

# Results presentation

For the year-ended 31 March 2006



A **distinctive** specialist banking group



## Highlights

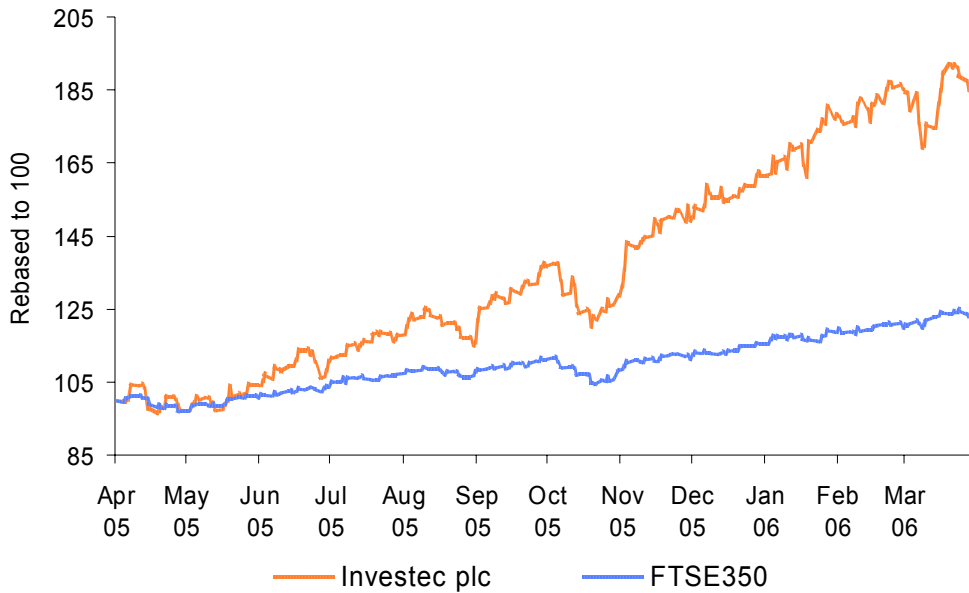




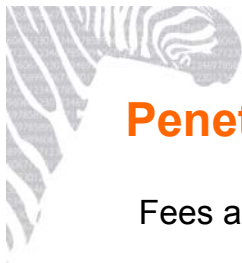
Constant pursuit of a sustainable, distinctive growth strategy

## Strong results

Investec plc relative to the FTSE 350



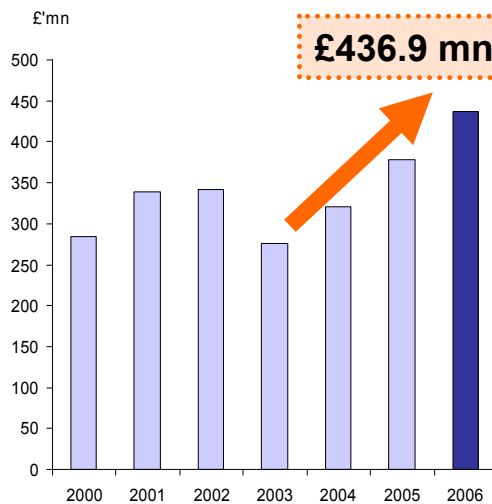
Source: Datastream



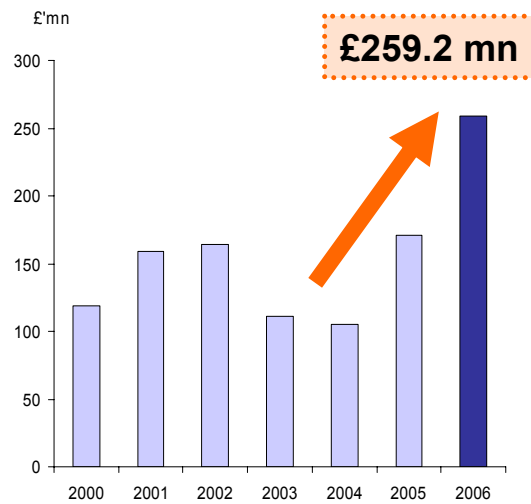
Constant pursuit of a sustainable, distinctive growth strategy

## Penetrating our core markets

Fees and commissions



Net interest income



Note: Prior to 2005 the numbers are reported in terms of UK GAAP and for Mar 2005 and Mar 2006 in terms of IFRS



Constant pursuit of a sustainable, distinctive growth strategy

## Increased brand recognition

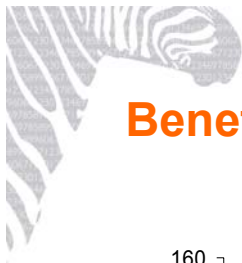


### Individual flair.

**We have a distinctive approach.** Single minded and focused. Always seeking to challenge and innovate. To provide you with a world-class range of specialist banking and investment products and services.

