before exceptional items and amortisation of goodwill of £16.8 million, marginally down from £16.9 million. The banking activities performed well but this was offset by the weaker performance of the financial markets activities with losses incurred by the Commodities desk and a weak performance from the Equity Derivatives desk.

Developments

Our focus on specialised and niche activities continued during the year and we have developed a strong platform and are well positioned for growth.

Banking Activities

Treasury

- UK and Europe: Asset creation opportunities increased and a €500 million commercial paper programme and a £1 billion medium-term note programme were established, with both completing successful issues.
- Australia: We remained well funded and continued to have excess liquidity.

Financial Products

- UK and Europe: Structuring opportunities remained good and a number of collateralised loan obligation and collateralised debt obligation deals were successfully arranged and structured in a joint venture. This resulted in good structuring fees and a growing annuity of management fees.

Structured and Asset Finance

- Momentum in aircraft finance was positive, with a number of lead mandates and specialist leasing opportunities successfully concluded.
- UK and Europe:
 - A number of leasing deals were concluded during the year, generating good fee income.
 - The Acquisition Finance business was successfully established, with asset creation well ahead of expectations.
 - The Asset Finance business was bolstered with the recruitment of a small team from Barclay's Capital. After year end, a business comprising structured medium ticket asset finance was acquired from Citigroup. The business has a book of £70 million, manages assets of £240 million and employs 18 people.

Project and Infrastructure Finance

- We remained highly rated and were ranked the leading bank advisor by number of closed projects in the Europe, Africa and Middle East region in 2004.
- UK and Europe:
 - We successfully lead arranged, participated and structured the largest power deal in Ireland, Tynagh Power.
 - A number of mandates were successfully concluded in the health and transport sectors and we expanded to increase our capability in the power sector. Defence sector remains a core competence.
- Australia:
 - We completed significant transactions earning fees well in excess of prior years.
 - The build up of assets in partnership with Viridis for a proposed listing and launch of the Viridis Clean Energy Fund in Australia, in which we have a large stake in the management company, is progressing well.

Commodities and Resource Finance

- UK and Europe: To ensure that the proprietary trading losses from the first half of the financial year were not repeated, strict discipline was enforced and we restructured the business to focus on resource finance and related commodity hedging.

Financial Markets Activities

Equity Derivatives

- The Equity Finance business in Ireland continued to perform well and we successfully diversified our product range and client base.
- The Equity Derivatives business was hampered by declining equity volatilities in the second half of the year.

Foreign Exchange

- The corporate business expanded actively and differentiated its client base after a disappointing year.
- In Australia, foreign exchange trading commenced during the period, largely to capture margin on internally generated deal flow.

Interest Rates

- The business was set up to facilitate internal deal flow and no new plans are in the pipeline.

Outlook

There is a good level of positive momentum in the business, which is more apparent than at the same time last year. Line of sight income is good. Initiatives with potential benefit in the year ahead relate to leveraging off existing platforms, with greater penetration of the existing client base and active measures to increase this. On balance, we have built a strong platform and are well positioned to target significant and sustainable growth.

Strategic focus

Our objectives include:

- Continuing to remain a focused and specialised business, targeting markets and products where we can be distinctive and competitive.
- Ensuring, through strong discipline centred on clients and delivery of structured products:
 - Asset creation opportunities
 - Product structuring and distribution
 - Trading, hedging and proprietary market opportunities
 - Advisory business
- Developing our market leading position, focusing on growth initiatives and growing a portfolio of quality term assets.
- Continuing to concentrate on systems, processes and automation, particularly in the trading businesses, to ensure maximum competitive advantage and long-term cost savings.
- Taking advantage of a significant opportunity to use our skill to launch specialist funds. A number of initiatives are under way which should ensure significant annuity fees in time.
- Targeting significant and sustainable growth.

Investment Banking

Overview of performance

The Investment Banking division recorded a substantial increase in operating profit before exceptional items and amortisation of goodwill from £10.6 million to £21.0 million. The division benefited from favourable equity markets and a good performance from the Private Equity portfolio.

Developments

Corporate Finance

UK and Europe

- We benefited from a higher level of M&A activity and an improved IPO market as investor confidence returned.
- Five IPO's were concluded during the financial year; the most notable being Virgin Mobile.
- Statistics:
 - Completed 19 M&A transactions during the year; with a value of £1.1 billion (2004: 18 transactions with a value of £960 million).
 - Completed 12 fundraisings during the year; raising in aggregate £376 million, including £150 million in relation to Dignity and £125 million for Virgin Mobile where we worked with other brokers (2004: 13 transactions with a value of £174 million).
- We continued to build the quality and size of the corporate client list, gaining 23 new clients during the year, with the total number of quoted clients at 73.

Commentary on the results of Investec plc (excluding Investec Limited) for the year ended 31 March 2005

Australia

- Strong cross-border activity was maintained between Australia and South Africa.
- The continued strengthening of the advisory franchise, advising on 18 transactions (2004: 15) valued at A\$26.7 billion (2004: A\$2.7 billion) during the financial year.
- Increased level of activity in private equity advisory (internally and externally).

Institutional Research, Sales and Trading

- Secondary commissions improved over the prior period despite market volumes being relatively unchanged. This was largely as a result of the following:
 - Increased research coverage.
 - First fully operational year for support services research team.
 - Increased market traction in sales and sales trading.
 - Greater use of balance sheet to facilitate broking commissions in both market making and selected large cap stocks.
 - Hedge funds are an important source of new business.
- Rankings (Starmine Survey, 2004):
 - Second place overall.
 - Individual analysts received 11 top three rankings, including five number one rankings.

Private Equity

UK and Europe

- We benefited from the sale of investments in the underlying funds of the private equity portfolio.

Outlook

UK and Europe

- The pipeline is looking positive as a result of an increase in the number of planned IPOs and fundraisings as clients look to raise equity capital. However, optimism should be tempered by a concern that a high level of fundraisings in the market may reduce investor demand.
- Generally the client list is looking more active. We have also gained traction in the market, shown by our pitching for syndicate roles on large floats as well as pitching and winning brokerships in larger corporates.

Australia

- With strong recognition and brand building, the growing Australian platform will provide growth opportunities in future.

Strategic focus

Mission: To be a premier international investment bank distinguished by our leadership in chosen niches; our people and their approach; and our bond with our clients.

The primary objective of the division is to secure its current

positions and continue to build its operations in each of the markets in which it operates, with a strong focus on enhancing overall profitability.

UK and Europe

- Perpetuate full service offering.
- Improve position in mid cap space.
- Continue to grow independent large cap securities franchise in specialist sectors.
- Focus externally on gaining clients and providing superior service.
- Improve institutional rankings via a systematic account management programme.

Australia

- Maintain and grow market share.
- Expand network and continue to leverage off reputation.
- Build a solid deal pipeline.
- Continue to build Private Equity portfolio.
- Leverage off enhanced brand awareness.
- Further integrate operations into Investec's international network.

Asset Management

Overview of performance

Asset Management delivered operating profit before exceptional items and amortisation of goodwill of £5.6 million, substantially up from £1.9 million in the previous year. The division benefited from favourable market conditions and strong retail inflows with assets under management of £8.2 billion at the end of the period.

Developments

- Investment team operating well and delivering sound performance:
 - Achieved new consultant "buy" ratings for UK equities and small caps, reinforcing 4Factor equity team and process which is producing excellent returns.
 - Exceptional performance from UK contrarian team.
 - Momentum in fixed income team further enhanced by key appointments.
 - Global equity team strengthened by new hires.
- Strong performance from retail business, with continued growth in market share:
 - Significant net inflows of £347 million into the onshore funds supported by strong sales of cautious managed and balanced products.
 - Substantial offshore sales from Asia, especially Taiwan.
- Although institutional flows were marred by the loss of a large low margin insurance client (about £700 million), the business achieved £725 million of new business to shift the book in favour of higher margin pension fund assets.
- Further strategic rationalisation was achieved through the US

and Dublin offices.

- Market recognition
 - Overall Group - Small (UK), Mixed Asset Group - Small (UK) and Equity Group (Hong Kong) - Lipper Fund Awards 2005.
 - High Alpha Equity - Pensions Management Provider Awards 2004.
 - Finalist - Global Pension's Fixed Income Manager of 2004.
 - Financial Adviser/LIA Four Star Service Award.

Outlook

- The primary objectives of the business are:
 - Become a significant player in the UK with a meaningful presence in Europe and Asia in both the institutional and retail arenas.
 - Leverage our unique Africa link.

Strategic focus

- The delivery of sound investment performance across all propositions.
- To provide a superior experience in terms of client service and product innovation.
- To continue to attract and retain the kind of people who built the division from scratch to one of the top 100 providers of third party asset management in the world.

Property Activities

Overview of performance

Property Activities posted operating profit before exceptional items and amortisation of goodwill of £5.1 million, up significantly from £1.5 million in the previous year as a result of realised gains earned during the year.

