

17 May 2007 - Investec plc

**Balanced business model drives continued growth at Investec**  
**Pre-tax operating profit increased by 20.0%; Adjusted EPS increased by 27.2%;**  
**Dividends increased by 26.4%**

Investec, the international specialist banking group, announces today its results for the year ended 31 March 2007.

**Financial highlights**

- All core geographies performed well in local currencies. Our UK and Australian operations posted a significant increase in attributable post-tax earnings of 55.5% and 71.4%, respectively, comprising 43.8% of total attributable earnings, reflecting the benefits of our strategy of increasing the scale and market penetration in these businesses.

	31 March 2007	31 March 2006	% Change
Operating profit before taxation* (£'mn)	466.6	388.8	20.0%
Earnings attributable to shareholders after taxation, goodwill and non-operating items (£'mn)	340.3	315.1	8.0%
Adjusted EPS* (pence)	53.3	41.9	27.2%
Dividends per share (pence)	23.0	18.2	26.4%
ROE	26.1%	25.5%	
Cost to income ratio	59.0%	58.7%	
Average loans and advances (£'bn)	9.9	8.0	23.6%
Average third party assets under management (£'bn)	55.7	45.6	22.0%

**Business highlights**

- Private Client Activities: increase of 49.3% to £176.5 million (2006: £118.2 million)\*
- Capital Markets: increase of 75.3% to £117.3 million (2006: £66.9 million)\*
- Investment Banking: decrease of 9.6% to £91.2 million (2006: £100.9 million)\*
- Asset Management: increase of 14.7% to £68.1 million (2006: £59.4 million)\*
- Property Activities: decrease of 23.9% to £14.1 million (2006: £18.6 million)\*

*\*before non-operating items of zero (2006: a non-operating gain of £73.6 million largely relating to the sale of Carr Sheppards Crosthwaite Limited to Rensburg plc) and goodwill of £2.6 million (net income) (2006: £21.4 million (net loss))*

**Stephen Koseff, Chief Executive Officer of Investec, said:**

"In another strong year for global financial markets, Investec has delivered another very satisfactory performance. We have increased the scale of our activities in each geography and delivered on all our stated financial objectives. We have a good balance in terms of our business activities and are confident of continued growth going forward."

**Bernard Kantor, Managing Director of Investec, said:**

"These results demonstrate the strength and depth of our business. We have continued to build the brand, improve the range of our products and attract high quality talent. We believe that this approach will continue to deliver growth going forward".

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**Presentation details:**

The management of Investec will host a presentation commencing at 09:00 (UK time)/10:00 (SA time) from their office in London (2 Gresham Street, London EC2V 7QP), and via video linkup to their office in Johannesburg. Details of the conference call facilities and webcast of the presentation are available at [www.investec.com](http://www.investec.com).

**Information provided on the Company's website at [www.investec.com](http://www.investec.com) includes:**

- Copies of this statement.
- The results presentation.
- Additional report produced for the investment community including more detail on the results.
- Excel worksheets containing the salient financial information under IFRS in Pounds Sterling.

Alternatively for further information please contact the Investor Relations division on e-mail [investorrelations@investec.com](mailto:investorrelations@investec.com) or telephone +44 (0) 207 597 5546/ +27 (0) 11 286 7070.

**About Investec**

Investec is an international specialist banking group that provides a diverse range of financial products and services to a niche client base in three principal markets, the United Kingdom, South Africa and Australia as well as certain other countries. The group was established in 1974 and currently has approximately 5 400 employees.

Investec focuses on delivering distinctive profitable solutions for its clients in five core areas of activity namely, Private Client Activities, Capital Markets, Investment Banking, Asset Management and Property Activities.

In July 2002 the Investec group implemented a dual listed company structure with listings on the London and Johannesburg Stock Exchanges. The combined group's current market capitalisation is approximately £4.5 billion.

## **Investec plc and Investec Limited (combined results)**

### **Unaudited IFRS consolidated financial results in Pounds Sterling for the year ended 31 March 2007**

#### **Overall performance**

We are pleased to announce that for the year ended 31 March 2007, adjusted earnings per share (EPS) before goodwill and non-operating items increased by 27.2% to 53.3 pence from 41.9 pence. Our strategy of maintaining a balanced business model continues to support the operating fundamentals of the group. We have benefited from the strong performance by the majority of our businesses and have achieved our stated growth and financial return objectives.