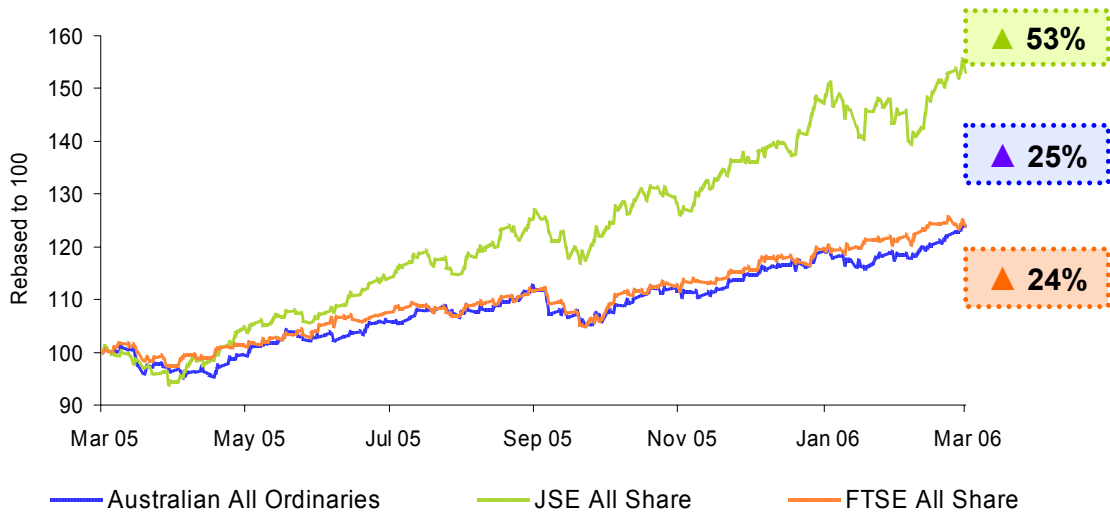
Australia • Botswana • Hong Kong • Ireland • Mauritius  
Namibia • South Africa • Switzerland • United Kingdom &  
Channel Islands • United States • [www.investec.com](http://www.investec.com)

Out of the Ordinary



Constant pursuit of a sustainable, distinctive growth strategy

## Benefited from favourable market conditions



Source: Datastream



Constant pursuit of a sustainable, distinctive growth strategy

## Resulting in...

(IFRS)	31 Mar 2006	Pro-forma 31 Mar 2005	% Change
Operating profit* (£'000)	388 767	224 124	73.5%
Profit after tax (£'000)	329 368	113 259	190.8%
Attributable earnings* (£'000)	230 017	149 510	53.8%
Adjusted EPS* (pence)	209.5	134.6	55.6%
DPS (pence)	91.0	67.0	35.8%

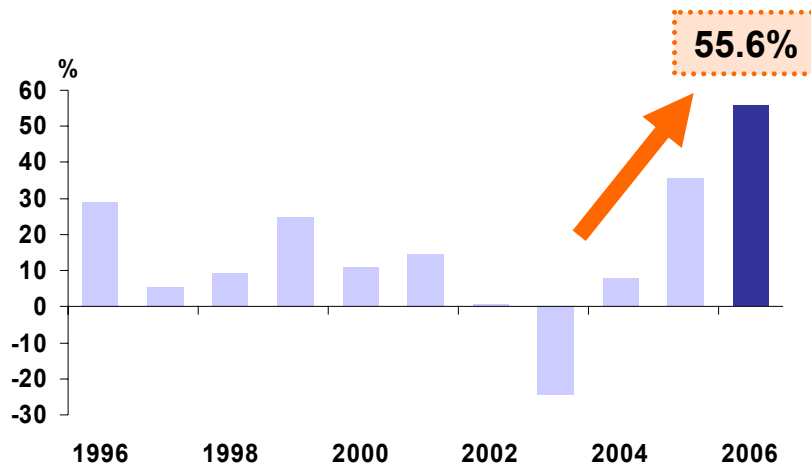
\* Before goodwill impairment and non-operating items



Constant pursuit of a sustainable, distinctive growth strategy

## Delivered on our targets

Adjusted EPS\* growth target: UK RPI +10%



\*Before goodwill impairment and non-operating items

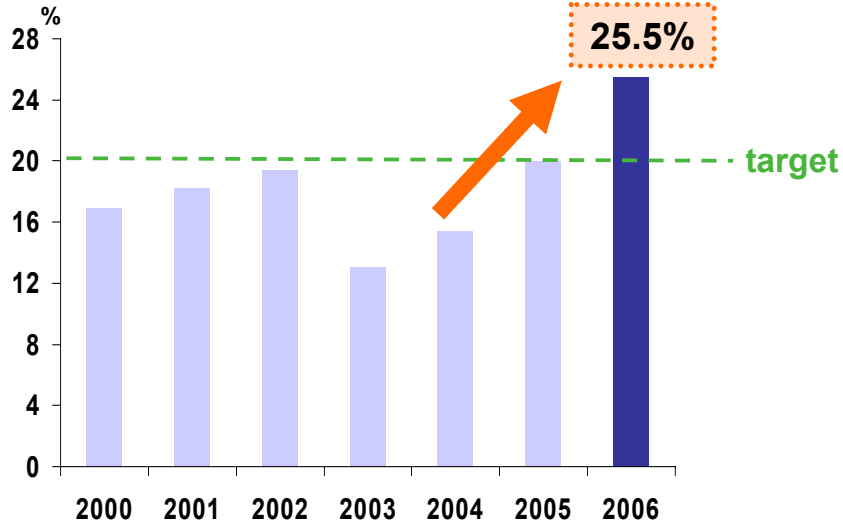
Note: Prior to 2005 the numbers are reported in terms of UK GAAP and for Mar 2005 and Mar 2006 in terms of IFRS