Outlook and strategic focus

- The commercial property market in the UK is still in a good space and we are co-investing alongside quality professionals as opposed to direct participation.
- We are beginning to look at overseas markets for co-investment where more value is perceived than exists currently.

Group Services and Other Activities

Overview of performance

The Group Services and Other Activities division posted an operating loss before exceptional items and amortisation of goodwill of £24.3 million compared to a loss of £10.4 million in the previous year. This was largely attributable to a net increase in interest costs in the central funding division following an issue of Tier II subordinated debt of £200 million in March 2004.

USA continuing businesses

The USA continuing businesses posted a small operating loss before exceptional items and amortisation of goodwill of £1.0 million. Revenues and profitability are highly dependent on fixed income market activity which has experienced reduced volumes as a consequence of rising interest rates. During the year, we added desks for Institutional Equities and Institutional Options, which provide some level of diversification.

Passionate

We employ individuals of the highest calibre, who have integrity, intellect and the ability to innovate. The quality of our people is a definitive aspect of our success and it is their passion to succeed and persistent dedication that allows us to provide distinctive service for our clients.





Passionate

Risk management

Effective risk management is critical to Investec. Taking international best practice into account, we follow a comprehensive risk management process, which involves identifying, understanding and managing the risks associated with each of our businesses.

We monitor and control risk exposure through focused market, credit, liquidity, operational and legal risk reporting teams. This approach is core to assuming a tolerable risk and reward profile, helping us to pursue growth across our business.

A culture of risk awareness, control and compliance is also embedded in our day-to-day activities.

While each business unit retains primary responsibility for managing the risks that come with its business, a centralised division, Group Risk Management (part of Group Services), independently monitors, manages and reports on our risk, as mandated by the Board of Directors through the Board Risk Review Committee. Group Risk Management has established operational divisions in South Africa and the UK, and smaller risk divisions in other regions.

Group Risk Management operates within an integrated geographical and divisional structure, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the group. Group Risk Management divisions with international responsibility are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within our defined risk parameters and objectives.

Group Risk Management continually seeks new ways to enhance its risk management techniques. However, no bank can completely or accurately predict or fully assure the effectiveness of its policies and procedures for managing risk.

A detailed account of our risk management philosophies and processes can be found in the group's Annual Report for the year ended 31 March 2005.

Internal Audit

Internal Audit provides objective assurance to the board that management processes are adequate to identify the significant risks which the business is subject to and that the control environment is effective enough to manage those risks. Internal Audit recommends enhancements to risk management, control and governance processes where weaknesses are identified.

An Internal Audit charter, approved by the Group Audit Committees and reviewed annually, governs internal audit

activity within the group. The charter defines the role, objectives, authority and responsibilities of the function.

As a result of the silo specific regulatory responsibilities arising from the Dual Listed Companies structure, there are essentially two group Internal Audit divisions located in London and Johannesburg, responsible for Investec plc and Investec Limited respectively. All the Internal Audit departments use similar risk based methodologies.

The heads of Internal Audit report at each Audit Committee meeting and have a direct reporting line to the chairman of their entity's Audit Committee. They operate independently of executive management but have ready access to their local Chief Executive Officer and the Chairman of the Audit Committee. For administrative and co-ordination purposes, they also report to the Global Head of Corporate Governance and Compliance.

Further details on our Internal Audit division can be found in the group's Annual Report for the year ended 31 March 2005.

Compliance

In order to meet the regulatory requirements arising from the implementation of the Dual Listed Companies structure, independent Group Compliance functions exist within both Investec plc and Investec Limited. These functions operate under terms of reference approved by the board and the Audit Committee. A Group Compliance Officer, who operates independently from executive management and is responsible for ensuring adequate management of compliance risk within each group, heads each function. Each Group Compliance Officer reports directly to the Chief Executive Officer and the Global Head of Compliance, with unrestricted access to the Chairman of the Audit Committee. The Global Head of Compliance is responsible for management of the compliance function across the Dual Listed Companies structure.

Group Compliance functions work closely to ensure consistent management of compliance risk group-wide. A key responsibility of the Global Compliance Officer and the Group Compliance Officers is to develop and maintain constructive working relationships with regulators and supervisors in all our geographies.

Further details on our compliance division can be found in the group's Annual Report for the year ended 31 March 2005.

Risk management and governance

Credit ratings

In general, we were assigned strong ratings for credit quality, capacity for timely repayment and financial strength. In terms of our Dual Listed Companies structure, Investec plc and Investec Limited are treated separately from a credit point of view. As a result, the rating agencies have assigned ratings to the significant banking entities within the group, namely Investec Bank (UK) Limited, Investec Bank Limited and Investec Bank (Australia) Limited. Certain rating agencies have assigned ratings to the holding companies, namely, Investec plc and Investec Limited.

The ratings as at 31 March 2005 are set out as follows:

Ratings for Investec plc

Moody's

Short-term deposit rating	Prime-3
Long-term deposit rating	Baa3

Ratings for Investec Bank (UK) Limited - a subsidiary of Investec plc

Fitch

Individual rating	C
Support rating	5
Foreign currency short-term rating	F2
Foreign currency long-term rating	BBB+

Global Credit Rating Co.

Short-term rating	A2
Long-term rating	A-

Moody's

Financial strength rating	C-
Short-term deposit rating	Prime-2
Long-term deposit rating	Baa2

Ratings for Investec Bank (Australia) Limited - a subsidiary of Investec Bank (UK) Limited

Moody's

Financial strength rating	D+
Short-term deposit rating	Prime-2
Long-term deposit rating	Baa2

Corporate governance

This section provides a summary of our corporate governance philosophy and practices. A more detailed review is provided in the group's Annual Report for the year ended 31 March 2005.

Our values and philosophies form the framework against which behaviour, practices and activities are measured, to assess the characteristics of good governance. Our values require directors and employees to conduct themselves with integrity, consistently and uncompromisingly displaying moral strength and behaviour which promotes trust.

Accordingly sound corporate governance is implicit in our values, culture, processes, functions and organisational structure and the structures designed to formalise oversight of and to ensure that the values remain embedded in all businesses and processes. We continue to refine both these structures, and a written Statement of Values, which serves as our Code of Ethics and has always been a pillar of our culture.

Governance highlights and achievements

- Ernst & Young LLP conducted a comprehensive review of our compliance with the 2003 revised London Combined Code of Corporate Governance during the period under review. The board considered the recommendations arising from the review and implemented measures to take these recommendations forward.

Board statement

The board is of the view that Investec complied with the Principles of Good Governance and Code of Best Practice contained in section I of the London Combined Code (2003) during the period under review, except as follows:

- At least half the board, excluding the Chairman, should comprise non-executive directors determined by the board to be independent. During the period under review, using these guidelines as a basis, only seven out of the fifteen board members, excluding the Chairman, are considered to be independent. Notwithstanding these guidelines, the board is of the view that all of the non-executive directors are independent and promote the interests of stakeholders.
- The board considers that the majority of the members of the Audit Committee have suitable financial expertise. However, the board recognised the requirement for the appointment of an independent non-executive director with recent and relevant UK financial experience with a view to appointing that director to the Investec plc Audit Committee.

Financial reporting and going concern

The directors are responsible for monitoring and reviewing the preparation, integrity and reliability of the Investec plc financial statements, accounting policies and the information contained in the Annual Report.

The financial statements have been prepared on a going concern basis. The board is of the opinion, based on its knowledge of the bank, key processes in operation and specific enquiries, that there are adequate resources to support the bank on a going concern basis over the next year.

Board of directors

The composition of the board of Investec plc is set out on pages 21 and 22.

The board is responsible for reviewing and guiding corporate strategy, through the establishment of key policies and objectives, understanding the key risks we face, and determining our risk tolerance and the processes in operation to mitigate these.

The board has defined the limits of delegated authority and is ultimately responsible for assessing and managing risk policies and philosophies; overseeing major capital expenditures, acquisitions and disposals; approving the establishment of businesses; and approving the introduction of new products and services.

In fulfilling its responsibilities, the board is supported by management, who are required to implement the plans and strategies approved by the board. The board monitors management's progress on an ongoing basis.

The board is considered to be appropriately skilled with regard to their responsibilities and the activities of the group. The skill and experience profile of the board is regularly considered, to ensure an appropriate and relevant board composition.

Board committees

The board is supported by specialist committees, as follows:

- Audit Committee
 - Audit sub-committee
 - Audit and Compliance Implementation Forum
- Board Risk Review Committee
 - Executive Risk Review Forum
 - Group Credit Committee
 - Asset and Liability Committees
 - Group Market Risk Forum
 - Group Deal Forum
 - Operational Risk Forum
 - Legal Risk Forum

Risk management and governance

- Country Risk Forum
- Nomination Committee
- Remuneration Committee
- Capital Committee

These committees have specific terms of reference, appropriately skilled members, independent non-executive director membership, senior management participation and access to specialist advice when necessary.