The main features of the year under review are:

- Operating profit before goodwill, non-operating items and taxation increased 20.0% from £388.8 million to £466.6 million.
- Earnings attributable to ordinary shareholders before goodwill and non-operating items increased 30.7% from £230.0 million to £300.7 million.
- Earnings attributable to ordinary shareholders after goodwill and non-operating items increased by 8.0% from £315.1 million to £340.3 million.
- All core geographies performed well in local currencies. Our UK and Australian operations posted a significant increase in attributable post-tax earnings of 55.5% and 71.4%, respectively, comprising 43.8% of total attributable earnings, reflecting the benefits of our strategy of increasing the scale and market penetration in these businesses.
- Return on adjusted average shareholders' equity (inclusive of compulsorily convertible instruments) increased from 25.5% to 26.1% against a target of greater than 20%.
- The ratio of total operating expenses to total operating income increased marginally from 58.7% to 59.0% against a target of below 65%.
- Average loans and advances to customers increased 23.6% from £8.0 billion to £9.9 billion.
- Average third party assets under management increased 22.0% from £45.6 billion to £55.7 billion.
- The board proposes an increased final dividend of 13 pence per ordinary share equating to a full year dividend of 23 pence (2006: 18.2 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 2.3 times (2006: 2.3 times), consistent with our dividend policy.

#### **Business unit review**

Unless the context indicates otherwise, reference to "operating profit" in the business unit review below, refers to profit before goodwill, non-operating items and taxation.

##### **Private Client Activities**

Private Client Activities, comprising the Private Banking and Private Client Portfolio Management and Stockbroking divisions, reported strong growth in operating profit of 49.3% to £176.5 million (2006: £118.2 million).

###### **▪ Private Banking**

Operating profit of our Private Banking division increased by 52.1% to £154.4 million (2006: £101.5 million) driven by strong growth in advances and non-interest income. The division continues to penetrate its core markets and recorded strong performances across its areas of specialisation. The average private client lending book grew by 24.4% to £6.5 billion (2006: £5.2 billion) and the division increased its average retail deposit book by 28.6% to £5.2 billion (2006: £4.0 billion).

###### **▪ Private Client Portfolio Management and Stockbroking**

Private Client Portfolio Management and Stockbroking recorded solid growth, generating operating profit of £22.1 million (2006: £16.7 million), an increase of 32.7%. The Private Client business in South Africa benefited from increased volumes with average funds under management increasing by 33.8% to £7.6 billion (2006: £5.7 billion). The results of our UK operations include Investec's 47.1% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc.

##### **Capital Markets**

Capital Markets (formerly known as Treasury and Specialised Finance) posted a significant increase in operating profit of 75.3% to £117.3 million (2006: £66.9 million). Growth was underpinned by a solid performance from the division's advisory, structuring, asset creation, trading and distribution activities, with average advances increasing by 22.2% to £3.0 billion (2006: £2.5 billion). A number of the businesses that

have been established over the past two years have generated substantial revenue and have increased the scale of the businesses in the UK and Australia.

### **Investment Banking**

Our Investment Banking division recorded a 9.6% decline in operating profit to £91.2 million (2006: £100.9 million). Corporate Finance benefited from a strong deal pipeline across all geographies with profits increasing by 36.9%. The unlisted investments within the Private Equity and Direct Investments portfolios continued to perform well. However, the entrepreneurial investment component of the Direct Investment division generated less revenue than in prior years.

### **Asset Management**

Asset Management posted an increase in operating profit of 14.7% to £68.1 million (2006: £59.4 million) underpinned by the strong momentum of the UK and international business and continued sound performance in Southern Africa. Average assets under management increased by 12.8% to £30.8 billion (2006: £27.3 billion). Solid long term investment performance has continued to support the fundamentals of the business.

### **Property Activities**

Our Property Activities generated operating profit of £14.1 million (2006: £18.6 million), a decline of 23.9%. The South African division continued to perform well benefiting from strong equity and property fundamentals, higher average funds under management and realisations. The results were negatively impacted by a lower contribution from our investment property portfolio due to increased funding costs.

### **Group Services and Other Activities**

Group Services and Other Activities posted an operating loss of £0.7 million (2006: profit of £24.8 million) largely as a result of increased variable remuneration, given the growth in the group's profitability, and a decline in the contribution from the group's assurance activities.