Constant pursuit of a sustainable, distinctive growth strategy

## Delivered on our targets

**ROE\*** target: >20%



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

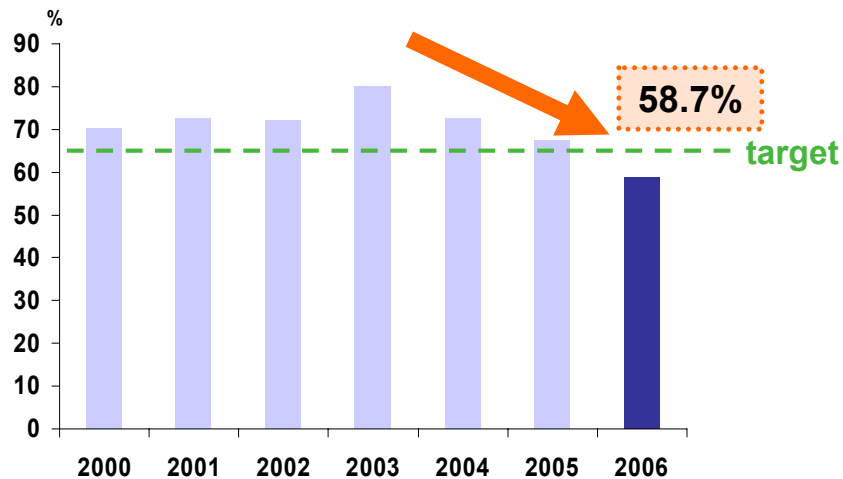
Note: Prior to 2005 the numbers are reported in terms of UK GAAP and for Mar 2005 and Mar 2006 in terms of IFRS



Constant pursuit of a sustainable, distinctive growth strategy

## Delivered on our targets

**Cost ratio** target: < 65%



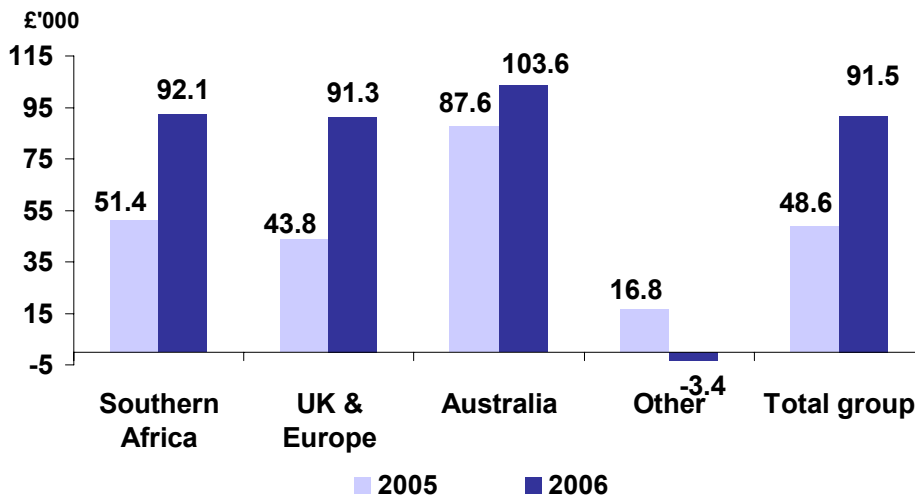
Note: Prior to 2005 the numbers are reported in terms of UK GAAP and for Mar 2005 and Mar 2006 in terms of IFRS



Constant pursuit of a sustainable, distinctive growth strategy

## Leveraging off our platforms

Operating profit per employee\*



\*Before goodwill impairment, non-operating items and taxation, excluding income from associates



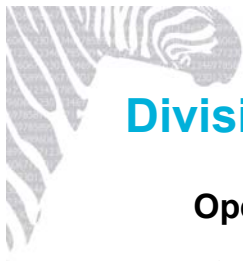
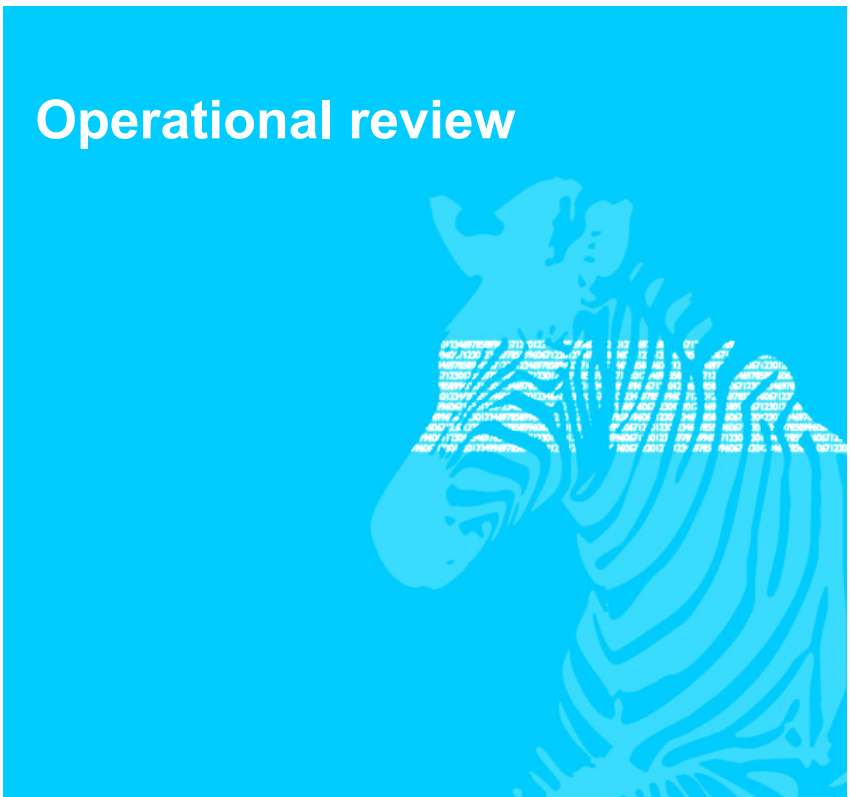
Constant pursuit of a sustainable, distinctive growth strategy

