

Investec a **distinctive** specialist banking group

March year-end results presentation **2005**



Summary of results

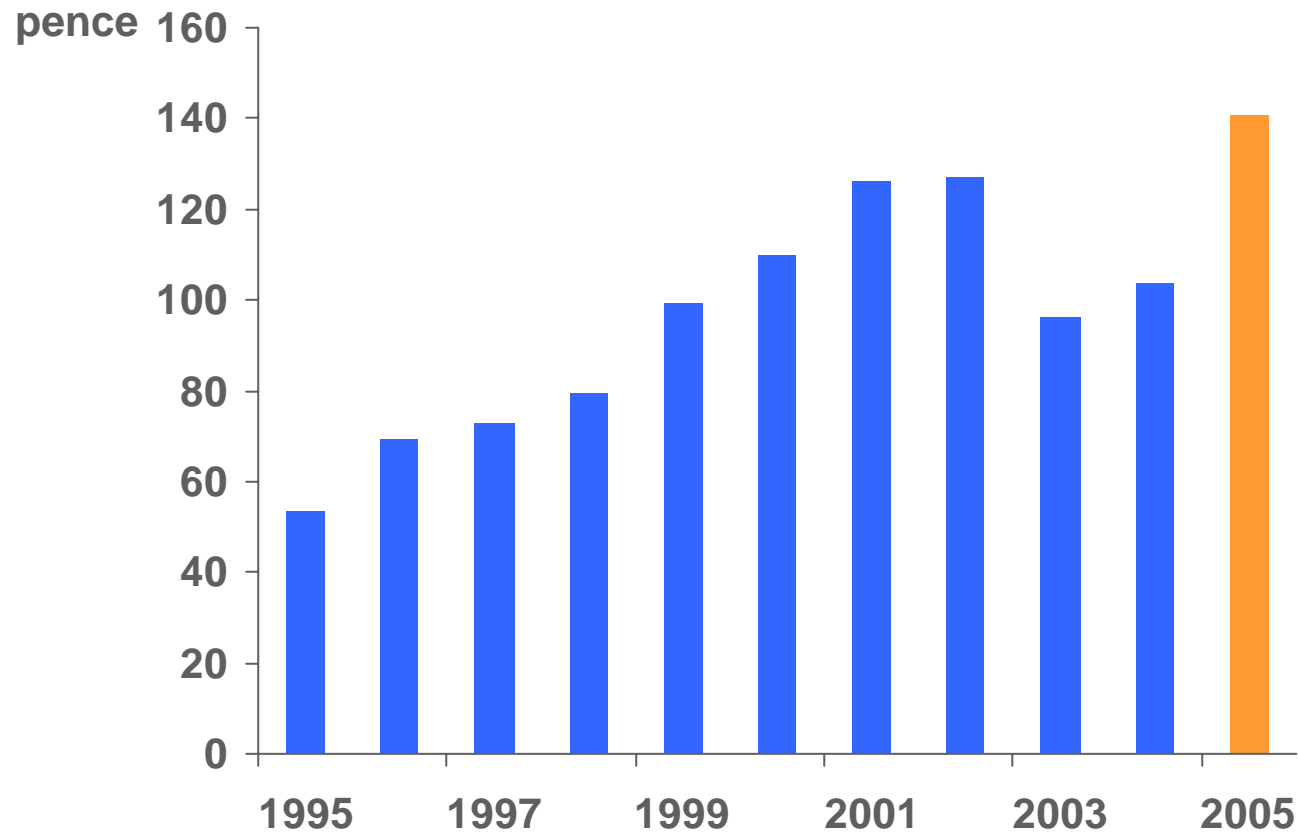
UK GAAP	31 Mar 2005	31 Mar 2004	% Change
Operating profit before tax* (£'000)	208 343	132 260	57.5%
Attributable earnings* (£'000)	151 146	106 203	42.3%
EPS* (pence)	140.8	103.8	35.6%
DPS (pence)	67.0	58.0	15.5%
Dividend cover (times)	2.10	1.79	17.4%
Total assets under admin (£'million)	56 810	47 763	18.9%

