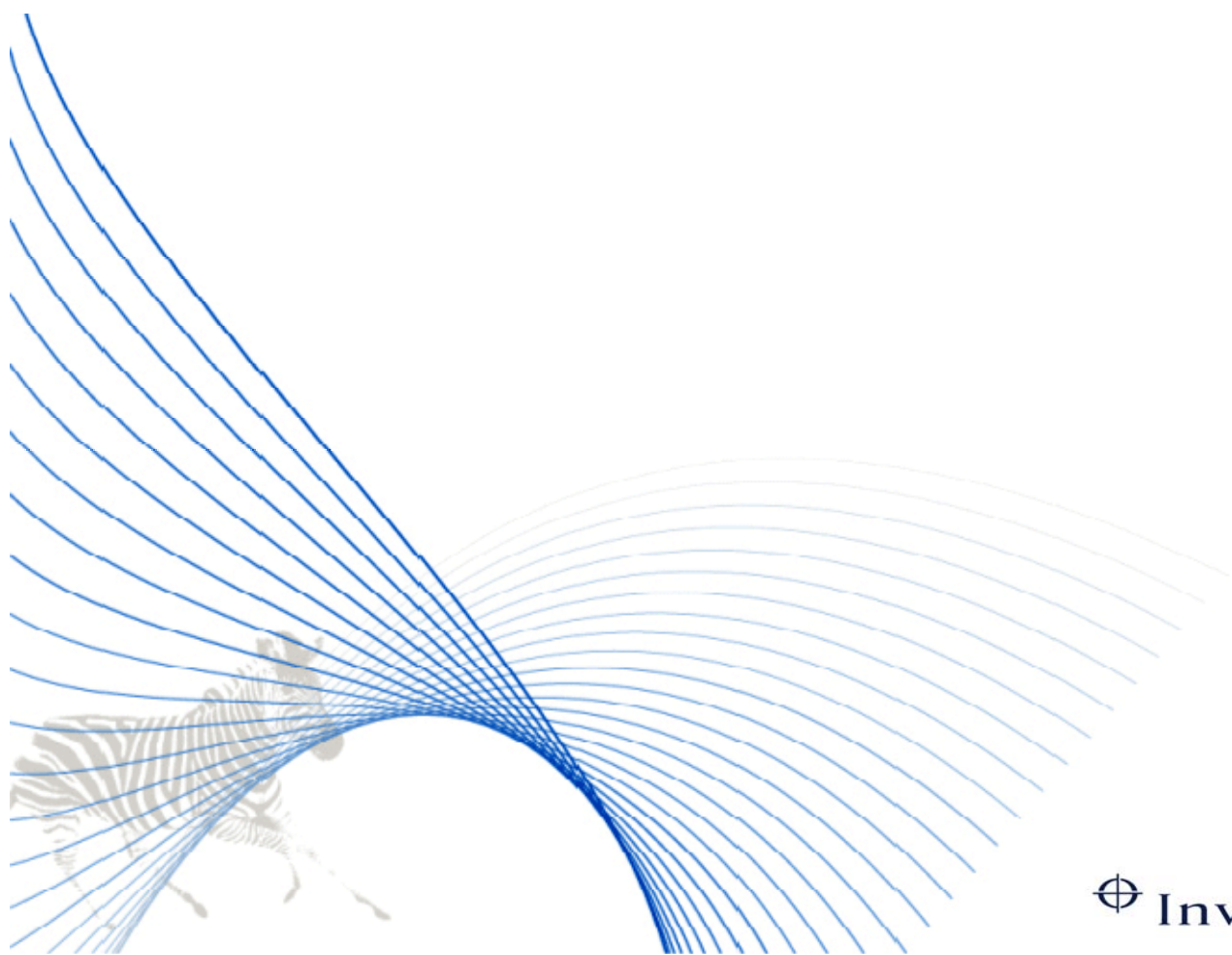


## **Investec plc (excluding the results of Investec Limited)**

Consolidated financial information for the six months ended 30 September 2005

IFRS - Pounds Sterling



 **Investec**

## Accounting policies and disclosures

### Transition to International Financial Reporting Standards

#### Overview

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 Investec plc are prepared on this basis and incorporate the consolidated balance sheet and consolidated profit and loss account of Investec plc and Investec Limited. The attached unaudited pro-forma consolidated financial statements of Investec plc exclude Investec Limited and its subsidiaries.