Management and succession planning

Global business unit heads, geographic management, and heads of central and group service functions are appointed by executive management and endorsed by the board, based on the skills and experience deemed necessary to perform the required function. In general, managers do not have fixed term employment contracts and there are no employment contracts with managers for a term of more than three years. Our management structure, reporting lines and the division of responsibilities are built around a geographic, divisional and functional network.

Furthermore, each strategic business unit has an executive management committee and is responsible for taking and implementing operational decisions, managing risk and aligning divisional objectives with the group strategy and vision. Matters of succession are considered regularly. Decision making is spread to encourage and develop an experienced pool of talent.

Internal control

We continued to embed the principles of the Turnbull guidance ("Internal Control: Guidance for Directors on the Combined Code"), issued by the Institute of Chartered Accountants of England and Wales in 1999, throughout the group during the year under review.

Risks and controls are reviewed regularly for relevance and effectiveness. The Board Risk Review Committee assists the board in this regard. Sound risk management practices are promoted by the Group Risk Management function, which is independent of operational management.

The board recognises its responsibility for the overall risk and control framework and for reviewing its effectiveness.

The system of internal control is designed to manage, not eliminate, significant risks we face and was in place for the year under review. It is recognised that such a system can only provide reasonable, and not absolute, assurance against material error, omission, misstatement or loss. This is achieved through a combination of risk identification, evaluation and monitoring process, appropriate decision and oversight forums and assurance and control functions such as Risk Management, Internal Audit and Compliance. These ongoing processes were in place for the year under review.

As part of the process, risk and control identification is completed and assessed at business unit level. Each business unit has responsibility and accountability for management of its own risk, following a consistent risk assessment process through workshops facilitated by Group Risk Management. Risks to shareholder value are defined, and the risks to these objectives and controls for each risk are identified and evaluated. The action plans and risk and control issues arising from this process are reviewed regularly at the relevant executive and management committees based at a business unit level.

Senior management reviews these risk assessments regularly.

Internal Audit reports control recommendations to senior management, Risk Management and the relevant Audit Committee. Appropriate processes ensure that timely corrective actions are taken on matters raised by Internal Audit.

Significant risks are reviewed weekly by the Executive Risk Review Forum and monthly by the Board Risk Review Committee. Material incidents and losses and significant breaches of systems and controls are reported to the Board Risk Review Committee and the Audit Committee. Reports from the Audit Committees, Board Risk Review Committee and risk and control functions are reviewed at each board meeting.

Internal financial control

Our financial controls focus on critical risk areas. These areas are, as appropriate, identified by operational management, confirmed by group management, reviewed by Group Risk Management, and assessed by the risk control functions of Internal Audit and Compliance. Group Risk Management reports to the Board Risk Review Committee, while the latter functions report to the Audit Committee. Accordingly the information may be conveyed to the board from one or more quarters to enable the latter to monitor the process of identifying these risks.

External audit

Our external auditor is Ernst & Young LLP. The independence of the external auditors is recognised, and reviewed with the auditors by the Audit Committee on an annual basis.

The Audit Committees meet with the external auditors to review the scope of the external audit, budgets and any audit matters arising.

Non-audit services are dealt with in terms of an agreed policy.

Regulation and supervision

We are subject to external regulation and supervision by various supervisory authorities - the main ones being the South African Reserve Bank (SARB), the UK Financial Services Authority (FSA) and the Australian Prudential Regulatory Authority.

Communication and stakeholder relations

The board recognises that effective communication is integral in building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to primary stakeholders. The purpose is to help these stakeholders make meaningful assessments and informed decisions about the group.

We endeavour to present a balanced and understandable assessment of our position by addressing material matters of significant interest and concern. We also seek to highlight the key risks to which we consider ourselves exposed and our responses to minimise the impact of the risks. Another objective is to show a balance between the positive and negative aspects of our activities, in order to achieve a comprehensive and fair account of our performance.

Sustainable business practices

In keeping with our entrepreneurial spirit, our sustainability efforts focus on issues that are most relevant to our business.

As people are our most important asset, we have comprehensive policies and procedures in place, aimed at providing a stimulating work environment that attracts, nurtures and retains high-calibre individuals. We strive to inspire entrepreneurship through a flat integrated structure that encourages individuality. Material employee ownership is one of our fundamental philosophies. The staff share schemes enable employees to participate in our long-term growth, encouraging motivation, commitment and loyalty. By aligning our employees' interests with those of our shareholders, we aim to stimulate the entrepreneurial spirit, growing a culture dedicated to creating wealth for all stakeholders and employees. New employees across all gender and race groups participate in the staff share schemes, by being allocated options to acquire equity. This, together with our culture, values and human resources practices, creates a working environment that stimulates extraordinary performance. In this way, employees are able to be positive contributors to the group, clients and their communities.

For further information on sustainable business practices, refer to the 2005 Sustainability Report.

Client centric

Our approach is firmly client centric, prioritising the delivery of products and services that fulfil each client's needs, while acting with integrity. The satisfaction of our clients is integral to our business, hence we consistently strive to exceed their expectations.





Client centric

Shareholder analysis

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

As at 31 March 2005 Investec plc and Investec Limited had 74 633 746 and 43 999 527 ordinary shares in issue, respectively.

Spread of ordinary shareholders as at 31 March 2005

Investec plc ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
12 857	1 to 500	80.6%	409 282	0.5%
1 228	501 - 1 000	7.7%	907 336	1.2%
1 111	1 001 to 5 000	7.0%	2 401 210	3.2%
248	5 001 to 10 000	1.6%	1 801 113	2.4%
328	10 001 to 50 000	2.1%	7 807 270	10.5%
79	50 001 to 100 000	0.5%	5 437 564	7.3%
100	100 001 and over	0.5%	55 869 971	74.9%
15 951		100%	74 633 746	100.0%

Shareholder classification

	Investec plc number of shares	% holding
Public*	64 827 567	86.8%
Non-public	9 806 179	13.2%
Non-executive directors of Investec plc	957 226	1.3%
Executive directors of Investec plc	1 692 577	2.3%
Investec staff share schemes, leveraged ownership schemes and treasury shares	7 156 376	9.6%
Total	74 633 746	100.0%

* As per the JSE listing requirements.

Shareholder analysis

Largest beneficial shareholders as at 31 March 2005

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

Investec plc

Beneficial owner

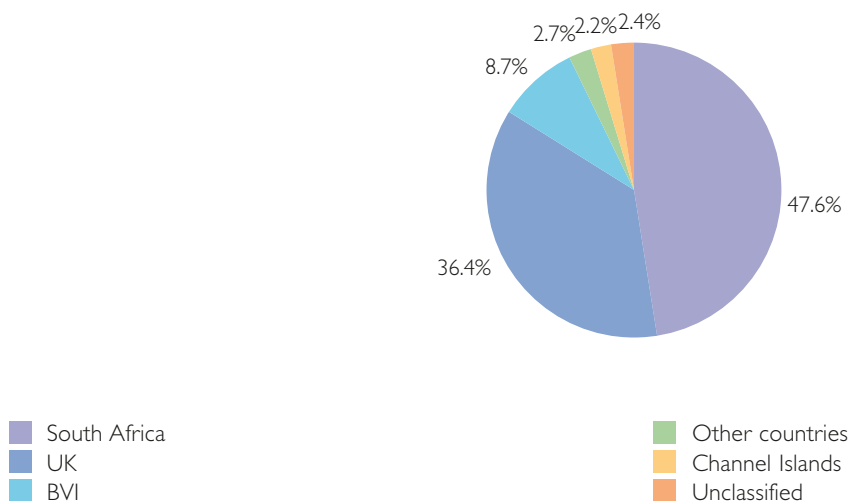
	Number of shares	% holding
1 Public Investment Commissioner (ZA)	6 077 692	8.1
2 Spurwing-P Investments Ltd (BVI)	4 419 886	5.9
3 Old Mutual Life Assurance (ZA)	3 439 382	4.6
4 Investec Group Ltd Share Scheme (ZA)	2 393 937	3.2
5 Citigroup Global Markets UK Equity (UK)	2 056 659	2.8
6 Barclays Global Investors Pension Fund (UK)	2 030 258	2.7
7 Fintique Three (BVI)*	1 999 265	2.7
8 Legal and General Pooled Index Fund (UK)	1 965 799	2.6
9 Investec Bank Channel Islands Ltd (CI)	1 618 647	2.2
10 Jupiter Financial Opportunities Trust (UK)	1 200 000	1.6
Cumulative total	27 201 525	36.4

The top 10 beneficial shareholders account for 32.0% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

* A small group of senior and executive management, including certain Investec plc/Investec Limited directors, who have or can have a significant impact on the business, have been granted participation in leveraged equity plans known as Fintique II and Fintique III. In terms of these plans, participants acquired units that entitled them to the risks and, on maturity of the plans in 2004 and 2008, future benefits of ownership of the underlying Investec shares. Fintique III matured on 15 December 2004.