## **Financial statements analysis**

### **Operating income**

Operating income increased by 22.0% to £1,177 million (2006: £964.6 million). The movements in total operating income are analysed below.

Net interest income increased by 32.7% to £343.9 million (2006: £259.2 million) as a result of strong growth in advances and increased cash holdings within the Central Funding division.

Net fees and commissions increased by 19.4% to £521.5 million (2006: £436.9 million) benefiting from increased transactional activity and higher assets under management.

Income from principal transactions decreased marginally by 0.2% to £245.5 million (2006: £246.1 million). Our Growth and Acquisition Finance, Principal Finance (securitisation) and Treasury and Specialised Finance lending divisions delivered a strong performance. This result was offset by a relatively weaker performance from some of the underlying investments in the Direct Investments, UK Private Equity, Property and Central Funding divisions.

Operating income from associates increased by 59.6% to £10.7 million (2006: £6.7 million). The current year's figure includes Investec's 47.1% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc for the period 1 April 2006 to 31 March 2007. In the prior year, Rensburg Sheppards plc was accounted for as an associate with effect from 6 May 2005.

The decline in net income from assurance activities is as a result of the reinsurance of the group risk business. After administration expenses, a profit of £1.6 million (2006: £11.5 million) was generated from assurance activities, which represents the residual earnings from the businesses that were retained.

Other operating income amounts to £49.7 million (2006: £2.7 million). The operating results of two investments held within the Private Equity portfolio have been consolidated with the respective income and expenses reflected in other operating income and administration expenses. These investments generated a net loss after tax and minority interest of £2.3 million. Any realisation of these investments in excess of their carrying values will be recognised as income from principal transactions.

### Impairment losses on loans and advances

Impairment losses on loans and advances increased by 80.5% to £16.5 million (2006: £9.2 million). The 2006 year included recoveries of approximately £6.5 million and we have seen a moderate increase in impairment losses in the 2007 year in line with growth in advances.

The percentage of gross defaults to loans and advances has increased from 0.9% to 1.2%. Total impairment coverage as a percentage of net defaults (gross defaults net of security) remains highly satisfactory at 137.9% (2006: 141.4%).

### Administrative expenses and depreciation

Total expenses increased by 22.5% to £694.0 million (2006: £566.6 million). Variable remuneration increased by 31.2% to £205.8 million due to increased profitability. Other operating expenses (excluding variable remuneration) increased by 19.4% to £488.2 million largely as a result of an increase in headcount in certain of the businesses in line with our growth initiatives, an increase in costs associated with complying with new and forthcoming regulatory requirements, an investment in product development and IT infrastructure and the consolidation of two private equity investments (resulting in an additional £25 million of costs).

We achieved our target of operating expenses to total operating income of less than 65% with the ratio increasing marginally from 58.7% to 59.0%.

### Goodwill

The current year reflects net income of £2.6 million largely relating to:

- The acquisition of NM Rothschild & Sons (Australia) Limited at a discount to net assets resulting in a net gain of £10.7 million.
- An impairment of £6.1 million in the South African Asset Management business relating to businesses acquired in prior years.
- An impairment of £2.0 million attributable to property management contracts with respect to a portfolio of properties sold.

### Taxation

The operational effective tax rate of the group decreased marginally from 27.3% to 26.3%.

### Earnings attributable to minority interests

Earnings attributable to minority interests of £9.1 million largely comprise:

• Operating profits in relation to investments held in the Private Equity division.	£10.0mn
• A profit on the sale of a portfolio of investment properties in which minorities had a 23.1% holding.	£2.2mn
• In accordance with IFRS the Euro denominated preferred securities issued by a subsidiary of Investec plc are reflected on the balance sheet as part of minority interests. The transaction is hedged and a forex translation loss arising on the hedge is reflected in operating profit before goodwill, with the equal and opposite impact reflected in earnings attributable to minorities.	(£3.4mn)

### Capital resources and total assets

Since 31 March 2006 total shareholders' equity (including minority interests) increased by 21.3% to £1.8 billion largely as a result of the issue of £131.2 million of non-redeemable, non-cumulative, non-participating preference shares by Investec plc and increased retained earnings offset partially by negative foreign currency adjustments.

Net asset value per share increased from 182.2 pence to 216.0 pence, and net tangible asset value per share (which excludes goodwill and intangible assets) increased from 148.9 pence to 178.6 pence.

The return on adjusted average shareholders' equity (inclusive of compulsorily convertible instruments) increased from 25.5% to 26.1%, meeting our target of greater than 20%.