From 1 April 2005 the Investec plc group is required to prepare its consolidated results in accordance with International Financial Reporting Standards (IFRS). Previously these were prepared in accordance with UK GAAP. The first set of IFRS compliant financial statements that will be prepared by the group will be for the year ending 31 March 2006.

The group's transition to IFRS has been performed in accordance with IFRS 1 "First-Time Adoption of International Reporting Standards" and other relevant standards as are expected to be applicable at 31 March 2006.

The following dates are applicable for the transition to IFRS:

1 April 2004 – date of transition to IFRS, being the start of the earliest period of comparative information.

30 September 2004 – six month comparative period to 30 September 2005.

31 March 2005 – twelve month comparative period to 31 March 2006.

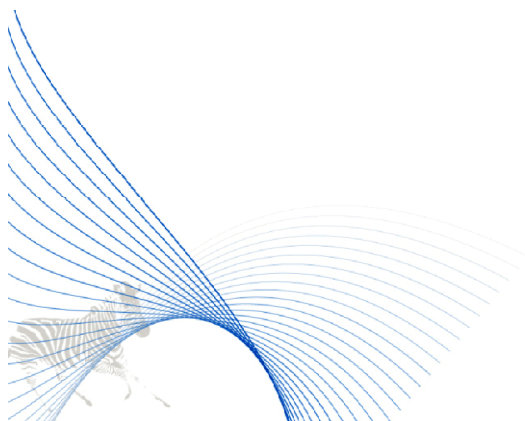
In accordance with the provisions of IFRS 1, the group has elected not to apply the requirements of IAS 32, "Financial Instruments: Disclosure and Recognition", IAS 39, "Financial Instruments: Recognition and Measurement" and IFRS 4, "Insurance Contracts" to the 2005 comparative period. The impact of adoption of these standards is reflected as an adjustment to the opening balance sheet at 1 April 2005. To facilitate comparability, a pro forma income statement is presented which incorporates the impact of the adoption of IAS39 in the following respects:

- a) recognising certain fees on an effective yield basis,
- b) the release of general provisions on loans and advances and
- c) fair value adjustments for embedded derivatives.

#### Future developments under IFRS

The financial information contained in the report has been prepared on the Investec group's expectation of standards that will be applicable at 31 March 2006 (being the first time that the Investec plc group will prepare financial statements under IFRS). Changes to information presented in this report may be required due to one or more of the following reasons:

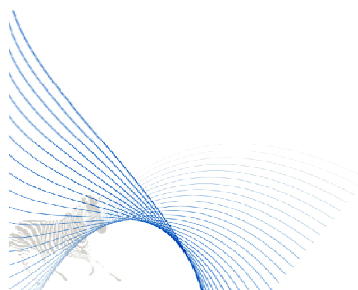
- Further standards and interpretations may be issued that could be applicable to the financial year ending 31 March 2006.
- Interpretations may differ as practice develops.
- Tax legislation and tax related interpretations may develop further.



## Overview of results

	30 Sept 2005	30 Sept 2004	% Change	31 March 2005
Earnings attributable to ordinary shareholders excluding goodwill impairment and non-operating items (£'000)	38,124	29,554	29.0%	57,040
Operating profit before goodwill impairment and non-operating items (£'000)	55,355	35,247	57.0%	74,805
Cost to income ratio	67.8%	78.3%	-13.3%	77.8%

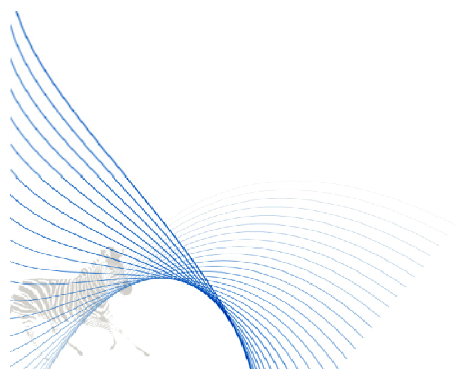
	30 Sept 2005	1 April 2005	% Change
Total capital resources (including subordinated liabilities) (£'million)	975	719	35.5%
Total equity (£'million)	740	497	48.9%
Total shareholders' equity (£'million)	600	497	20.7%
Total assets (£'million)	6,728	8,186	-17.8%
Loans and advances to customers (£'million)	3,193	2,658	20.1%
Loans and advances to customers as a percentage of total assets	47.5%	32.5%	46.1%
Capital adequacy ratio	18.7%	15.4%	21.4%
Tier 1 ratio	11.3%	9.8%	15.3%