## Growing into our capital

CAR target: 13 - 16%

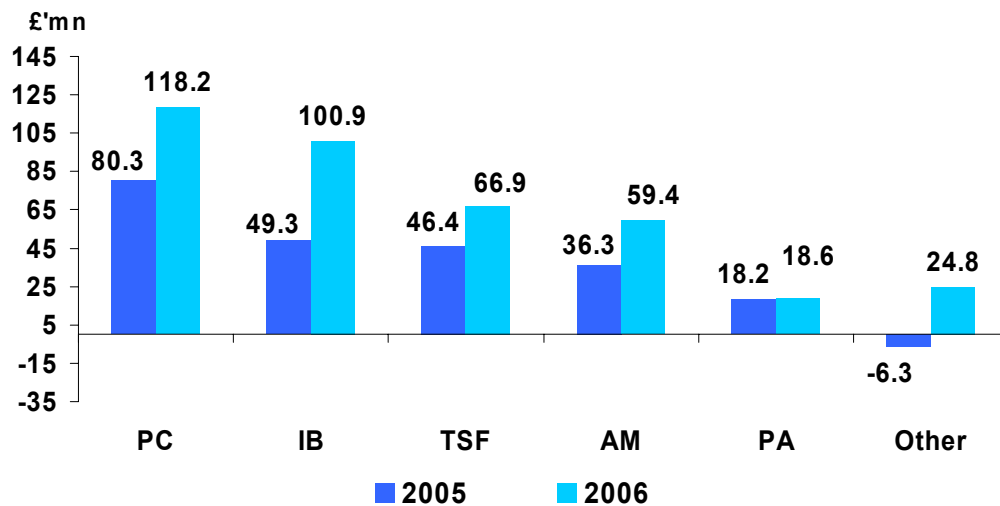
	IBL R'mn	Investec Limited R'mn	IBUK £'mn	Investec plc £'mn
<b>31 Mar 2006</b>				
Net qualifying capital	11 035	12 134	725	762
Risk-weighted assets	68 517	74 560	3 815	4 312
<b>Capital adequacy ratio</b>	<b>16.1%</b>	<b>16.3%</b>	<b>19.0%</b>	<b>17.7%</b>
Tier 1 ratio	10.0%	11.1%	14.4%	11.6%

# Operational review



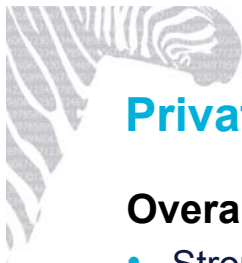
## Divisional performance

### Operating profit\*



\*Before goodwill impairment, non-operating items and taxation

PC = Private Client Activities; TSF = Treasury and Specialised Finance; IB = Investment Banking; AM = Asset Management; PA = Property Activities

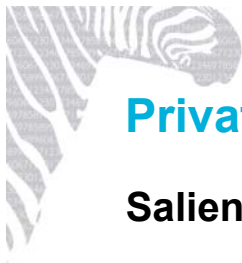


Partner of choice – from wealth creation to wealth management

## Private Banking

### Overall

- Strong performance from all geographies
- All specialisations performed well
- Benefited from growth strategy and initiatives actioned in prior years
- Building a quality business



Partner of choice – from wealth creation to wealth management

## Private Banking

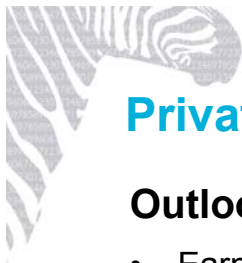
### Salient financials

Operating profit*.....	▲	52.7% to £101.5 million
Loan book.....	▲	43.2% to £6.2 billion
Retail deposit book.....	▲	46.3% to £4.8 billion
Funds under advice.....	▲	75.9% to £1.9 billion
Cost to income.....	▼	59.7%
ROE (pre-tax)** .....	▲	29.3%
Profit per employee*.....	▲	£70.6 thousand

\*Before goodwill impairment, non-operating items and taxation

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





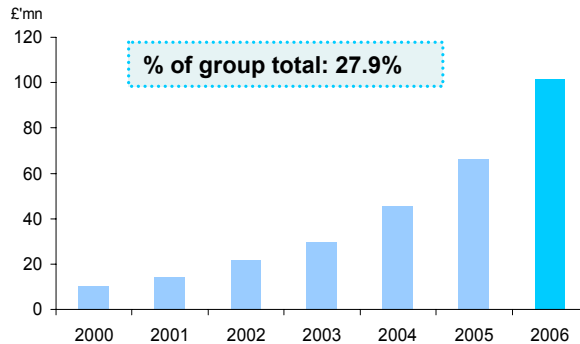
Partner of choice – from wealth creation to wealth management

## Private Banking

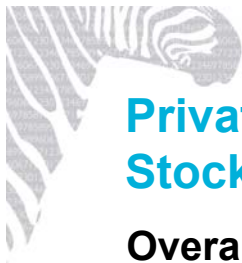
### Outlook

- Earnings visibility across all geographies is positive, with meaningful deal flow
- Planned growth strategies include the expansion of distribution capability together with new strategic initiatives

#### Operating profit\*



\*Before goodwill impairment, non-operating items and taxation  
Note: Prior to 2005 the numbers are reported in terms of UK GAAP and for Mar 2005 and Mar 2006 in terms of IFRS

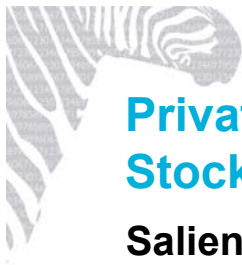


Partner of choice – from wealth creation to wealth management

## Private Client Portfolio Management and Stockbroking

### Overall

- Benefited from positive equity market conditions
- Acquisition of HSBC's Private Client business in South Africa
- Successful and controlled integration of Rensburg Sheppards plc in the UK