Investec plc and Investec Limited have capital adequacy ratios well in excess of the minimum regulatory requirements. The capital adequacy of Investec plc (applying UK Financial Services Authority rules to its capital base) is 24.7% (31 March 2006: 17.7%). The capital adequacy of Investec Limited (applying South African Reserve Bank rules to its capital base) is 14.7% (31 March 2006: 16.3%).

On balance sheet assets have increased by 10.0% to £26.3 billion since 31 March 2006.

## **Outlook**

The levels of activity and momentum have continued into the new financial year. The increase in scale and market penetration that we have achieved across all our geographies should continue to support the operating results of our businesses as expressed in local currencies.

Should current favourable market conditions persist we would expect to deliver on our stated growth and financial return objectives.

On behalf of the boards of Investec plc and Investec Limited

Hugh Herman  
Chairman

Stephen Koseff  
Chief Executive Officer

Bernard Kantor  
Managing Director

## **Notes to the commentary section above**

### • **Presentation of financial information**

Investec operates under a Dual Listed Companies (DLC) structure with primary listings of Investec plc on the London Stock Exchange and Investec Limited on the JSE Limited.

In terms of the contracts constituting the DLC structure, Investec plc and Investec Limited effectively form a single economic enterprise in which the economic and voting rights of ordinary shareholders of the companies are maintained in equilibrium relative to each other. The directors of the two companies consider that for financial reporting purposes, the fairest presentation is achieved by combining the results and financial position of both companies.

Accordingly, the year end results for Investec plc and Investec Limited present the results and financial position of the combined DLC group under IFRS, denominated in Pounds Sterling. In the commentary above, all references to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

Unless the context indicates otherwise, all comparatives included in the commentary above relate to the year ended 31 March 2006. Average balances are based on the period 1 April 2005 to 31 March 2006 and 1 April 2006 to 31 March 2007.

### • **Foreign currency impact**

Our reporting currency is Pounds Sterling. Certain of our operations are conducted by entities outside the UK. The results of operations and the financial condition of our individual companies are reported in the local currencies in which they are domiciled, including Rands, Australian Dollars, Euros and US Dollars. These results are then translated into Pounds Sterling at the applicable foreign currency exchange rates for inclusion in our combined consolidated financial statements. In the case of the income statement, the weighted average rate for the relevant period is applied and, in the case of the balance sheet, the relevant closing rate is used.

The following table sets out the movements in certain relevant exchange rates against Pounds Sterling over the financial year:

Currency per £1.00	31 March 2007		31 March 2006	
	Year end	Average	Year end	Average
South African Rand	14.20	13.38	10.72	11.43
Australian Dollar	2.42	2.47	2.44	2.37
Euro	1.47	1.47	1.43	1.47
US Dollar	1.96	1.90	1.74	1.78

Exchange rates between local currencies and Pounds Sterling have fluctuated over the year. The most significant impact arises from the depreciation of the Rand. The average exchange rate over the year has depreciated by 17.1% and the closing rate has depreciated by 32.4% since 31 March 2006.

- **Sub-division of Investec plc and Investec Limited ordinary shares**

Following shareholder approval, the group implemented a subdivision of the ordinary shares of both Investec plc and Investec Limited by way of a five for one split, effective 4 September 2006. Comparative information has been adjusted accordingly.

- **Accounting policies**

The year end results are prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards and the presentation and disclosure requirements of IAS 34. The accounting policies applied in the preparation of the results for the year ended 31 March 2007 are consistent with those adopted in the financial statements for the year ended 31 March 2006, except for the adoption of accounting standards interpretations issued with effect from 1 January 2006. The adoption of these interpretations has had no material reportable impact on the financial results, position or cash flows of the combined group.