Geographic holding as at 31 March 2005

Investec plc - total non-SA shareholding excluding group related schemes is 47.5%



Share statistics

Investec plc ordinary shares in issue

For the year ended 31 March ¹	2005	2004	2003
Closing market price per share (pence)			
- year end	1 555	1 089	615
- highest	1 735	1 181	960
- lowest	920	612	607
Number of ordinary shares in issue (million)	74.6	74.6	74.6
Market capitalisation (£'million) ²	1 160	812	459
Daily average volume of shares traded ('000)	148.2	99.6	69.6
Price earnings ratio ³	11.04	10.5	6.3
Dividend cover (times) ³	2.10	1.79	1.78
Dividend yield (%) ³	4.3%	5.3%	8.8%
Earnings yield (%) ³	9.1%	9.5%	15.6%
Number of shareholders	15 951	18 174	20 684

Notes:

- ¹ Investec plc has been listed on the LSE since 29 July 2002.
- ² The LSE only includes the shares in issue for Investec plc i.e. 74.6 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK.
- ³ Calculations are based on the group's consolidated earnings (including the results of Investec plc and Investec Limited) per share before exceptional items and amortisation of goodwill, and dividends per share as prepared in accordance with UP GAAP and denominated in Pounds Sterling.

Directorate Investec plc

Executive Directors

Stephen Koseff (53) ^{6,7}

BCom CA (SA) H Dip BDP MBA
Chief Executive Officer

Stephen joined Investec in 1980. He has had diverse experience within Investec as Chief Accounting Officer and General Manager of Banking, Treasury and Merchant Banking. His directorships include the JSE Securities Exchange South Africa, Investec Bank Limited, Investec Bank (UK) Limited and The Bidvest Group Limited.

Bernard Kantor (55) ^{6,7}

Managing Director

Bernard joined Investec in 1980. He has had varied experience within Investec as a Manager of the Trading division, Marketing Manager and Chief Operating Officer. His directorships include Investec Bank Limited, Investec Bank (UK) Limited and Phumelela Gaming and Leisure Limited.

Glynn R Burger (48) ^{6,7}

BAcc CA(SA) H Dip BDP MBL

Executive Director responsible for Finance and Risk.

Glynn joined Investec in 1980. His positions within Investec have included Chief Accounting Officer, Group Risk Manager and Joint Managing Director for South Africa. His directorships include Investec Bank Limited.

Alan Tapnack (58) ^{6,7}

BCom CA (SA)

Alan is a former partner of Price Waterhouse and former Managing Director of Grey Phillips Buntun Mundell and Blake, a leading South African marketing services group. Alan joined Investec in 1991 and has held the positions of CFO and CEO of Investec Bank (UK) Ltd, and Chief Executive Officer of Investec's UK operations. His directorships include Investec Bank (UK) Limited.

Non-Executive Directors

Hugh S Herman (64) ⁵

BA LLB LLD (Honoris CAUSA)
Non-Executive Chairman

Hugh practised as a lawyer before joining Pick 'n Pay, a leading South African retail group, where he became Managing Director. He joined Investec in 1994. His directorships include Investec Bank Limited, Investec Bank (UK) Limited, Pick 'n Pay Holdings Limited and Pick 'n Pay Stores Limited.

Sam E Abrahams (66) ^{1,2,3,5,6,7}

FCA CA (SA)

Sam is a former international partner and South African Managing Partner of Arthur Andersen. His current directorships include Foschini Limited, Super Group Limited, Investec Bank Limited and Phumelela Gaming and Leisure Limited.

George F O Alford (56) ^{1,2,3,4,6}

BSc (Econ) FCIS FIPD MSI

George is former Head of Private Banking and Head of Personnel at Kleinwort Benson Group, and was a senior advisor to the FSA. His directorships include Investec Bank (UK) Limited.

Cheryl A Carolus (46)

BA (Law) B Ed

Cheryl acted as the South African High Commissioner to London between 1998 and 2001 and was the Chief Executive Officer of South African Tourism. She is Chairperson of South African National Parks. Her directorships include the International Crisis Group and WWF International.

Haruko Fukuda OBE (58)

MA (Cantab) DSc

Haruko was previously Chief Executive of the World Gold Council. Her directorships include, AB Volvo, The Foreign and Colonial Investment Trust PLC and Aberdeen Asian Smaller Companies Investment Trust PLC. She is an advisor to Metro AG and Lazard.

Non-Executive Directors (continued)

Geoffrey M T Howe (55)^{1,2,3,4,6}

MA (Hons)

Geoffrey is a former Managing Partner of Clifford Chance LLP and was a director and Group General Counsel of Robert Fleming Holdings Ltd. He is also a former Chairman of Railtrack Group plc. His directorships include Jardine Lloyd Thompson Group plc, The JP Morgan Fleming Overseas Investment Trust plc, and Nationwide Building Society. He is also an advisor to a number of leading professional and financial service organisations.

Donn E Jowell (63)^{1,3,6,7}

BCom LLB

Donn is Chairman of and a consultant to Jowell Glyn & Marais Inc, the South African legal advisers to Investec Limited. His directorships include Investec Bank Limited and various other Investec companies.

Ian R Kantor (58)

BSc (Eng) MBA

Ian is former Chief Executive of Investec Bank Limited, resigning in 1985 and relocating to the Netherlands. His directorships include Insinger de Beaufort Holdings SA (in which Investec holds an 8,6% interest), Bank Insinger de Beaufort NV where he is Chairman of the management board and Investec Bank (UK) Limited.

Sir Chips Keswick (65)^{1,2,3,4,5,6}

Sir Chips is former Chairman of Hambros Bank Limited and Hambros PLC and a former director of Anglo American Plc. He was on the Court of the Bank of England. His directorships include De Beers SA, De Beers Consolidated Mines Limited, Persimmon Plc and Investec Bank (UK) Limited.

Mangalani Peter Malungani (47)

BCom MAP LDP

Peter is Chairman and founder of Peu Group (Proprietary) Limited. He is Chairman of Super Group Limited, Phumelela Gaming and Leisure Limited, and deputy Chairman of Capital Alliance and Capital Alliance Life Limited. His directorships include Investec Bank Limited, BACSA (Business against Crime South Africa) and holds directorships on a number of Peu subsidiaries.

Peter R S Thomas (60)^{3,6}

CA (SA)

Peter is a chartered accountant and former Managing Director of The Unisec Group Limited. His directorships include Investec Bank Limited.

Fani Titi (42)

BSc (Hons) MA MBA

Fani is currently Chief Executive Officer of Tiso Group, a former Chairman of the Armaments Corporation of South Africa Limited and a Director of The Bidvest Group Limited and Kumba Resources Limited.

Notes:

- Mrs CA Carolus was appointed as an independent non-executive director to the boards of Investec plc and Investec Limited, on 18 March 2005.

The directors serve as Chairman or members on the following committees.

- ¹ Combined group/DLC Audit Committee
- ² Investec plc Audit Committee
- ³ Investec Limited Audit Committee
- ⁴ Remuneration Committee
- ⁵ Nomination Committee
- ⁶ Board Risk Review Committee
- ⁷ DLC Capital Committee

Sustainability

While short term performance is important, we believe that our long term success is dependent on building a sustainable track record. Consequently, we have set financial targets that challenge and inspire us to perform. We recognise that doing the right thing for our employees, clients, shareholders and communities over a long period of time will enable us to meet the aspirations of all our stakeholders.



Sustainability

We have been instructed by the company to review the financial information in respect of Investec plc for the year ended 31 March 2005 which comprises the Consolidated Profit and Loss account, Consolidated Statement of Recognised Gains and Losses, Consolidated Balance Sheet, Reconciliation of Shareholders' Funds and Movement in Reserves, the accounting policies and the related notes 1 to 4.

This report is made solely to the directors in accordance with the instructions from the directors. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

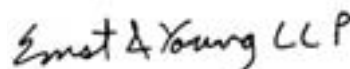
The financial information is the responsibility of, and has been approved by the directors.

Review work performed

A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the year ended 31 March 2005.