Partner of choice – from wealth creation to wealth management

## Private Client Portfolio Management and Stockbroking

### Salient financials

Operating profit*	▲	20.6% to £16.6 million
Funds under management.....	▲	116.2% to £20.9 billion
Cost to income.....	▼	55.9%
ROE (pre-tax)** .....	▼	40.8%
Profit per employee* .....	▲	£66.1 thousand

\*Before goodwill impairment, non-operating items and taxation

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



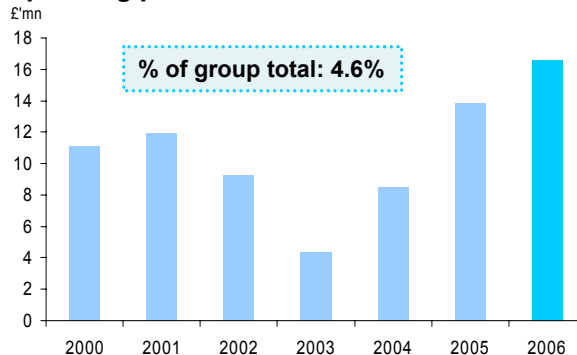
Partner of choice – from wealth creation to wealth management

## Private Client Portfolio Management and Stockbroking

### Outlook

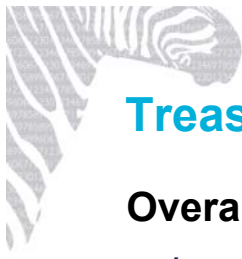
- Continue to leverage off the increased scale

### Operating profit\*



\*Before goodwill impairment, non-operating items and taxation

Note: Prior to 2005 the numbers are reported in terms of UK GAAP and for Mar 2005 and Mar 2006 in terms of IFRS

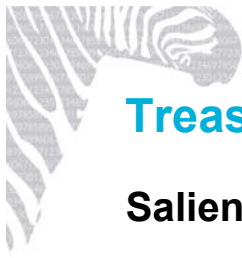


Specialist structuring and advisory business

## Treasury and Specialised Finance

### Overall

- Leveraged strong platform
- Launched securitisation in SA and UK
- Focused on structured derivatives
- Increased capability in Australia



Specialist structuring and advisory business

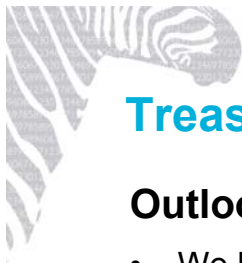
## Treasury and Specialised Finance

### Salient financials

Operating profit* .....	▲	44.3% to £66.9 million
Loan book.....	▲	50.8% to £3.0 billion
Cost to income.....	▼	56.5%
ROE (pre-tax)** .....	▲	27.3%
Profit per employee* .....	▲	£137.3 thousand

\*Before goodwill impairment, non-operating items and taxation

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



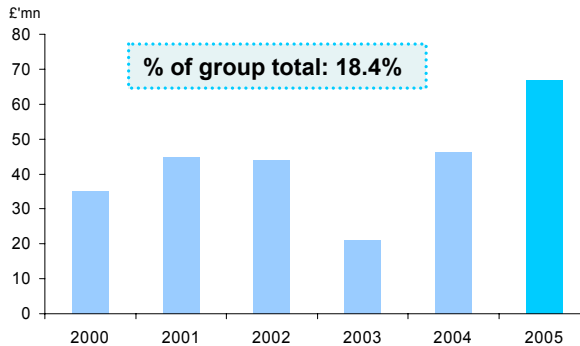
Specialist structuring and advisory business

## Treasury and Specialised Finance

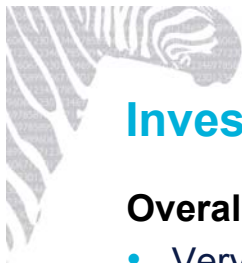
### Outlook

- We have initiatives in place and are developing niche specialisations to ensure continued performance
- Securitisation and specialist funds are key areas of focus

#### Operating profit\*



\*Before goodwill impairment, non-operating items and taxation  
Note: Prior to 2005 the numbers are reported in terms of UK GAAP  
and for Mar 2005 and Mar 2006 in terms of IFRS



Integrated business focused on local client delivery with international access

## Investment Banking

### Overall

- Very strong performance
- More effective people
- Increase size and quality of our client base
- Improved market share
- Fast growing international brand recognition



Integrated business focused on local client delivery with international access

## Investment Banking

### Salient financials

Operating profit*	▲	104.8% to £100.9 million
Agency and Advisory profit*	▲	111.1% to £26.6 million
Direct Investments and Private Equity profit*	▲	102.6% to £74.3 million
Cost to income	▼	45.2%
ROE (pre-tax)**	▲	171.8%
Profit per employee*	▲	£378.3 thousand

\*Before goodwill impairment, non-operating items and taxation

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



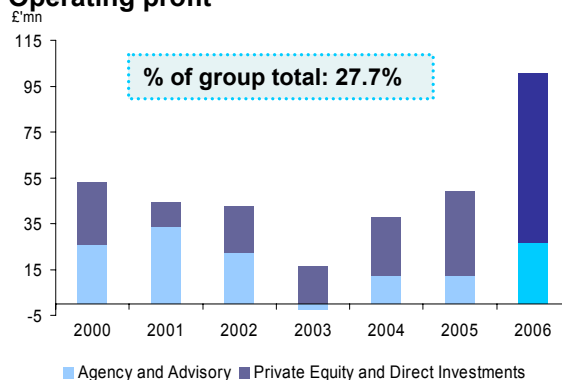
Integrated business focused on local client delivery with international access