* Before exceptional items and amortisation of goodwill

Financial objectives

EPS* growth target: UK RPI +10%

Result:  35.6%

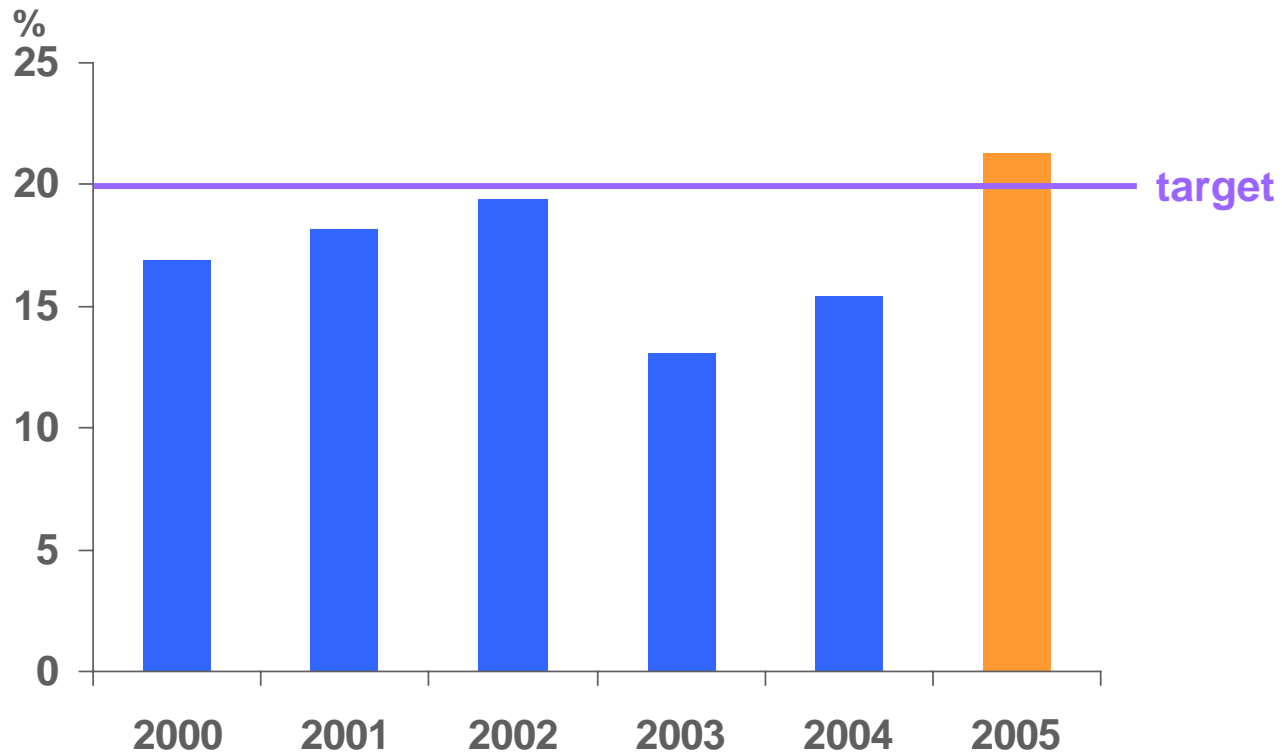


**Before exceptional items and amortisation of goodwill*

Financial objectives

ROE* target: 20%