Ernst & Young LLP
London
17 June 2005

Consolidated profit and loss account

For the year ended 31 March

£'000	2005			2004*		
	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	55 572	-	55 572	47 218	-	47 218
Interest receivable - other interest income	182 439	-	182 439	187 157	-	187 157
Interest payable	(170 530)	-	(170 530)	(166 222)	-	(166 222)
Net interest income	67 481	-	67 481	68 153	-	68 153
Dividend income	460	-	460	288	-	288
Fees and commissions receivable	258 811	-	258 811	211 523	-	211 523
- annuity	189 701	-	189 701	168 308	-	168 308
- deal	69 110	-	69 110	43 215	-	43 215
Fees and commission payable	(18 470)	-	(18 470)	(14 572)	-	(14 572)
Dealing profits	20 611	-	20 611	31 980	-	31 980
Other operating income	15 223	-	15 223	5 493	-	5 493
Other income	276 635	-	276 635	234 712	-	234 712
Total operating income	344 116	-	344 116	302 865	-	302 865
Administrative expenses	(258 392)	-	(258 392)	(237 396)	-	(237 396)
Depreciation and amortisation	(4 378)	(20 681)	(25 059)	(6 546)	(18 788)	(25 334)
- tangible fixed assets	(4 378)	-	(4 378)	(6 546)	-	(6 546)
- amortisation and impairment of goodwill	-	(20 681)	(20 681)	-	(18 788)	(18 788)
Provision for bad and doubtful debts	(5 337)	-	(5 337)	(4 213)	(4 213)	
Operating profit before exceptional items	76 009	(20 681)	55 328	54 710	(18 788)	35 922
Share of income of associated companies	(270)	-	(270)	(176)	-	(176)
Exceptional items	-	(7 350)	(7 350)	-	(5 286)	(5 286)
Provision for losses on termination and disposal of group operations - discontinued	-	-	-	-	(5 103)	(5 103)
Losses on termination and disposal of group operations - discontinued	-	(2 602)	(2 602)	-	(24 328)	(24 328)
Less provision made last year	-	2 602	2 602	-	19 225	19 225
Loss on termination and disposal of group operations - continuing	-	(7 350)	(7 350)	-	(183)	(183)
Profit on ordinary activities before taxation	75 739	(28 031)	47 708	54 534	(24 074)	30 460
Tax on profit on ordinary activities - continuing	(18 923)	-	(18 923)	(12 207)	-	(12 207)
Profit on ordinary activities after taxation	56 816	(28 031)	28 785	42 327	(24 074)	18 253

For the year ended 31 March

	2005			2004*		
	Before goodwill and exceptional items	Goodwill and exceptional items	Total	Before goodwill and exceptional items	Goodwill and exceptional items	Total
£'000						
Profit on ordinary activities after taxation	56 816	(28 031)	28 785	42 327	(24 074)	18 253
Minority interests - equity	(808)	-	(808)	(546)	-	(546)
Profit attributable to shareholders	56 008	(28 031)	27 977	41 781	(24 074)	17 707
Dividends including non-equity	(27 321)	-	(27 321)	(29 235)	-	(29 235)
Retained profit/(loss) for the year	28 687	(28 031)	656	12 546	(24 074)	(11 528)
Profit attributable to shareholders			27 977			17 707
Amortisation and impairment of goodwill			20 681			18 788
Profit on termination and disposal of group operations			7 350			183
Provision for losses on termination and disposal of group operations (net of deferred tax)			-			5 103
Earnings before goodwill and exceptional items			56 008			41 781

* Restated to conform with the current year presentation.

Consolidated statement of recognised gains and losses

For the year ended 31 March
£'000

Profit for the year attributable to shareholders
Currency translation differences on foreign currency net investments
Actuarial gain/(loss) net of deferred tax

Total recognised gains for the year

Prior year adjustments in respect of changes in accounting policies

Total gains and losses since last annual report

	2005	2004
Profit for the year attributable to shareholders	27 977	17 707
Currency translation differences on foreign currency net investments	(3 114)	(7 853)
Actuarial gain/(loss) net of deferred tax	2 370	(1 294)
Total recognised gains for the year	27 233	8 560
Prior year adjustments in respect of changes in accounting policies	-	(9 175)
Total gains and losses since last annual report	27 233	(615)

There was no material difference between the results as reported and the results that would have been reported on an unmodified historical cost basis. Accordingly, no note of historical cost profits and losses has been included.

Consolidated balance sheet

At 31 March
£'000

Assets

Cash and balances at central banks
Treasury bills and other eligible bills
Loans and advances to banks
Loans and advances to customers
Debt securities
Equity shares
Interests in associated undertakings
Other participating interests
Intangible fixed assets
Tangible fixed assets
Other assets
Prepayments and accrued income

Liabilities

Deposits by banks
Customer accounts
Debt securities in issue
Other liabilities
Accruals and deferred Income
Pension fund liability

Capital resources

Subordinated liabilities
Minority interests-equity
Called up share capital
Share premium account
Treasury shares
Other reserves
Profit and loss account
Equity shareholders' funds

Memorandum items

Commitments
Contingent liabilities

Notes	2005	2004
	10 319	259 010
	142 182	144 781
	2 274 079	1 154 040
2	3 225 100	2 869 418
	1 146 052	788 035
	284 240	259 373
	3 559	3 280
	9 124	9 135
	130 359	156 065
	18 551	32 574
	638 315	508 093
	69 785	38 741
	7 951 665	6 222 545
	856 345	818 134
	2 954 037	3 024 317
	647 498	233 862
	2 692 811	1 356 759
	116 052	88 118
	7 554	11 967
	7 274 297	5 533 157
	219 516	202 371
	1 399	13 616
	119	119
	393 746	393 823
	(16 783)	
	48 487	18 285
	30 884	61 174
	456 453	473 401
	677 368	689 388
	7 951 665	6 222 545
	366 762	316 705
	62 231	151 435
	428 993	468 140

The directors' approved the accounts on 17 June 2005.

S. Koseff

Chief Executive Officer

Reconciliation of shareholders' funds and movement in reserves

For the year ended 31 March £'000	Share capital	Share premium account	Treasury shares	Capital reserves	Foreign currency reserves	Profit and loss account	Total
At 31 March 2003	113	393 823	-	11 856	14 132	74 146	494 070
Year ended 31 March 2004							
Foreign currency adjustments	-	-	-	-	(7 853)	-	(7 853)
Issue of shares	6	-	-	-	-	-	6
Loss for the year	-	-	-	-	-	(11 528)	(11 528)
Actuarial loss (net of deferred tax)	-	-	-	-	-	(1 294)	(1 294)
Transfers	-	-	-	150	-	(150)	-
At 31 March 2004	119	393 823	-	12 006	6 279	61 174	473 401
Year ended 31 March 2005							
Foreign currency adjustments	-	-	-	(27)	(3 087)	-	(3 114)
Purchase of Treasury shares	-	-	(16 783)	-	-	-	(16 783)
Loss on sale of Treasury shares	-	(77)	-	-	-	-	(77)
Retained profit for the year	-	-	-	-	-	656	656
Actuarial gain (net of deferred tax)	-	-	-	-	-	2 370	2 370
Transfers	-	-	-	33 316	-	(33 316)	-
At 31 March 2005	119	393 746	(16 783)	45 295	3 192	30 884	456 453

Basis of preparation

The non-statutory summarised financial information for Investec plc includes the consolidated balance sheet and profit and loss account of Investec plc and its subsidiary undertakings ("Investec plc silo") and has been prepared under the historical cost convention as modified by the revaluation of certain assets.

Under the Investec group's Dual Listed Companies structure, Investec plc and Investec Limited effectively form a single economic entity in which the economic and voting rights of shareholders are equalised. The statutory financial statements of the Investec plc group are prepared on this basis and incorporate the consolidated balance sheet and consolidated profit and loss account of Investec plc and Investec Limited in accordance with S227 (5) of the Companies Act 1985. The statutory financial statements of Investec plc are available to the public and may be obtained from Investec plc at 2 Gresham Street, London, EC2 7QP.

Although the Dual Listed Companies Structure creates an economic entity from a shareholder point of view there are no cross guarantees between Investec plc and Investec Limited and therefore creditors are ring-fenced to either entity. The purpose of the non-statutory summarised information for Investec plc is to show the consolidated financial position of the Investec plc silo, excluding Investec Limited.

Changes to accounting policies and comparative information

The accounting policies adopted by the group are consistent with the prior year except as noted below.

The group has adopted the following new UK accounting standard during the year:

UITF 38: Accounting for ESOP trusts

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

- Own shares held by the ESOP trusts (which have not vested to employees) 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 held by the ESOP trusts.
- The net finance costs of the ESOP trusts are charged to the profit and loss account as they accrue.
- There is no impact on prior periods.

Basis of consolidation

The summarised financial information for Investec plc incorporates the financial results of the Investec plc silo ('the group'). All subsidiaries in which the group holds more than one half of the voting rights or over which it exercises control are consolidated from the effective dates of acquisition and up to the effective dates of disposal, except entities where they are held with a view to subsequent resale.

Entities, other than subsidiary undertakings, in which the group has a participating interest and exercises significant influence over their operating and financial policies, are treated as associates. In the summarised financial information, associates are accounted for using the equity method. Other participating interests on which the group does not exercise significant influence are accounted for at the lower of cost and net realisable value.