## Investment Banking

### Outlook

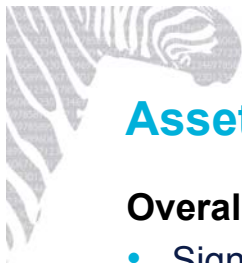
- Solid pipeline of deals in all geographies
- Portfolio's well-positioned to take advantage of favourable market conditions
- Integrated platform and increasing brand recognition provide growth opportunities

#### Operating profit\*



\*Before goodwill impairment, non-operating items and taxation

Note: Prior to 2005 the numbers are reported in terms of UK GAAP and for Mar 2005 and Mar 2006 in terms of IFRS

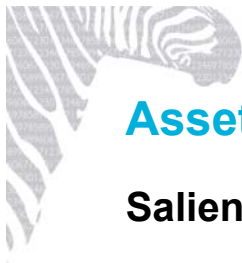


Investment specialist focused on performance and client needs

## Asset Management

### Overall

- Significant growth underpinned by favourable market conditions and net inflows
- Attracted substantial inflows to a highly scalable platform
- Investment performance remains very good
- Maintained cost control



Investment specialist focused on performance and client needs

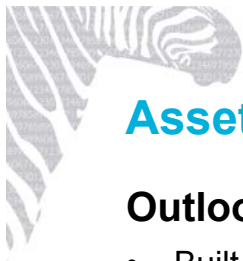
## Asset Management

### Salient financials

Operating profit* .....	▲	63.6% to £59.4 million
Assets under management.....	▲	38.1% to £31.7 billion
Investment performance.....	▲	
Cost to income.....	▼	65.4%
ROE (pre-tax)** .....	▲	36.3%
Profit per employee* .....	▲	£78.4 thousand

\*Before goodwill impairment, non-operating items and taxation

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



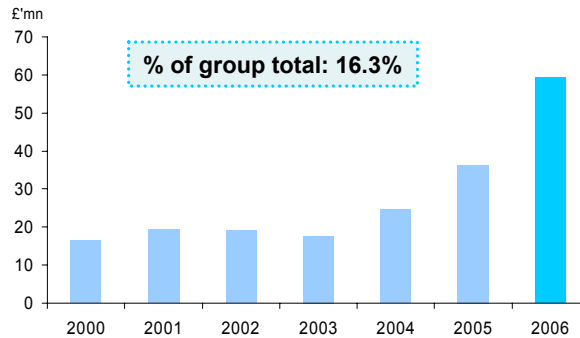
Investment specialist focused on performance and client needs

## Asset Management

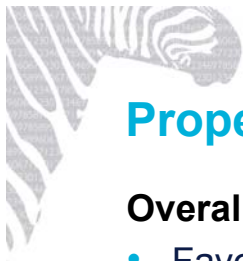
### Outlook

- Built a durable platform for growth based on
  - Competitive long term investment performance
  - Management continuity
  - Growing brand recognition

#### Operating profit\*



*\*Before goodwill impairment, non-operating items and taxation  
Note: Prior to 2005 the numbers are reported in terms of UK GAAP  
and for Mar 2005 and Mar 2006 in terms of IFRS*



Leading fund management consolidator, seeking out selective trading opportunities

## Property Activities

### Overall

- Favourable property market environment
- Strong results in South Africa
- Offset by weaker performance in the UK



Leading fund management consolidator, seeking out selective trading opportunities

## Property Activities

### Salient financials

Operating profit*.....	▲	2.1% to £18.6 million
Funds under management.....	▲	34.4% to £1.8 billion
Cost to income.....	▲	51.7%
ROE (pre-tax)** .....	▼	76.8%
Profit per employee*.....	▼	£76.9 thousand

\*Before goodwill impairment, non-operating items and taxation

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



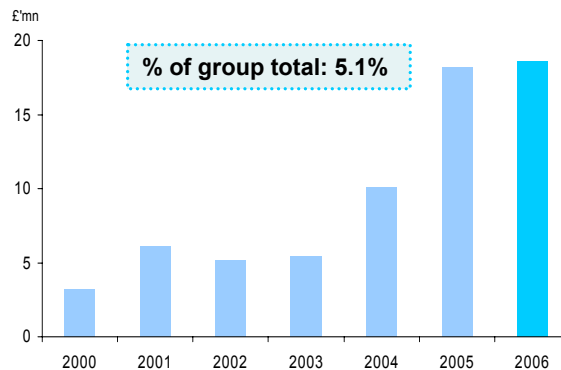
Leading fund management consolidator, seeking out selective trading opportunities

## Property Activities

### Outlook

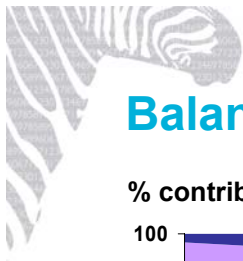
- Property business in South Africa will continue to leverage off favourable market conditions
- Extending our property fund management activities into our other core geographies