Result:  21.3%

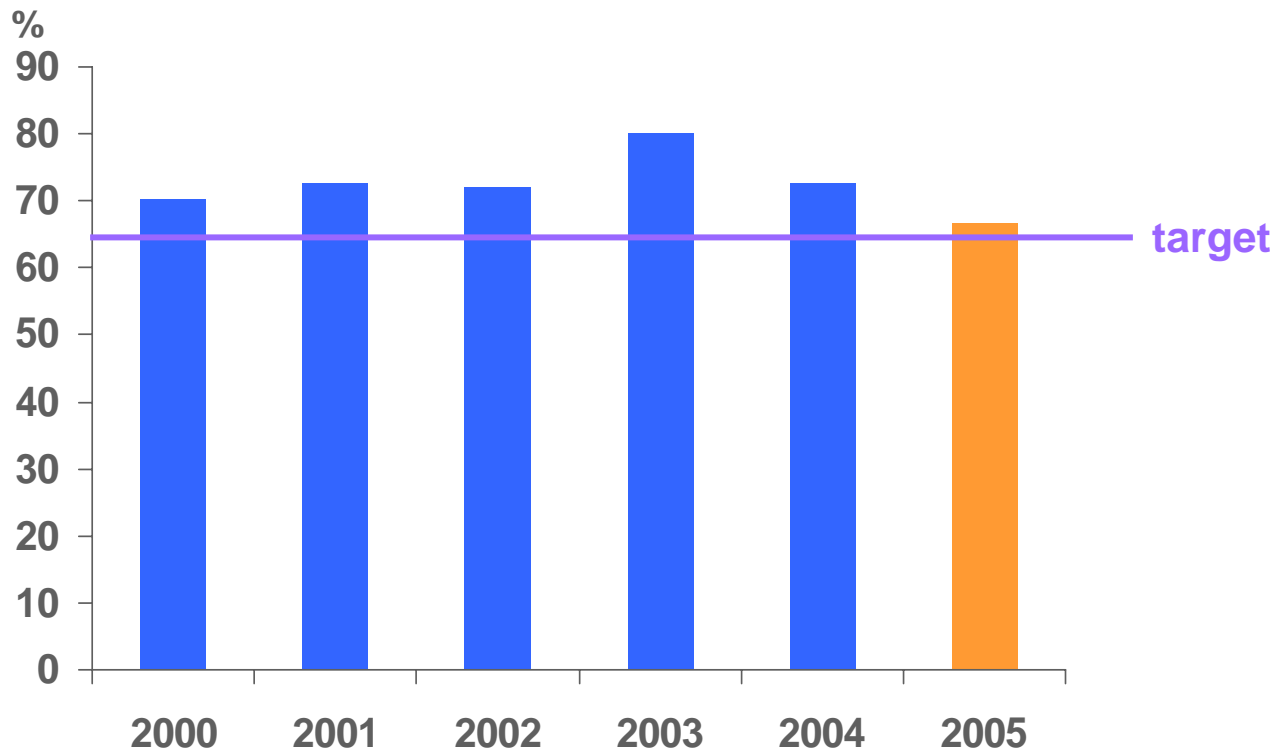


**Return on adjusted equity shareholders' funds (including goodwill and CCD's)*

Financial objectives

Cost ratio target: 65%

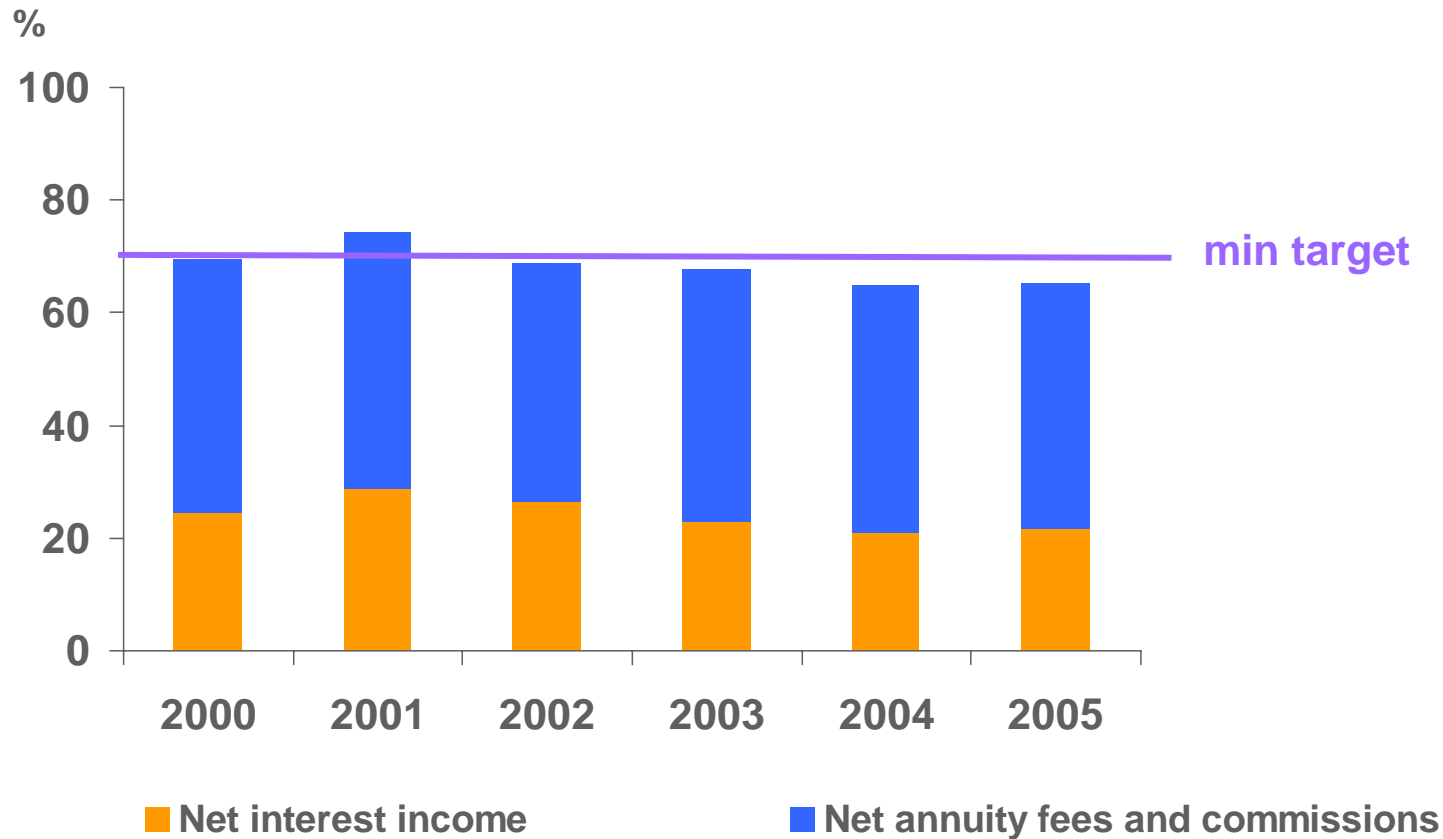
Result: ↓ 66.8%



Financial objectives