The summarised financial information includes the attributable share of the results and reserves of associated undertakings. The group's interests in associated undertakings are included in the consolidated balance sheet at the group's share of net assets plus unamortised goodwill.

Positive goodwill arising on the acquisition of subsidiaries is amortised against income over its useful economic life, a period not exceeding 20 years. Negative goodwill arising on acquisitions is included within intangible fixed assets and released to profit and loss account initially over the period that non-monetary assets are recovered and then over the periods expected to benefit. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

The group operates various Employee Benefit Trusts. In terms of UITF 38, the assets and liabilities of the Employee Benefit Trusts are included within the summarised financial information.

Foreign entities

The net assets of foreign subsidiaries are translated at closing rates of exchange and the translation differences arising are taken to reserves. The results of these companies are translated at weighted average rates of exchange for the relevant period. The difference between the profit and loss translated at an average rate and the closing rate is recorded as a movement in reserves. Any exchange differences on foreign currency loans and derivatives, which are used to hedge the net investment in foreign subsidiaries are also taken to reserves.

Accounting policies

Goodwill arising on the acquisition of foreign entities is translated at the closing exchange rate.

Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into the local reporting currency at market rates of exchange ruling at the balance sheet date. All foreign currency transactions are translated into the local reporting currency at the exchange rates ruling at the time of the transactions. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Debt securities and equity shares

Shares and securities intended for use on a continuing basis in the group's activities are classified as investment securities. Such shares and securities are stated at cost less provision for any impairment in value. The cost of dated investment securities is adjusted for the amortisation of premiums or discounts on a level yield basis over the period to maturity.

Debt securities held for the purpose of hedging are valued on the same basis as the liabilities which are being hedged. Other debt securities and equity shares are included in the balance sheet at market value. Changes in the market value of such assets are recognised in the profit and loss account as 'Dealing profits' as they arise.

Where securities are sold subject to a commitment to repurchase them, they remain on the Balance Sheet. Obligations for the repurchase of these securities are included under deposits by banks and customer accounts. Securities that are purchased under an agreement to resell the securities at a future date are not included in the Balance Sheet. The consideration paid is included in loans and advances to banks or loans and advances to customers.

Stock borrowing and lending transactions that are not cash collateralised are not included in the balance sheet. Stock lending and borrowing transactions which are cash collateralised are accounted for in the same way as securities sold or purchased subject to repurchase commitments.

Financial instruments

Financial instruments in the trading book are measured at fair value, whereas financial instruments in the nontrading book, including loans and investment securities, are measured at amortised cost. Income and expenses on trading instruments are recognised in the profit and loss account in full in the current period, whereas income and expenses on non-trading

instruments are amortised over the life of the instrument, with adjustments made to reflect changes in estimated premiums and discounts.

Derivatives

Derivatives are used to hedge interest, exchange rate and equity exposures related to non-trading positions. Instruments used for hedging purposes include swaps, equity derivatives, credit derivatives, forward rate agreements, futures, options and combinations of these instruments. In addition, the use of derivatives and their sale to customers as risk management products is an integral part of the group's trading activities. Derivatives entered into for trading purposes include swaps, equity derivatives, credit derivatives, commodity derivatives, forward rate agreements, futures, options and combinations of these instruments.

Where the group has entered into legally binding netting agreements, positive and negative values of derivatives are offset within the balance sheet totals.

Exposure to market risks are limited through the use of hedging instruments. The criteria used for derivative instrument to be classified as a designated hedge include:

- the transaction must effectively reduce the price or interest rate or credit risk of the asset, liability or cash flow to which it is linked; and
- adequate evidence of the intention to link with the underlying risk inherent in the asset, liability or cashflow; and
- the transaction must be designated as a hedge at the inception of the derivative contract.

The hedging instruments are accounted for on the same basis as the underlying asset, liability, position or cash flow being hedged with income and expenses being recognised in the profit and loss account. Hedging transactions which are superseded, cease to be effective or are terminated prior to the end of the life of the asset, liability or cashflow being hedged are measured at fair value. Any profit or loss arising is deferred and amortised into income or expense over the remaining life of the item previously hedged. When the underlying asset, liability, position or cashflow is terminated prior to the hedging transaction, the hedging transaction is measured at fair value and the resulting profit or loss is included in the category of income or expense relating to the previously hedged transaction.

Instalment credit, leases and rental agreements

Amounts outstanding on these contracts, net of unearned finance charges, are included in loans and advances. Finance charges on finance leases and instalment credit transactions are credited to income in proportion to the capital balances outstanding. Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Specific and general provisions for bad and doubtful debts

Specific provisions represent the quantification of actual and expected losses from identified accounts and are deducted from loans and advances in the balance sheet. The amount of specific provision raised is the group's conservative estimate of the amount needed to reduce the carrying value of the asset to the expected ultimate realisable value, taking into account the financial status of the customer and any security for the loan. Included in the specific provisions are amounts in respect of interest that is not serviced. The charge for bad and doubtful debts in the profit and loss account includes the unserviced interest which has been transferred to specific provisions. Doubtful debts are written off against the balance sheet asset and provision in part, or in whole, when the extent of the loss incurred has been determined.

General provisions augment specific provisions and provide cover for loans which are impaired at the balance sheet date but which will not be identified as such until some time in the future. The group's loan provision has been determined taking into account the structure and the risk characteristics of the group's loan portfolio. A number of complex and changing factors are collectively weighed by management in determining the adequacy of provisions. These factors include management's view of the extent of existing risks in the loan portfolio and prevailing economic conditions. General provisions are deducted from loans and advances to customers in the balance sheet.

Tangible fixed assets

Tangible fixed assets are stated at original cost. Depreciation is provided on a straight-line basis over their anticipated useful lives. Leasehold improvements are amortised over the shorter of 20 years and the remaining period of the leases.

The annual rates used to depreciate assets are as follows:

Computer equipment	33%
Motor vehicles	20%-25%
Equipment	20%

Furniture and fittings	10%-20%
Freehold properties	2%

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Dealing properties

Dealing properties are included in other assets and are stated at the lower of cost and net realisable value.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in future or a right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are the difference between the group's taxable profits and its results as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

Deferred tax assets are not recognised in respect of capital losses as crystallisation of capital gains and the eligibility of potential capital losses is uncertain.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Income recognition

Interest income is recognised in the profit and loss account as it accrues other than interest the collectibility of which is considered doubtful which is credited to a suspense account and excluded from interest income. The closing balance on the suspense account is netted in the balance sheet against accrued interest receivable or, as the case may be, the amount debited to the borrower. Suspended interest is written off

Accounting policies

when there is no longer any realistic prospect of it being recovered.

Dealing profits are shown net of the funding cost of the underlying positions and includes the unrealised profits on trading portfolios, which are marked to market daily.

Commissions and fees include fees earned from providing advisory services, portfolio management and the arranging of financing for clients. All such commissions and fees are recognised as revenue when the related services are performed. Fees and commissions charged in lieu of interest are taken to income on a level yield basis over the period of the loan. Equity investments received in lieu of corporate finance fees are included in trading securities and valued accordingly.

Other operating income includes realised profits and losses on disposal of investments, property rental income and dividends received.

Retirement benefits

The group operates various defined contribution schemes and two closed defined benefit schemes.

In respect of the defined contribution scheme all employer contributions are charged to income, as they become payable in accordance with the rules of the scheme, and included under staff costs.

The assets of the defined benefit schemes are measured at their market value at the balance sheet date and the liabilities of the schemes are measured using the projected unit method. The discount rate used to measure the schemes' liabilities is the current rate of on an AA corporate bond at the balance sheet date of equivalent term and currency to the liabilities. The extent to which the schemes' assets exceed or fall short of the schemes' liabilities is shown as a surplus or deficit in the balance sheet net of deferred taxation (to the extent that it is considered recoverable).