#### Operating profit\*



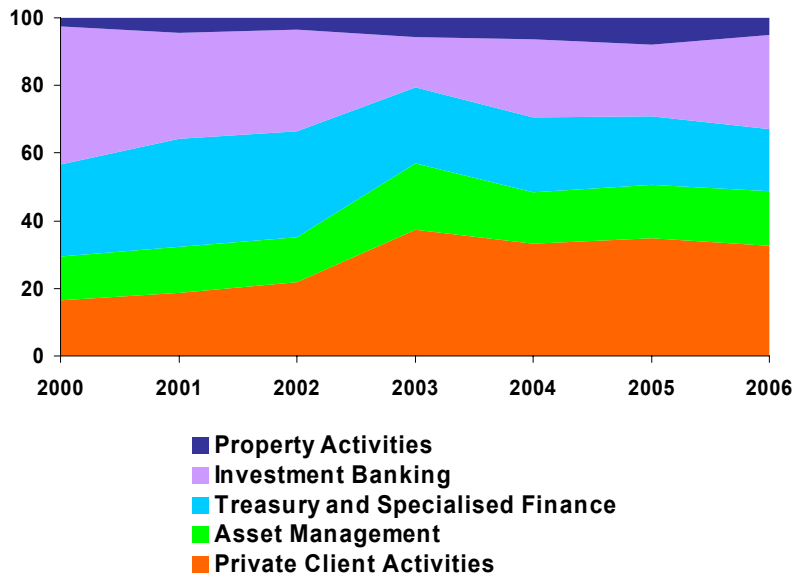
\*Before goodwill impairment, non-operating items and taxation  
 Note: Prior to 2005 the numbers are reported in terms of UK GAAP and for Mar 2005 and Mar 2006 in terms of IFRS





## Balanced portfolio of businesses

% contribution to operating profit\*



\*Excluding Group Services and Other Activities

Prior to 2005 the numbers are reported in terms of UK GAAP and for Mar 2005 and Mar 2006 in terms of IFRS



## Group Services and Other Activities

Assurance profit.....		post tax of £1.0 million
International Trade Finance*..	▼	from £4.7 million to £4.5 million
Central Funding.....	▲	from £19.3 million to £66.8 million
Central Services.....	▲	from (£40.0 million) to (£57.8 million)

\*Before goodwill impairment, non-operating items and taxation



## Impairments

£'million	31 Mar 2006	1 Apr 2005
Total gross loans and advances to customers	9 646	6 445
Gross non-performing loans	72	57
Net non-performing loans	28	22
Portfolio impairments as a % of net loans and advances to customers	0.11%	0.14%
Specific impairments as a % of net non-performing loans	110.7%	127.3%
Gross non-performing loans as a % of loans and advances to customers	0.75%	0.88%



## General

JCI transaction..... accrual of approx. £10 million

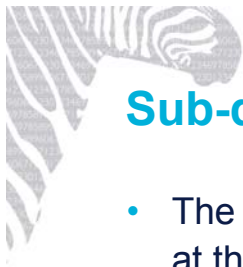
Non-operating items..... £73.6 million

### Taxation

Effective tax rate..... from 28.2% to 29.2%

Effective tax rate (ex Assur)..... from 25.9% to 26.5%

Weighted shares..... from 111.1 to 109.8 million



## Sub-division of shares

- The Board intends to ask shareholders to approve resolutions at the Annual General Meeting which will result in the subdivision of Investec plc and Investec Limited ordinary shares
- An announcement will follow in due course





# Strategy

- Our main strategic imperative is to **build the business organically** with bolt-on acquisitions where appropriate



# Sustainable business model

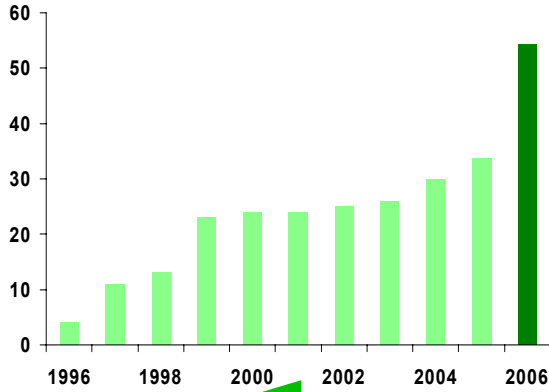




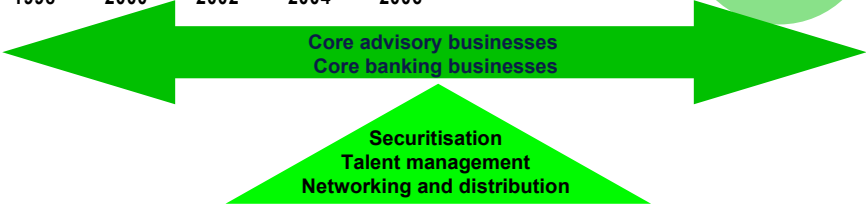
## Sustainable business model

Third party assets under management  
up 60.8% to £54.4 billion

£'bn



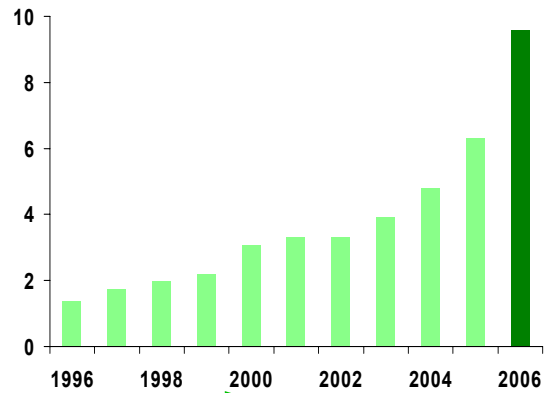
Pools of proprietary risk capital



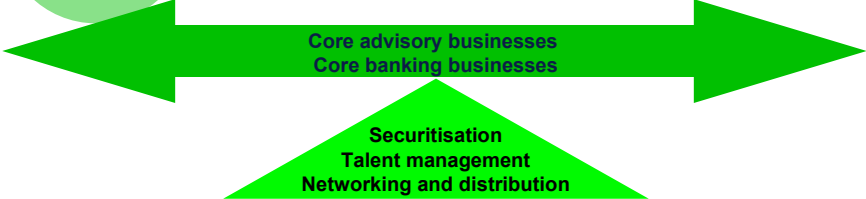
## Sustainable business model

Loans and advances up 49.9% to £9.6 billion

£'bn



Pools of third party assets

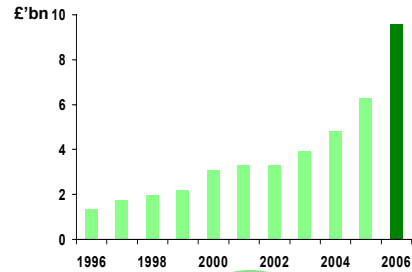
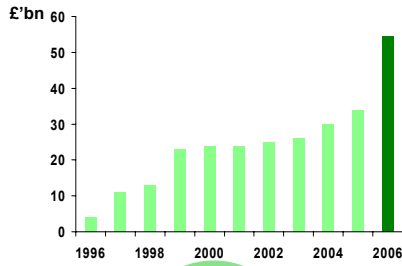