Recurring income target: 70 -75%

Result: **↑** 65.2%



Financial objectives

CAR target: 13 -16%

Result: Ltd 20.1% plc 15.5%

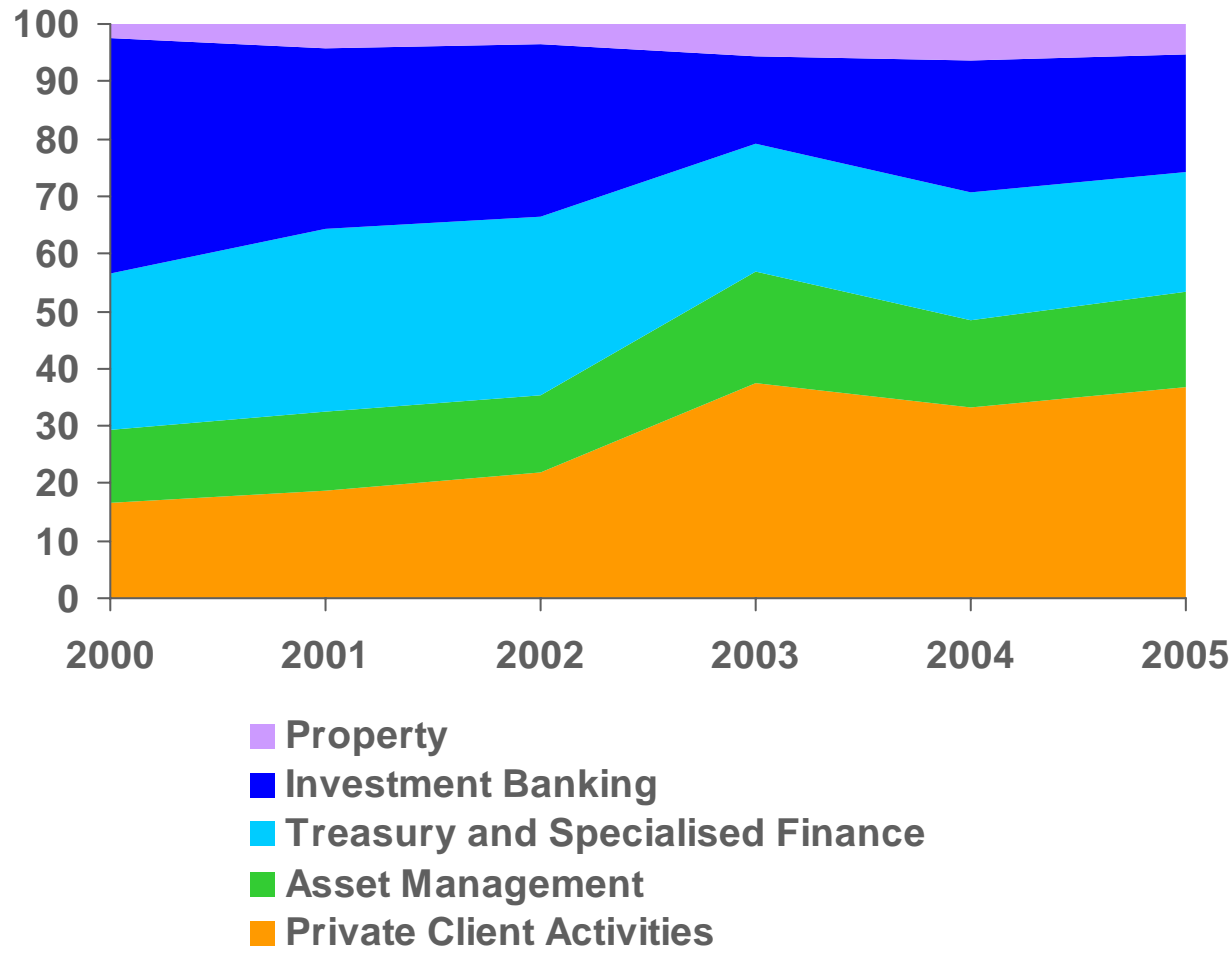
- Maintain CAR ratio and
- Deliver required ROE
- Across all businesses and geographies