## Investec plc (excluding the results of Investec Limited)

### Consolidated income statements

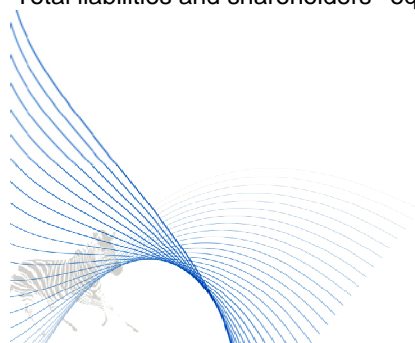
£'000	6 months to 30 Sept 2005	6 months to 30 Sept 2004	year to 31 March 2005
Interest received	152,462	144,021	251,875
Interest paid	(94,814)	(104,251)	(170,574)
<b>Net interest income</b>	<b>57,648</b>	<b>39,770</b>	<b>81,301</b>
Fees and commissions receivable	109,517	124,263	245,701
Fees and commissions payable	(13,151)	(8,583)	(19,204)
Principal transactions	24,652	10,837	35,968
Income from operating associates	2,950	107	159
Other operating income	705	217	255
<b>Other income</b>	<b>124,673</b>	<b>126,841</b>	<b>262,879</b>
<b>Total operating income</b>	<b>182,321</b>	<b>166,611</b>	<b>344,180</b>
Impairment losses on loans and advances	(3,272)	(951)	(1,589)
<b>Net operating income</b>	<b>179,049</b>	<b>165,660</b>	<b>342,591</b>
Administrative expenses	(121,882)	(127,985)	(263,312)
Depreciation and impairment of property, plant and equipment	(1,812)	(2,428)	(4,474)
<b>Operating profit before goodwill impairment</b>	<b>55,355</b>	<b>35,247</b>	<b>74,805</b>
Impairment of goodwill		4,357	(10,298)
<b>Operating profit</b>	<b>55,355</b>	<b>39,604</b>	<b>64,507</b>
Profit/(loss) on termination, disposal or combination of group operations	76,223	(10,455)	(6,207)
<b>Net income before taxation</b>	<b>131,578</b>	<b>29,149</b>	<b>58,300</b>
Taxation	(13,469)	(6,352)	(16,957)
<b>Profit after taxation</b>	<b>118,109</b>	<b>22,797</b>	<b>41,343</b>
Earnings attributable to minority shareholders	3,762	(659)	808
Profit attributable to shareholders	114,347	23,456	40,535
<b>Profit attributable to shareholders' equity</b>	<b>118,109</b>	<b>22,797</b>	<b>41,343</b>



# Investec plc (excluding the results of Investec Limited)

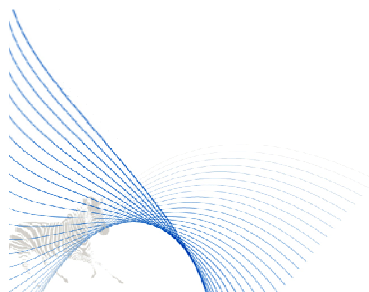
## Consolidated balance sheets

£'000	30 Sept 2005	1 April 2005
<b>Assets</b>		
Cash and balances at central banks	14,091	10,320
Loans and advances to banks	461,495	1,088,177
Reverse repurchase agreements and cash collateral on securities borrowed	611,747	2,157,401
Trading securities	136,769	303,407
Derivative financial instruments	163,844	128,015
Cash equivalent advances to customers	53	52
Investment securities	1,107,824	1,100,350
Loans and advances to customers	3,192,544	2,657,980
Interests in associated undertakings	59,076	13,218
Deferred taxation assets	24,579	28,361
Other assets	799,505	537,590
Property, plant and equipment	22,311	20,449
Goodwill	134,383	140,785
	<b>6,728,221</b>	<b>8,186,105</b>
<b>Liabilities</b>		
Deposits by banks	1,044,685	950,230
Derivative financial instruments	44,338	97,226
Other trading liabilities	182,584	1,737,758
Repurchase agreements and cash collateral on securities lent	31,313	337,407
Customer accounts	2,953,112	2,668,441
Debt securities in issue	748,282	649,264
Deferred taxation liabilities	1,850	1,772
Current taxation liabilities	19,817	18,200
Other liabilities	718,228	995,439
Pension fund liability	9,142	10,991
	<b>5,753,351</b>	<b>7,466,728</b>
Subordinated liabilities	234,662	222,196
	<b>5,988,013</b>	<b>7,688,924</b>
<b>Equity</b>		
Called up share capital	119	119
Share premium account	393,267	393,823
Treasury shares	(22,563)	(24,330)
Other reserves	50,551	55,593
Profit and loss account	178,973	71,771
Shareholders' equity excluding minority interests	<b>600,347</b>	<b>496,976</b>
Minority interests	139,861	205
Total equity	<b>740,208</b>	<b>497,181</b>
Total liabilities and shareholders' equity	<b>6,728,221</b>	<b>8,186,105</b>