**Investec plc and Investec Limited (combined results)****Unaudited IFRS consolidated financial results in Pounds Sterling for the year ended 31 March 2007****Combined consolidated income statement**

£'000	Year to 31 March 2007	Year to 31 March 2006
Interest receivable	1,233,226	934,389
Interest payable	(889,311)	(675,237)
<b>Net interest income</b>	<b>343,915</b>	<b>259,152</b>
Fees and commissions receivable	577,773	478,465
Fees and commissions payable	(56,275)	(41,591)
Principal transactions	245,463	246,059
Operating income from associates	10,685	6,694
Investment income on assurance activities	36,821	141,559
Premiums and reinsurance recoveries on insurance contracts	80,542	164,631
Other operating income	49,685	2,721
<b>Other income</b>	<b>944,694</b>	<b>998,538</b>
Claims and reinsurance premiums on insurance business	(111,492)	(293,135)
<b>Total operating income net of insurance claims</b>	<b>1,177,117</b>	<b>964,555</b>
Impairment losses on loans and advances	(16,530)	(9,160)
<b>Operating income</b>	<b>1,160,587</b>	<b>955,395</b>
Administrative expenses	(680,687)	(558,887)
Depreciation and amortisation of property, equipment and software	(13,315)	(7,741)
<b>Operating profit before goodwill</b>	<b>466,585</b>	<b>388,767</b>
Goodwill	2,569	(21,356)
<b>Operating profit</b>	<b>469,154</b>	<b>367,411</b>
Profit on disposal of group operations	–	73,573
<b>Profit before taxation</b>	<b>469,154</b>	<b>440,984</b>
Taxation	(119,781)	(111,616)
<b>Profit after taxation</b>	<b>349,373</b>	<b>329,368</b>
Earnings attributable to minority interests	9,054	14,267
Earnings attributable to shareholders	340,319	315,101
	<b>349,373</b>	<b>329,368</b>



<b>Earnings attributable to shareholders</b>	340,319	315,101
Goodwill	(2,569)	21,356
Profit on disposal of group operations	–	(73,573)
Preference dividends paid	(31,850)	(19,940)
Additional earnings attributable to other equity holders	(5,196)	(12,927)
<b>Adjusted earnings before goodwill and non-operating items</b>	<b>300,704</b>	<b>230,017</b>
<b>Earnings per share (pence)</b>		
– basic	54.7	53.8
– diluted	50.4	50.0
<b>Adjusted earnings per share (pence)</b>		
– basic	53.3	41.9
– diluted	49.2	39.0
<b>Dividends per share (pence)</b>		
– interim	10.0	7.6
– final	13.0	10.6
<b>Number of weighted average shares</b>		
– basic (million)	563.8	548.8

## Summarised combined consolidated cash flow statement

£'000	Year to 31 March 2007	Year to 31 March 2006
Cash inflow from operations	400,308	369,546
Increase in operating assets	(6,124,269)	(2,950,085)
Increase in operating liabilities	5,858,320	2,749,528
Net cash inflow from operating activities	134,359	168,989
Net cash outflow from investing activities	(178,985)	(473,159)
Net cash inflow from financing activities	430,471	38,076
Effects of exchange rate changes on cash and cash equivalents	(301,588)	73,721
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>84,257</b>	<b>(192,373)</b>
Cash and cash equivalents at the beginning of the year	1,190,183	1,382,556
<b>Cash and cash equivalents at the end of the year</b>	<b>1,274,440</b>	<b>1,190,183</b>

Cash and cash equivalents is defined as including: cash and balances at central banks, on demand loans and advances to banks and cash equivalent advances to customers (all of which have a maturity profile of less than three months).

## Combined consolidated balance sheet at

£'000	31 March 2007	31 March 2006
<b>Assets</b>		
Cash and balances at central banks	102,751	190,838
Loans and advances to banks	2,476,969	1,830,603
Cash equivalent advances to customers	687,918	690,236
Reverse repurchase agreements and cash collateral on securities borrowed	2,185,322	756,645
Trading securities	2,151,036	1,640,088
Derivative financial instruments	724,492	1,081,287
Investment securities	1,776,601	1,266,673
Loans and advances to customers	10,190,252	9,604,589
Interests in associated undertakings	70,332	63,099
Deferred taxation assets	59,394	60,035
Other assets	1,408,159	1,272,787
Property and equipment	131,505	26,916
Investment properties	85,424	163,049
Goodwill	195,883	183,560
Intangible assets	35,829	10,094
	<b>22,281,867</b>	<b>18,840,499</b>
Other financial instruments at fair value through income in respect of		
– liabilities to customers	3,024,997	3,628,574
– assets related to reinsurance contracts	992,824	1,431,876
	<b>26,299,688</b>	<b>23,900,949</b>
<b>Liabilities</b>		
Deposits by banks	2,347,095	1,879,483
Derivative financial instruments	509,919	705,764
Other trading liabilities	321,863	457,254
Repurchase agreements and cash collateral on securities lent	1,765,671	358,278
Customer accounts	9,384,848	8,699,165
Debt securities in issue	3,333,716	2,950,103
Current taxation liabilities	113,967	137,426
Deferred taxation liabilities	48,048	26,210
Other liabilities	1,790,405	1,582,856
Pension fund liabilities	1,467	2,013
	<b>19,616,999</b>	<b>16,798,552</b>
Liabilities to customers under investment contracts	3,004,254	3,488,756
Insurance liabilities, including unit-linked liabilities	20,743	139,818
Reinsured liabilities	992,824	1,431,876
	<b>23,634,820</b>	<b>21,859,002</b>
Subordinated liabilities (including convertible debt)	830,705	529,854
	<b>24,465,525</b>	<b>22,388,856</b>