Operational review



Balanced portfolio

% contribution to operating profit*

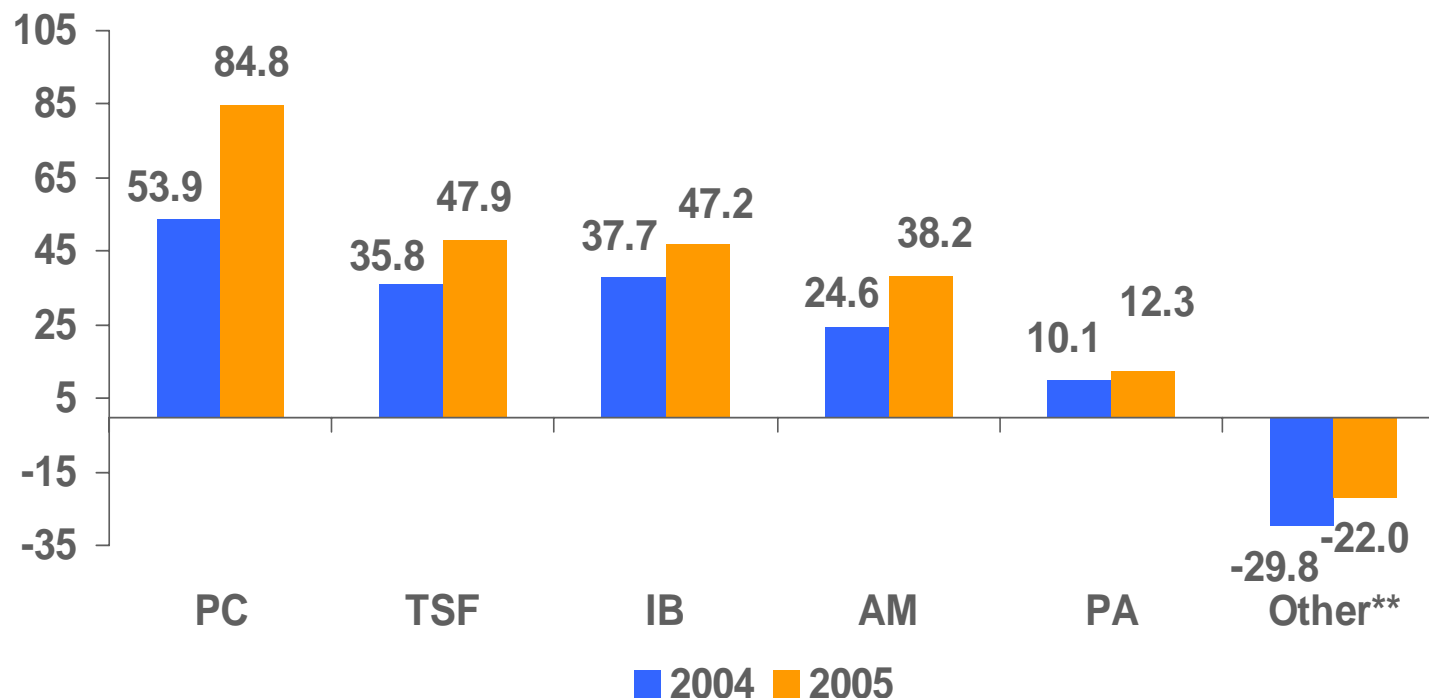


**Excluding Assurance and Group Services and Other Activities*

Divisional performance

Operating profit*

£'mn







*Before taxation, exceptional items and amortisation of goodwill

**Includes Group Services and Other Activities and Assurance Activities. PC=Private Client Activities; TSF=Treasury and Specialised Finance; IB= Investment Banking; AM = Asset Management; PA=Property Activities

Private Client Portfolio Management and Stockbroking

Partner of choice – from wealth creation to wealth management

- Operating profit*  61.7% to £13.7 million
- FUM  14.0% to £9.7 billion
- Cost to income  79.2%
- ROE (pre-tax)**  62.0%
- Recent transactions
SA: HSBC private clients
UK: Rensburg plc merger

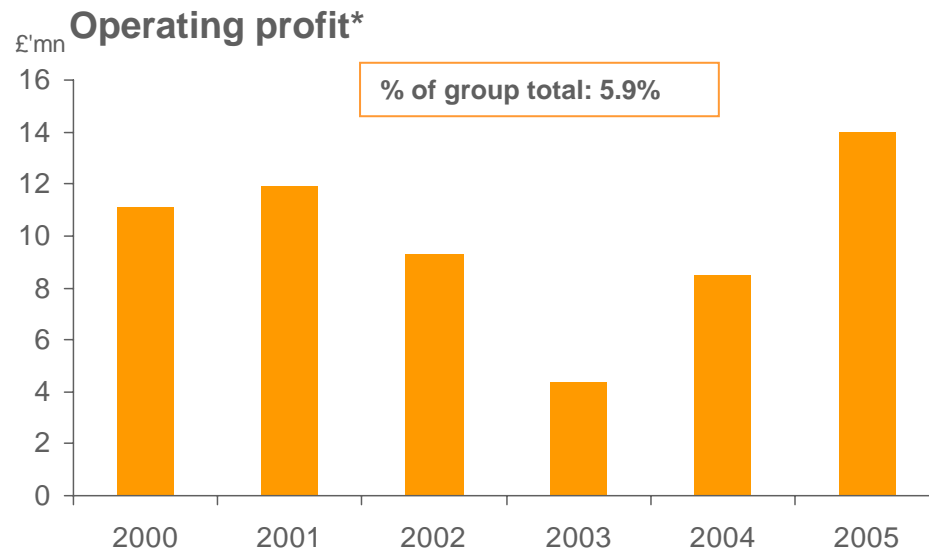
**Before exceptional items and amortisation of goodwill*

***Return on adjusted equity shareholders' funds (including goodwill and CCD's)*

Private Client Portfolio Management and Stockbroking

Outlook

- Performance dependent on the level of equity markets.
- UK: Focus will be on integration with Rensburg and the achievement of synergies.



**Before exceptional items and amortisation of goodwill*

Private Banking

Partner of choice – from wealth creation to wealth management

• Operating profit*	↑	56.7% to £71.1 million
• Loan book	↑	26.5% to £4.3 billion
• Retail deposit book	↑	21.4% to £3.2 billion
• Non-interest income	↑	36.9% to £95.7 million
• Cost to income	↓	56.1%
• ROE (pre-tax)**	↑	28.4%

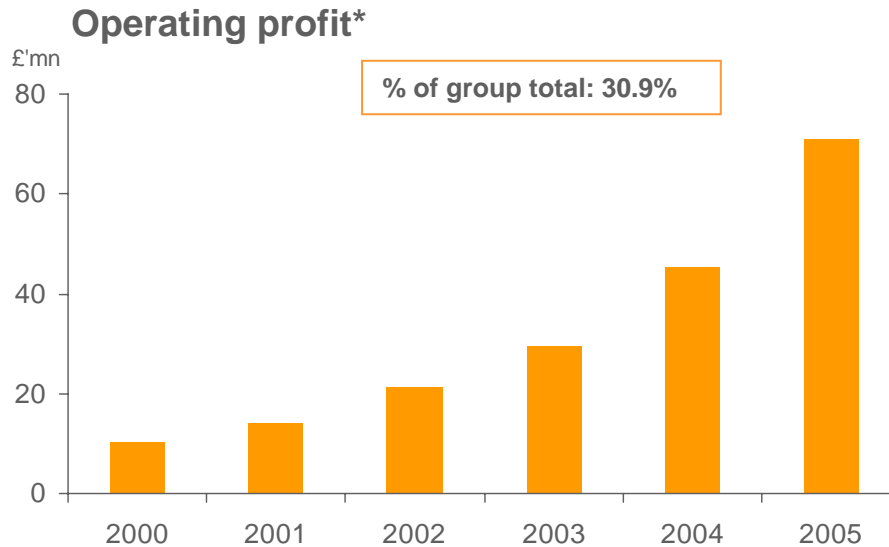
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Private Banking

Outlook

- Targeting 20% earnings growth on the back of a three year 48% compound growth rate.
- Positive momentum is supported by a strong pipeline of new initiatives, new deal flow and benefits of scale.