The movement in the scheme surplus/deficit is split between operating charges, financing items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

Select notes to the financial information

For the year ended 31 March £'000	Private Client Activities	Treasury and Specialised Finance	Investment Banking	Asset Manage- ment	Property Activities	Group Services and Other Activities	Total group
I. Segmental analysis							
Business analysis 2005							
Net interest income	53 371	13 130	1 094	1 016	(788)	(342)	67 481
Dividend income	-	-	2 186	-	-	272	460
Net fees and commissions receivable	105 979	32 381	42 541	48 613	6 229	4 598	240 341
Dealing profits	619	15 608	868	-	919	2 597	20 611
Other operating income	101	(25)	14 530	-	794	(177)	15 223
Operating income	160 070	61 096	59 219	49 629	7 154	6 948	344 116
Administrative expenses	(102 605)	(43 593)	(38 018)	(43 846)	(2 086)	(28 244)	(258 392)
Depreciation	(2 160)	(562)	(234)	(225)	-	(1 197)	(4 378)
Provision for bad and doubtful debts	(3 440)	(128)	-	-	3	(1 772)	(5 337)
Operating profit/(loss) before amortisation and impairment of goodwill	51 865	16 813	20 967	5 558	5 071	(24 265)	76 009
Share of income/(loss) of associated undertakings	223	(304)	-	-	-	(189)	(270)
Amortisation and impairment of goodwill	(8 359)	2 558	(7 213)	(6 640)	-	(1 027)	(20 681)
Other exceptional items	(1 000)	-	-	-	-	(6 350)	(7 350)
Profit/(loss) on ordinary activities before taxation	42 729	19 067	13 754	(1 082)	5 071	(31 831)	47 708
Net intercompany interest	(2 070)	(14 138)	(630)	22	(797)	17 613	-
Total assets (£'million)	2 387	4 546	296	144	47	532	7 952

Select notes to the financial information

For the year ended 31 March £'000	Private Client Activities	Treasury and Specialised Finance	Investment Banking	Asset Manage- ment	Property Activities	Group Services and Other Activities	Discon- tinued Operations	Total group
I. Segmental analysis (continued)								
Business analysis 2004								
Net interest income	46 619	13 612	2 256	722	(1 267)	6 211	-	68 153
Dividend income	-	-	112	-	-	176	-	288
Net fees and commissions receivable	87 971	23 986	39 146	43 064	950	1 834	-	196 951
Dealing profits	730	21 772	396	1	1 149	7 932	-	31 980
Other operating income	174	105	3 120	66	1 540	488	-	5 493
Operating income	135 494	59 475	45 030	43 853	2 372	16 641	-	302 865
Administrative expenses	(93 503)	(41 275)	(34 025)	(41 606)	(805)	(26 182)	-	(237 396)
Depreciation	(2 461)	(886)	(433)	(376)	-	(2 390)	-	(6 546)
Provision for bad and doubtful debts	(5 278)	(396)	-	-	(46)	1 507	-	(4 213)
Operating profit/(loss) before amortisation and impairment of goodwill	34 252	16 918	10 572	1 871	1 521	(10 424)	-	54 710
Share of (loss)/income of associated undertakings	-	(300)	-	-	-	124	-	(176)
Amortisation and impairment of goodwill	(2 507)	(2 475)	(5 841)	(6 668)	-	(1 297)	-	(18 788)
Other exceptional items	-	-	-	-	-	(183)	(5 103)	(5 286)
Profit/(loss) on ordinary activities before taxation	31 745	14 143	4 731	(4 797)	1 521	(11 780)	(5 103)	30 460
Net intercompany interest	48	(25 721)	(348)	-	(1 208)	27 229	-	-
Total assets (£'million)	2 404	2 624	153	82	42	918	-	6 223

The Statement of Recommended Practice on Segmental Reporting by Banks recommends, inter alia, net assets to be disclosed by class of business and geographical segment. In the view of the directors it would not be meaningful to provide this information by class of business since economic capital of certain significant businesses of the group is not held in, or allocated to, these businesses, but is held centrally.

As the business of the group is mainly that of banking, no segmental analysis of turnover is given.

For the year ended 31 March
£000

I. Segmental analysis (continued)

Geographical analysis 2005

	United Kingdom and Europe	Australia	Other geographies	Total group
Net interest income	46 447	13 768	7 266	67 481
Dividend income	381	64	15	460
Net fees and commissions receivable	215 283	14 580	10 478	240 341
Dealing profits	17 095	(8)	3 524	20 611
Other operating income	14 311	1 066	(154)	15 223
Operating income	293 517	29 470	21 129	344 116
Administration expenses	(223 844)	(17 570)	(16 978)	(258 392)
Depreciation	(3 308)	(354)	(716)	(4 378)
Provision for bad and doubtful debts	(4 814)	(88)	(435)	(5 337)
Operating profit before amortisation and impairment of goodwill	61 551	11 458	3 000	76 009
Share of (loss)/income of associated undertakings	(358)	(81)	169	(270)
Amortisation and impairment of goodwill	(14 598)	(6 083)	-	(20 681)
Other exceptional items	(1 000)	-	(6 350)	(7 350)
Profit/(loss) on ordinary activities before taxation	45 595	5 294	(3 181)	47 708
Taxation	(13 956)	(3 507)	(1 460)	(18 923)
Minorities	(252)	-	(556)	(808)
Profit/(loss) attributable to shareholders	31 387	1 787	(5 197)	27 977
Net intercompany interest	(376)	334	42	-
Total assets 2005 (£'million)				
Cash and balances at central banks	9	1	-	10
Treasury bills and other eligible bills	7	135	-	142
Loans and advances to banks	2 252	22	-	2 274
Loans and advances to customers	2 905	320	-	3 225
Debt securities	1 089	47	10	1 146
Equity shares	274	3	7	284
Interests in associated undertakings	3	-	1	4
Other participating interests	9	-	-	9
Intangible fixed assets	124	6	-	130
Tangible fixed assets	18	1	-	19
Other assets	632	5	2	639
Prepayments and accrued income	-	-	-	-
Prepayments and accrued income	68	2	-	70
Total assets	7 390	542	20	7 952

Select notes to the financial information

For the year ended 31 March £000	United Kingdom and Europe	Australia	Other geographies	Discontinued Operations	Total group
I. Segmental analysis (continued)					
Geographical analysis 2004					
Net interest income	43 597	13 210	11 346	-	68 153
Dividend income	249	12	27	-	288
Net fees and commissions receivable	172 334	12 571	12 046	-	196 951
Dealing profits	23 980	277	7 723	-	31 980
Other operating income	4 307	11	1 175	-	5 493
Operating income	244 467	26 081	32 317	-	302 865
Administration expenses	(197 436)	(15 824)	(24 136)	-	(237 396)
Depreciation	(5 200)	(259)	(1 087)	-	(6 546)
Provision for bad and doubtful debts	(3 098)	(372)	(743)	-	(4 213)
Operating profit before amortisation and impairment of goodwill	38 733	9 626	6 351	-	54 710
Share of (loss)/income of associated undertakings	-	(300)	124	-	(176)
Amortisation and impairment of goodwill	(12 736)	(6 052)	-	-	(18 788)
Other exceptional items	(183)	-	-	(5 103)	(5 286)
Profit/(loss) on ordinary activities before taxation	25 814	3 274	6 475	(5 103)	30 460
Taxation	(6 299)	(2 833)	(3 075)	-	(12 207)
Minorities	(41)	-	(505)	-	(546)
Profit/(loss) attributable to shareholders	19 474	441	2 895	(5 103)	17 707
Net intercompany interest	1 472	(369)	(1 103)	-	-
Total assets 2004 (£'million)					
Cash and balances at central banks	8	3	248	-	259
Treasury bills and other eligible bills	7	138	-	-	145
Loans and advances to banks	953	65	136	-	1 154
Loans and advances to customers	2 425	253	192	-	2 870
Debt securities	638	-	150	-	788
Equity shares	255	2	2	-	259
Interests in associated undertakings	1	1	1	-	3
Other participating interests	9	-	-	-	9
Intangible fixed assets	144	12	-	-	156
Tangible fixed assets	18	1	14	-	33
Other assets	479	4	25	-	508
Prepayments and accrued income	47	1	(9)	-	39
Total assets	4 984	480	759	-	6 223

The Statement of Recommended Practice on Segmental Reporting by Banks recommends, inter alia, net assets to be disclosed by class of business and geographical segment. In the view of the directors it would not be meaningful to provide this information by class of business since the economic capital of certain significant businesses of the group is not held in, or allocated to, these businesses, but is held centrally.

The Statement of Recommended Practice on Segmental Reporting by Banks and the Companies Act recommends the disclosure by geographical segment of gross income, consisting of interest receivable, dividend income, fees and commissions receivable, dealing profits and other operating income. In the view of the directors, interest receivable and fees and commissions receivable are monitored on a net basis and aggregate split of fees and commissions receivable and payable by geographical segment would not provide meaningful disclosure. Consequently, gross income is not separately disclosed.

The statement of Recommended Practice on Segmental Reporting by banks recommends that the geographical analysis be based on the location of the office at which the transaction was recorded or the location of the customer. The group geographical analysis is based on the location of the office at which the transaction was recorded.

As the business of the group is mainly that of banking, no segmental analysis of turnover is given.