<b>Equity</b>		
Called up share capital	169	165
Share premium	1,129,859	1,028,737
Treasury shares	(109,279)	(96,300)
Equity portion of convertible instruments	2,191	2,191
Perpetual preference shares	292,173	215,305
Other reserves	134,606	156,103
Profit and loss account	92,766	(79,709)
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Shareholders' equity excluding minority interests	1,542,485	1,226,492
Minority interests	291,678	285,601
– Perpetual preferred securities issued by subsidiaries	241,081	278,459
– Minority interests in partially held subsidiaries	50,597	7,142
<hr/>		
<b>Total equity</b>	<b>1,834,163</b>	<b>1,512,093</b>
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<b>Total liabilities and equity</b>	<b>26,299,688</b>	<b>23,900,949</b>
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**A geographical breakdown of business operating profit before goodwill, non operating items and taxation for the year to 31 March 2007**

£'000	United Kingdom and Europe	Southern Africa	Australia	Other geographies	Total group
Private Banking	96,734	41,413	16,244	–	154,391
Private Client Portfolio Management and Stockbroking	10,065	12,016	–	–	22,081
Capital Markets	51,409	56,145	9,737	–	117,291
Investment Banking	23,294	60,632	7,309	–	91,235
Asset Management	17,555	50,557	–	–	68,112
Property Activities	1,292	12,852	–	–	14,144
Group Services and Other	(32,967)	35,058	(3,141)	381	(669)
	<b>167,382</b>	<b>268,673</b>	<b>30,149</b>	<b>381</b>	<b>466,585</b>
% change since 31 March 2006	<b>55.4%</b>	<b>1.2%</b>	<b>91.5%</b>	<b>&gt;100.0%</b>	<b>20.0%</b>

**A geographical breakdown of business operating profit before goodwill, non operating items and taxation for the year to 31 March 2006**

£'000	United Kingdom and Europe	Southern Africa	Australia	Other geographies	Total group
Private Banking	61,533	31,981	8,009	–	101,523
Private Client Portfolio Management and Stockbroking	7,399	9,243	–	–	16,642
Capital Markets	22,507	43,560	849	–	66,916
Investment Banking	29,631	65,887	5,412	–	100,930
Asset Management	10,609	48,767	–	–	59,376
Property Activities	2,023	16,575	–	–	18,598
Group Services and Other	(25,966)	49,397	1,473	(122)	24,782
	<b>107,736</b>	<b>265,410</b>	<b>15,743</b>	<b>(122)</b>	<b>388,767</b>

## Summarised combined consolidated statement of changes in equity

£'000	Year to 31 March 2007	Year to 31 March 2006
<b>Balance at the beginning of the year</b>	<b>1,512,093</b>	<b>1,075,611</b>
Foreign currency adjustments	(184,847)	52,564
Retained profit for the year attributable to ordinary shareholders	340,319	315,101
Retained profit for the year attributable to minority interests	9,054	14,267
Share based payments adjustments	33,990	19,221
Fair value movements on available for sale assets	12,287	8,480
Transfer (to)/from pension fund deficit	(2,470)	2,035
Total recognised gains and losses for the year	208,333	411,668
Dividends paid to ordinary shareholders	(112,592)	(84,435)
Dividends paid to minority shareholders	(31,850)	(19,940)
Issue of ordinary shares	47,861	–
Issue of perpetual preference shares	131,187	–
Share issue expenses	(1,688)	(556)
Re-issue of treasury shares	44,811	13,113
Issue of equity instruments by subsidiaries	20,949	132,520
Dividends and capital reductions paid to minorities	(6,799)	–
Movement on minorities on disposals and acquisitions	21,858	(15,888)
<b>Balance at the end of the year</b>	<b>1,834,163</b>	<b>1,512,093</b>

## **Investec plc ordinary dividend announcement**

In terms of the DLC structure, Investec plc shareholders who are not South African resident shareholders may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and / or through dividends declared and paid on the SA DAN share issued by Investec Limited.