**Investec plc (excluding the results of Investec Limited)**  
**Statement of changes in shareholders' equity (summarised)**

£'000	6 months to 30 Sept 2005
<b>Balance at the beginning of the period</b>	<b>497,181</b>
As previously reported	456,453
Changes in accounting policies arising from adoption of IFRS	
-Minority interests included within reconciliation of reserves	1,399
-IFRS 2 - share based payments	553
-IFRS 3 - business combinations	10,831
-IAS 10 - events after balance sheet date	14,597
-IAS 12 - income taxes	(651)
-IAS 17 - leases	285
-IAS 19 - employee benefits	(140)
-IAS 27/28/31 - consolidations, associates and joint ventures	1,825
-IAS 32/39 - financial instruments (adopted from 1 April 2005)	12,029
Foreign currency adjustments	2,264
Retained profit for the period attributable to ordinary shareholders	114,347
Retained profit for the period attributable to minority interests	3,762
Share based payments adjustments	2,931
Fair value movements on available for sale assets	(3,787)
Dividends paid to ordinary shareholders	(14,014)
Share issue expenses	(556)
Purchase of treasury shares	2,200
Issue of equity instruments by subsidiaries	135,880
<b>Balance at the end of the period</b>	<b>740,208</b>



## Investec plc (excluding the results of Investec Limited)

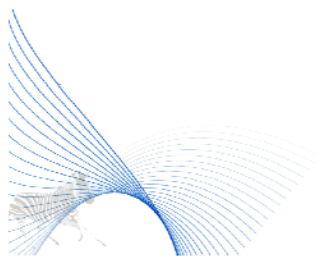
### Segmental information - business analysis

For the six months to 30 September 2005

	Private Client Activities	Treasury and Specialised Finance	Investment Banking	Asset Management	Property Activities	Group Services and Other Activities	Total group
<b>£'000</b>							
Net interest income	41,675	12,814	30	750	(545)	2,924	57,648
Other income	31,595	16,600	40,231	27,988	1,468	6,791	124,673
Total operating income	73,270	29,414	40,261	28,738	923	9,715	182,321
Impairment losses on loans and advances	(1,058)	(562)	-	-	-	(1,652)	(3,272)
<b>Net operating income</b>	<b>72,212</b>	<b>28,852</b>	<b>40,261</b>	<b>28,738</b>	<b>923</b>	<b>8,063</b>	<b>179,049</b>
Total expenses	(38,400)	(21,590)	(21,697)	(25,254)	(248)	(16,505)	(123,694)
<b>Operating profit before goodwill impairment</b>	<b>33,812</b>	<b>7,262</b>	<b>18,564</b>	<b>3,484</b>	<b>675</b>	<b>(8,442)</b>	<b>55,355</b>
Cost to income ratio	52.4%	73.4%	53.9%	87.9%	26.9%	169.9%	67.8%

For the six months to 30 September 2004 pro-forma

	Private Client Activities	Treasury and Specialised Finance	Investment Banking	Asset Management	Property Activities	Group Services and Other Activities	Total group
<b>£'000</b>							
Net interest income	32,507	5,912	922	530	(451)	350	39,770
Other income	45,111	20,743	26,029	23,967	6,006	4,985	126,841
Total operating income	77,618	26,655	26,951	24,497	5,555	5,335	166,611
Impairment losses on loans and advances	(1,727)	(53)	-	-	(7)	836	(951)
<b>Net operating income</b>	<b>75,891</b>	<b>26,602</b>	<b>26,951</b>	<b>24,497</b>	<b>5,548</b>	<b>6,171</b>	<b>165,660</b>
Total expenses	(49,942)	(20,344)	(19,858)	(22,652)	(1,386)	(16,231)	(130,413)
<b>Operating profit before goodwill impairment</b>	<b>25,949</b>	<b>6,258</b>	<b>7,093</b>	<b>1,845</b>	<b>4,162</b>	<b>(10,060)</b>	<b>35,247</b>
Cost to income ratio	64.3%	76.3%	73.7%	92.5%	25.0%	304.2%	78.3%