**Before exceptional items and amortisation of goodwill*

Treasury and Specialised Finance

Specialist structuring and advisory business

• Operating profit*	↑	33.9% to £47.9 million
• Loan book	↑	34.5% to £1.6 billion
• Banking activities	↑	44.7%
• Financial markets activities	↑	41.9% (excl. Israel)
• Cost to income	↓	62.3%
• ROE (pre-tax)**	↑	27.8%

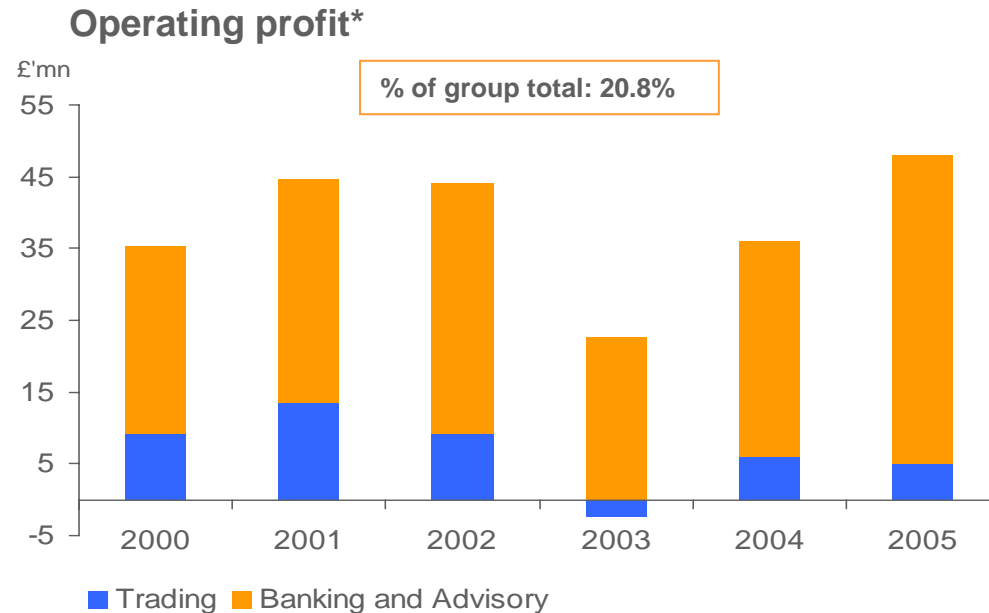
**Before exceptional items and amortisation of goodwill*

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Treasury and Specialised Finance

Outlook

- There is a good level of positive momentum in the business and line of sight income is good.
- On balance we have built a strong platform and are well positioned to target significant and sustainable growth.



**Before exceptional items and amortisation of goodwill*

Investment Banking

Super-boutique strategy targeting specific clients and market niches

• Operating profit*	↑	25.0% to £47.2 million
• Agency and Advisory profit*	↑	12.0% to £13.8 million
• Direct Investments and Private Equity profit*	↑	31.3% to £33.3 million
• Cost to income	↓	54.9%
• ROE (pre-tax)**	↑	119.1%

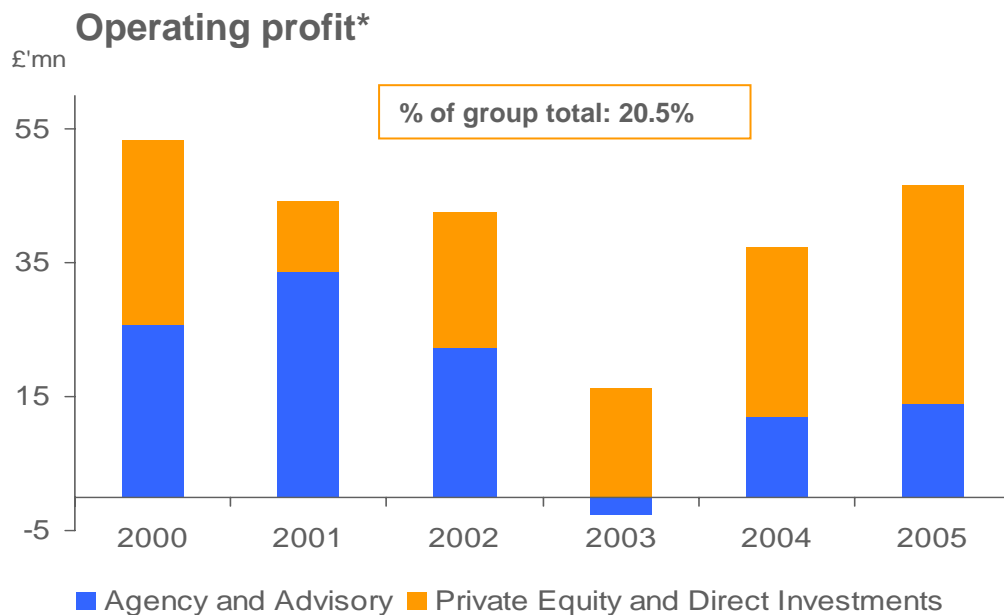
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Investment Banking

Outlook






- We have a balanced portfolio of businesses.
- The current level of momentum is good.
- Solid deal pipeline in place.