Investec plc shareholders, who are South African residents, may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and / or through dividends declared and paid on the SA DAS share issued by Investec Limited.

Notice is hereby given that a final dividend (No 10) of 13 pence (2006: 10.6 pence) per ordinary share has been proposed by the board in respect of the financial year ended 31 March 2007. The Annual General Meeting of members at which the proposed dividend will be considered for approval is scheduled to take place on Wednesday, 08 August 2007.

The dividend is payable to shareholders recorded in the members' register of the company at the close of business on Friday, 27 July 2007.

The relevant dates for the payment of the dividends are:-

### ***Last day to trade cum-dividend:-***

- |                                |                       |
|--------------------------------|-----------------------|
| - On the London Stock Exchange | Tuesday, 24 July 2007 |
| - On the JSE Limited           | Friday, 20 July 2007  |

### ***Shares commence trading ex-dividend :-***

- |                                |                         |
|--------------------------------|-------------------------|
| - On the London Stock Exchange | Wednesday, 25 July 2007 |
| - On the JSE Limited           | Monday, 23 July 2007    |

### **Record date :**

- |                                |                      |
|--------------------------------|----------------------|
| - On the London Stock Exchange | Friday, 27 July 2007 |
| - On the JSE Limited           | Friday, 27 July 2007 |

### **Payment date :**

- |                           |                        |
|---------------------------|------------------------|
| - United Kingdom register | Monday, 13 August 2007 |
| - South African register  | Monday, 13 August 2007 |

Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 23 July 2007 and Friday, 27 July 2007, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 23 July 2007 and Friday, 27 July 2007, both dates inclusive.

Shareholders registered on the South African register are advised that the total distribution of 13 pence is equivalent to 180 cents per share which has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on 16 May 2007.

By order of the board

**D Miller**  
Company Secretary

17 May 2007

**Investec plc dividend announcement**  
**Share code: INPP**  
**ISIN: GB00B19RX541 & GB00B1N73946**

**Non-redeemable non-cumulative non-participating preference shares**  
**Declaration of dividend number 2**

Notice is hereby given that preference dividend number 2 has been declared amounting to:

- (i) 30.2 pence per share for the period 01 October 2006 to 31 March 2007 in respect of the preference shares trading on the JSE Limited ("JSE") (ISIN: GB00B19RX541); and
- (ii) 6.51 pence per share in respect of the further tranche of preference shares issued on 22 February 2007 in respect of the period 22 February 2007 to 31 March 2007 (ISIN: GB00B1N73946) and trading on the Channel Islands Stock Exchange ("CISX")

The dividend is payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on 29 June 2007.

For shares trading on the JSE, the dividend of 30.2 pence per share is equivalent to 415.36 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA Time) on Wednesday, 16 May 2007.

The relevant dates relating to the payment of dividend number 2 are as follows:-

<i>Last day to trade cum dividend:</i>	Friday, 22 June 2007
On the JSE	Tuesday, 26 June 2007
On the CISX	
 <i>Shares trade ex dividend:</i>	 Monday, 25 June 2007
On the JSE	Wednesday, 27 June 2007
On the CISX	
Record date (on the JSE and CISX)	Friday, 29 June 2007
Payment date (on the JSE and CISX)	Wednesday, 4 July 2007

Share certificates may not be dematerialised or rematerialised between Monday, 25 June 2007 and Friday, 29 June 2007, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 25 June 2007 and Friday, 29 June 2007, both dates inclusive.

The further tranche of preference shares issued on 22 February 2007 (ISIN: GB00B1N73946) are listed and trade separately from the first tranche of preference shares issued (ISIN: GB00B19RX541) until payment of the dividend for the period to 31 March 2007 has been made. Following the dividend payment date of Wednesday 4 July 2007, the preference shares issued on 22 February 2007 (ISIN: GB00B1N73946) will rank *pari passu* with the existing perpetual preference shares and all preference shares will then trade under ISIN: GB00B19RX541. Preference shares will be transferable between the JSE and the CISX.

By order of the board

**D Miller**  
Company Secretary

17 May 2007