# Investec plc (excluding the results of Investec Limited)

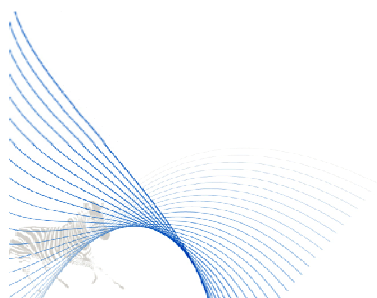
## Segmental information - geographical analysis

For the six months to 30 September 2005

£'000	UK and Europe	Australia	Other	Total group
Net interest income	45,146	12,266	236	57,648
Other income	113,412	7,474	3787	124,673
Total operating income net of insurance claims	158,558	19,740	4,023	182,321
Impairment losses on loans and advances	(2,794)	(478)		(3,272)
<b>Net operating income</b>	155,764	19,262	4,023	179,049
Total expenses	(109,397)	(10,727)	(3,570)	(123,694)
<b>Operating profit before goodwill impairment</b>	<b>46,367</b>	<b>8,535</b>	<b>453</b>	<b>55,355</b>
Cost to income ratio	69.0%	54.3%	88.7%	67.8%

For the six months to 30 September 2004 pro-forma

£'000	UK and Europe	Australia	Other	Total group
Net interest income	27,525	6,592	5,653	39,770
Other income	110,387	6,766	9688	126,841
Total operating income net of insurance claims	137,912	13,358	15,341	166,611
Impairment losses on loans and advances	(449)	(144)	(358)	(951)
<b>Net operating income</b>	137,463	13,214	14,983	165,660
Total expenses	(110,718)	(8,134)	(11,561)	(130,413)
<b>Operating profit before goodwill impairment</b>	<b>26,745</b>	<b>5,080</b>	<b>3,422</b>	<b>35,247</b>
Cost to income ratio	80.3%	60.9%	75.4%	78.3%



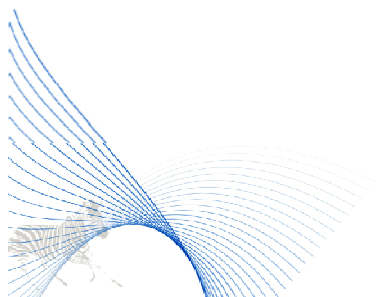


## Asset quality

£'000	30 Sept 2005	1 April 2005
Total loans and advances to customers (gross of impairments) *	3,199,311	2,660,229
Managed book	(39,498)	(33,268)
Net loans and advances to customers	<b>3,159,813</b>	<b>2,626,961</b>
Specific impairments	6,480	5,219
Portfolio impairments	987	929
<b>Total impairments</b>	<b>7,467</b>	<b>6,148</b>
Gross non-performing loans	27,626	22,119
Less: security	(21,168)	(16,941)
<b>Net non-performing loans</b>	<b>6,458</b>	<b>5,178</b>
<b>Adequacy of impairments</b>		
Specific impairments as a % of loans and advances to customers	0.20%	0.20%
Portfolio impairments as a % of net loans and advances to customers	0.03%	0.04%
Total impairments as a % of loans and advances to customers	0.23%	0.23%
Total impairments as a % gross non-performing loans	27.03%	27.80%
Total impairments as a % of net non-performing loans	115.62%	118.73%
Specific impairments as a % of gross non-performing loans	23.46%	23.60%
Specific impairments as a % of net non-performing loans	100.34%	100.79%
Gross non-performing loans as a % of loans and advances to customers	0.86%	0.83%

### Note:

\* Excludes intergroup loans



## Capital adequacy

£'000	30 Sept 2005	1 April 2005
Total assets - banking activities	3,353,978	2,753,616
Trading - notional assets	541,415	629,865
<b>Risk-weighted assets</b>	<b>3,895,393</b>	<b>3,383,481</b>
Tier 1	575,805	473,495
Tier 2	271,776	172,473
Tier 3	26,147	23,262
Goodwill and impairments	(146,728)	(147,455)
<b>Net qualifying capital</b>	<b>727,000</b>	<b>521,775</b>
Qualifying capital as a percentage of RWA	18.7%	15.4%
Tier 1 ratio	11.3%	9.8%