**Before exceptional items and amortisation of goodwill*

Asset Management

Investment specialist focused on performance and client needs

- Operating profit*  55.1% to £38.2 million
- FUM  11.4% to £22.9 billion
- Investment performance 
- Cost to income  69.9%
- ROE (pre-tax)**  21.7%

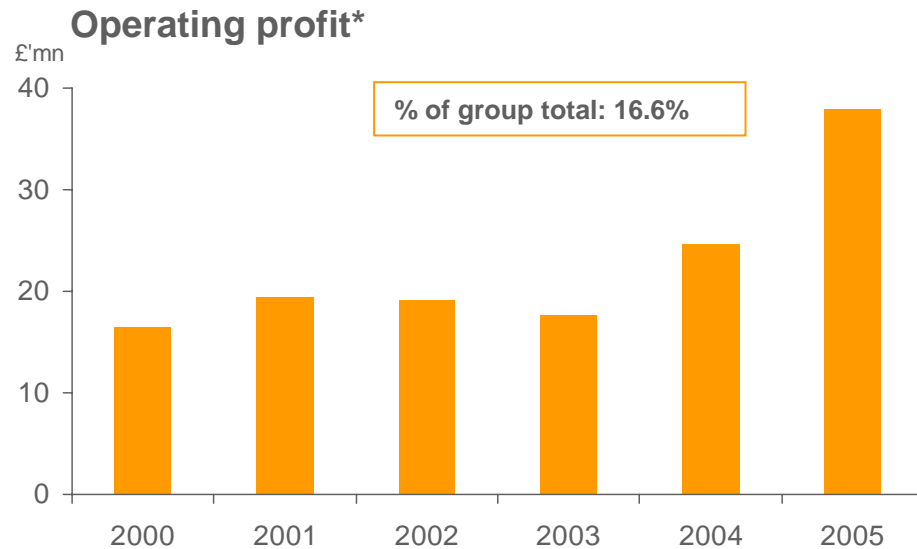
**Before exceptional items and amortisation of goodwill*

***Return on adjusted equity shareholders' funds (including goodwill and CCD's)*

Asset Management

Outlook





- Prospects remain good.
- Although dependent on market levels, we have built a foundation to grow confidently.



**Before exceptional items and amortisation of goodwill*

Property Activities

Leading fund management consolidator, seeking out selective trading opportunities

- Operating profit*  21.5% to £12.3 million
- FUM  17.8% to £1.3 billion
- Cost to income  56.0%
- ROE (pre-tax)**  66.1%

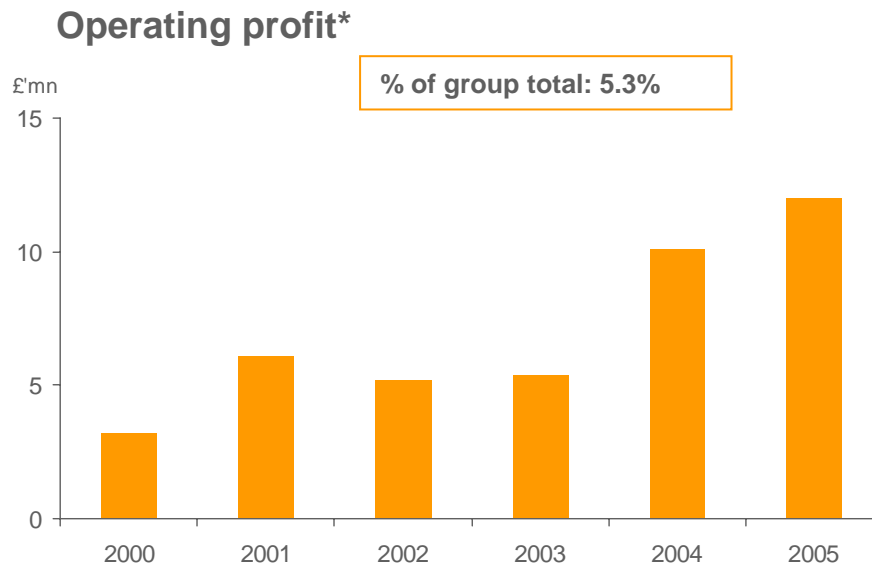
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Property





Outlook

- SA: Property market favourable given the low interest rate environment.
- UK: Commercial property is still in a good space and we are co-investing alongside quality professionals as opposed to direct participation.
- There is a reasonable pipeline of property projects and good prospects of building third party funds under management.



**Before exceptional items and amortisation of goodwill*

Group Services and Other Activities

- Assurance profit*  from £4.6 million to £7.8 million
- International Trade Finance profit*  from £2.7 million to £3.5 million
- Central Funding*  from (£8.3 million) to (£1.2 million)
- Central Costs*  from (£25.7 million) to (£30.3 million)

**Before exceptional items and amortisation of goodwill*

General

- Exceptional items (€8.6 million)
- Effective tax rate From 21.0% to 27.5%
- Weighted shares From 102.3 to 107.4 million
and expected to be 108.6 million in 2006