A geographical breakdown of business operating profit before exceptional items and goodwill amortisation is shown below:

For the year ended 31 March £000	United Kingdom and Europe	Australia	Other geographies	Total group
I. Segmental analysis (continued)				
2005				
Private Client Activities	45 695	4 119	2 051	51 865
Treasury and Specialised Finance	15 527	1 496	(210)	16 813
Investment Banking	15 287	3 515	2 165	20 967
Asset Management	5 373	-	185	5 558
Property Activities	5 071	-	-	5 071
Group Services and Other Activities	(25 402)	2 328	(1 191)	(24 265)
Total group	61 551	11 458	3 000	76 009
2004				
Private Client Activities	30 627	3 025	600	34 252
Treasury and Specialised Finance	14 015	436	2 467	16 918
Investment Banking	2 939	4 312	3 321	10 572
Asset Management	1 614	-	257	1 871
Property Activities	1 521	-	-	1 521
Group Services and Other Activities	(11 983)	1 853	(294)	(10 424)
Total group	38 733	9 626	6 351	54 710

Further breakdowns of business line operating profit before exceptional items and goodwill amortisation are shown below:

At 31 March 2005 £'000	2005	2004
Private Client Activities		
Private Banking	43 073	28 233
Private Client Portfolio Management and Stockbroking	8 792	6 019
	51 865	34 252
Treasury and Specialised Finance		
Banking Activities	15 471	11 555
Financial Market Activities	1 342	5 363
	16 813	16 918
Investment Banking		
Corporate Finance	8 133	4 690
Institutional Research and Sales and Trading	2 165	3 064
Private Equity	10 669	2 818
	20 967	10 572
Asset Management		
	5 558	1 871
Property Activities		
	5 071	1 521
Group Services and Other Activities		
International Trade Finance	1 538	1 687
Hong Kong	(857)	-
USA continuing operations	(1 022)	45
	(341)	1 732
Central Funding	(8 386)	2 349
Central Costs	(15 538)	(14 505)
	(24 265)	(10 424)
Total group	76 009	54 710

Select notes to the financial information

At 31 March 2005
£'000

2. Loans and advances to customers

Remaining maturity:

Repayable on demand or at short notice	940 744	1 046 750
Up to three months, excluding on demand or at short notice	286 054	265 869
Three months to one year	550 156	411 246
One year to five years	902 439	779 739
Greater than five years	576 600	399 455
Provision for bad and doubtful debts	(30 893)	(33 641)

2005	2004*
940 744	1 046 750
286 054	265 869
550 156	411 246
902 439	779 739
576 600	399 455
(30 893)	(33 641)
3 225 100	2 869 418

Included in loans and advances to customers are:

Core loans and advances to customers

Net investment in Finance leases

Net investment in operating leases

Non-performing loans

Less : Security held against non-performing loans

Net non-performing loans

All of the net non-performing loans are covered by specific provisions.

* Restated to conform with the current year presentation.

2 295 360	1 898 255
96 216	17 554
7 685	5 226
22 119	22 757
(17 108)	(13 721)
5 011	9 036

3. Provisions for bad and doubtful debts

Specific provisions

At beginning of year	10 757	11 122
Charged against income	1 267	2 891
Acquired or disposed with subsidiary undertakings	(6 189)	-
Utilised	(824)	(2 453)
Exchange movements	(17)	(803)
At end of year	4 994	10 757

General provisions

At beginning of year	22 884	21 958
Charged against income	4 070	1 322
Acquired or disposed with subsidiary undertakings	(1 047)	-
Utilised	-	-
Exchange movements	(8)	(396)
At end of year	25 899	22 884

Total provisions

At beginning of year	33 641	33 080
Charged against income	5 337	4 213
Acquired or disposed with subsidiary undertakings	(7 236)	-
Utilised	(824)	(2 453)
Exchange movements	(25)	(1 199)
At end of year	30 893	33 641

2 295 360	1 898 255
96 216	17 554
7 685	5 226
22 119	22 757
(17 108)	(13 721)
5 011	9 036
4 994	10 757
22 884	21 958
4 070	1 322
(1 047)	-
-	-
(8)	(396)
25 899	22 884
33 641	33 080
5 337	4 213
(7 236)	-
(824)	(2 453)
(25)	(1 199)
30 893	33 641

4. Post balance sheet events

4.1. Sale of Carr Sheppards Crosthwaite

The sale of Carr Sheppards Crosthwaite Limited ("CSC") to Rensburg plc ("Rensburg") was completed on 6 May 2005. The purchase consideration was satisfied by the issue of 22,700,000 Rensburg ordinary shares to Investec I Limited and the creation of a Subordinated Loan of £60 million due by Rensburg plc to Investec I Limited ("Investec I"). A further 2.8 million of Rensburg shares issued in relation to the sale have been placed in an Employee Benefit Trust for the benefit of key CSC employees. The £60 million Subordinated Loan has a term of 10 years from completion and creates an unsecured obligation of Rensburg to Investec I which is subordinated to the senior creditors of Rensburg, other than those ranking pari passu with or subordinate to Investec.

The loan is made up of two tranches:

- (a) Fixed rate tranche of £45 million. Interest is payable semi-annually at 2.25 per cent per annum above the 10 year UK swap rate.
- (b) Floating rate tranche of £15 million. Interest is payable semi-annually at 2.25 per cent per annum above GBP 6 month LIBOR.

The principal amounts of both tranches are repayable in aggregate annual instalments of £7.5 million per annum, commencing in the third year of the term. Rensburg has the right to pre-pay any amount under the floating rate loan at an interest payment date and has the right to pre-pay any amount under the fixed rate tranche at any time after five years. Post-completion Investec I holds 47.7 per cent (excluding the shares held by the Employee Benefit Trust) of the issued share capital of Rensburg, which has now been renamed Rensburg Sheppards plc. For a period of five years following completion, Investec I has undertaken not to vote in excess of 30 per cent of the voting rights of Rensburg's issued share capital and has agreed (subject to certain exceptions) not to dispose of any of its shareholding for a period of 18 months from completion. In terms of the waiver granted to Investec I not to make a general offer to all shareholders of Rensburg, the Investec group, or persons acting in concert with it, is not permitted to increase its shareholding beyond 48.7 per cent of the issued share capital of Rensburg.

4.2. Issue of Preferred Securities

The company is at an advanced stage in raising €150-200 million of innovative Tier 1 capital through the issue of 7.075 per cent, guaranteed Non-voting Non-cumulative Perpetual Preferred Callable Securities ("Preferred Securities") by Investec Tier 1 (UK) Limited (a limited partnership organised under the laws of England and Wales) having the benefit of a subordinated guarantee from the company. The Preferred Securities are callable at the option of the issuer, subject to the approval of the Financial Services Authority, on the tenth anniversary of the issue and, if not called, are subject to a step up in coupon of one and a half times the initial credit spread above the three month euro-zone interbank offered rate. The issue is expected to be signed on 22 June 2005. The capital will be used to augment the group's capital base.

Under the terms of the issue there are provisions for the Preferred Securities to be substituted for Preference Shares issued by the company if Investec plc's capital ratios fall below the minimum level permitted by the Regulator. Resolutions to create this class of shares will be proposed at the forthcoming Annual General Meeting. The issuer has the option not to pay a distribution when it falls due but this would then prevent the payment of Ordinary dividends by the company.

Select notes to the financial information

For the year ended 31 March

5. Principal subsidiary and associated companies

Direct subsidiaries of Investec plc

Investec Holding Company Limited

Indirect subsidiaries of Investec plc

Investec Bank (Australia) Ltd

Investec SA

Investec Holdings (UK) Ltd

Investec I Ltd

Investec Bank (UK) Ltd

Investec Group (UK) PLC

Investec Asset Finance PLC

Investec Finance plc

Investec Group Investments (UK) Ltd

Investec Investment Holdings AG

Guinness Mahon & Co Limited

Investec Bank (Channel Islands) Ltd

Investec Bank (Switzerland) AG

Investec Trust (Guernsey) Limited

Investec Trust (Switzerland) S.A.

Investec Trust (Jersey) Limited

Carr Sheppards Crosthwaite Ltd*

Investec Asset Management Limited

Investec Ireland Ltd

Investec US Inc

Investec Bank (Israel) Ltd

(sold 22 December 2004)

European Capital Company Ltd

	Principal activity	Country of incorporation	Interest %	
			2005	2004
	Investment holding	England and Wales	100	100
	Banking Institution	Australia	100	100
	Investment holding	Luxembourg	100	100
	Holding company	England and Wales	100	100
	Investment holding	England and Wales	100	100
	Banking institution	England and Wales	100	100
	Holding company	England and Wales	100	100
	Leasing company	England and Wales	100	100
	Debt issuer	England and Wales	100	100
	Investment holding	England and Wales	100	100
	Investment holding	Switzerland	100	100
	Investment holding	England and Wales	100	100
	Banking institution	Guernsey	100	100
	Banking institution	Switzerland	100	100
	Trust Company	Guernsey	100	100
	Trust Company	Switzerland	100	100
	Trust Company	Jersey	100	100
	Stockbroking and portfolio management	England and Wales	100	100
	Asset Management	England and Wales	100	100
	Financial Services	Ireland	100	100
	Financial Services	USA	100	100
	Banking institution	Israel	0	80
	Project Finance	England and Wales	100	100

All of the above subsidiary undertakings are included in the consolidated accounts.

* See post balance sheet event note.

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