# Sustainable business model

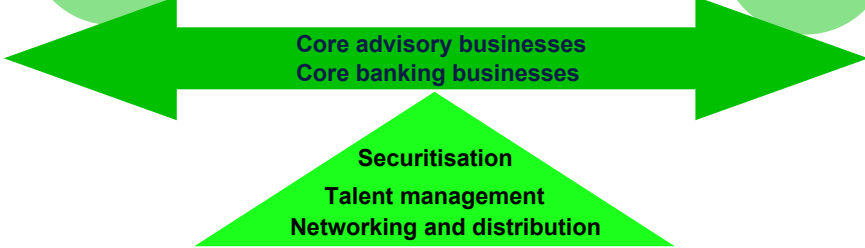
Third party assets under management up 60.8% to £54.4 billion

Loans and advances up 49.9% to £9.6 billion



Pools of third party assets

Pools of proprietary risk capital



# Sustainable business model

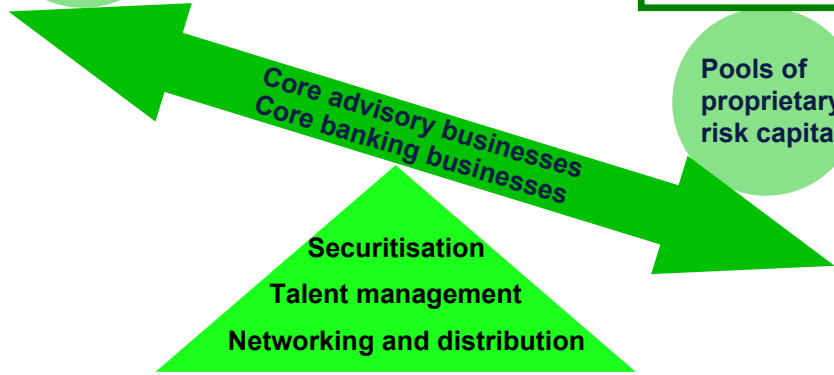
Pools of third party assets

**£505.0 million**

Net interest income of £259.0 million

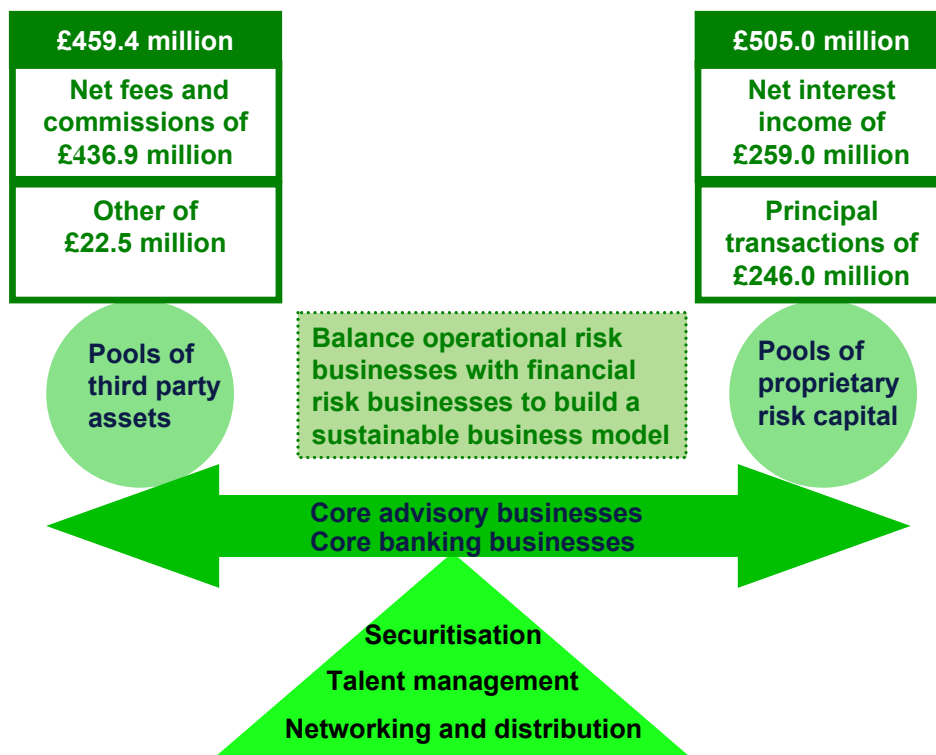
Principal transactions of £246.0 million

Pools of proprietary risk capital





## Sustainable business model



## Outlook

- We continue to make significant strides in enhancing the quality and sustainability of our earnings
- While the levels of activity and momentum have continued into the new financial year, we remain mindful of the volatile operating environment to which some of our businesses are exposed
- We look forward to the future with the firm belief that our niche focus, distinctive offering and capability of our people will enable us to take advantage of growth opportunities as they arise

# Results presentation

For the year-ended 31 March 2006



A **distinctive** specialist banking group