Outlook



Outlook

Key growth drivers

Third party assets under management

UK

Aus

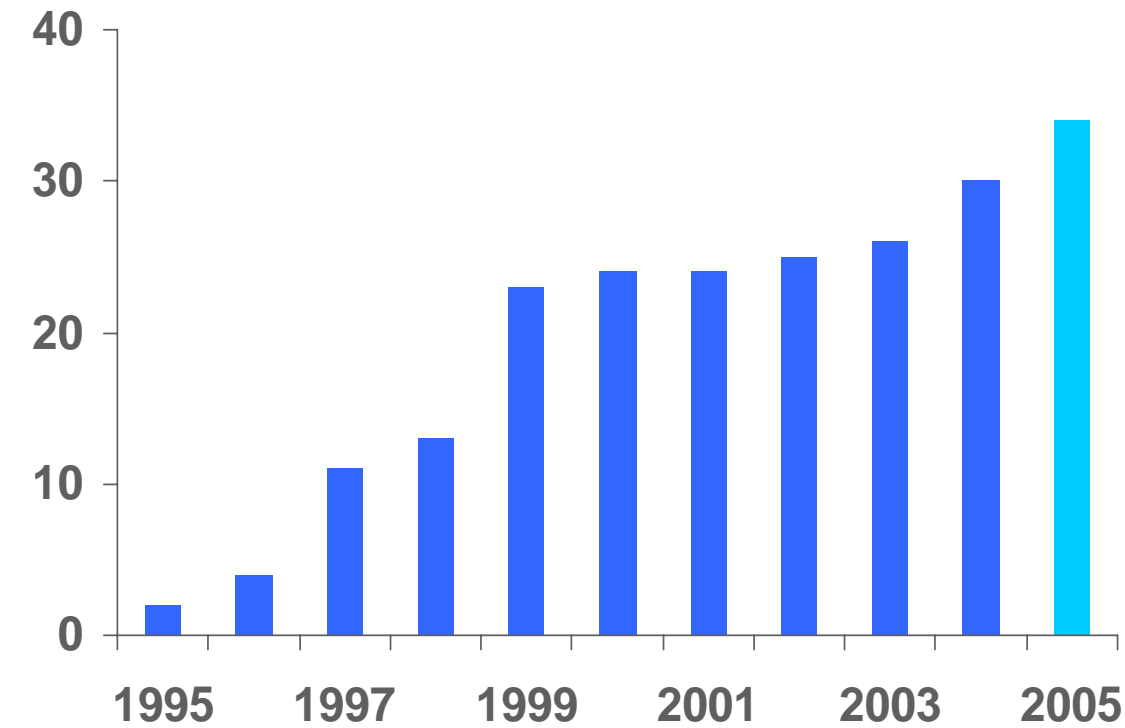
SA

↗

↗

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£'bn



Outlook

Key growth drivers

Core loans and advances

UK

Aus

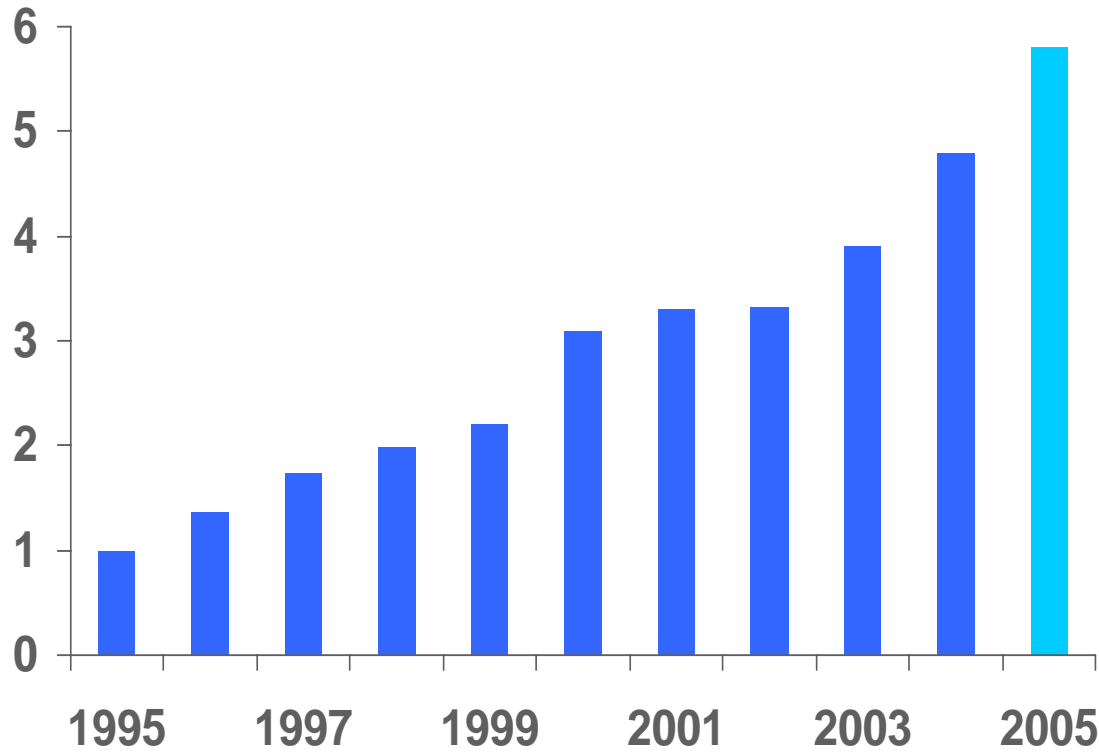
SA

↗

↗

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£'bn



Outlook

Key growth drivers	UK	Aus	SA
Transactional activity	↗	↗	↑
Stock market activity	↗	↗	↗
General economic conditions	→	→	↑

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