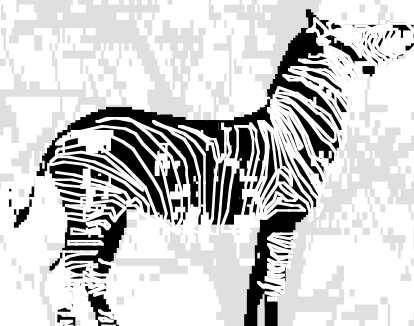


// Results presentation for the year ended 31 March 2007

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Overview of results



Corporate information

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Registration number

Investec plc Reg. No. 3633621
Investec Limited Reg. No. 1925/002833/06

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Transfer Secretaries in South Africa

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Telephone (27 11) 370 5000

Directorate

Executive Directors

Stephen Koseff (Chief Executive Officer)
Bernard Kantor (Managing Director)
Glynn Burger (Group Risk and Finance Director)
Alan Tapnack

Non-Executive Directors

Hugh Herman (Chairman)
Sam Abrahams
George Alford
Cheryl Carolus
Haruko Fukuda
Donn Jowell
Geoffrey Howe
Ian Kantor
Sir Chips Keswick (Senior Independent NED)
Peter Malungani
Sir David Prosser
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Presentation of financial information

Introduction

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 results for Investec plc and Investec Limited present the results and financial position of the combined DLC group under International Financial Reporting Standards (IFRS), denominated in Pounds Sterling.

All references in this document to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

Exchange rates

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 of the countries 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 results. 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 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.

Notwithstanding, the depreciation of the Rand we have posted a solid increase in earnings as a result of a very strong performance from our UK and Australian operations which recorded an increase in net profit after tax, before goodwill and non-operating items of 55.5% and 71.4%, respectively.

The following table provides an analysis of the impact of the Rand depreciation on our reported numbers:

	Results as reported at 31 March 2007	Currency neutral results at 31 March 2007**
Southern African operating profit* (£'000)	268 673	319 724
Southern African profit after tax* (£'000)	195 735	232 832
Total group operating profit before tax* (£'000)	466 585	517 636
Adjusted earning attributable to ordinary shareholders*	300 704	333 001
Adjusted EPS* (pence)	53.3	59.1
Total assets (£'million)	26 300	31 095

* Before goodwill and non-operating items.

** For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2006. For income statement items we have used the average Rand:Pound Sterling exchange rate that was applied in the prior year, i.e. 11.43.

Dividend declaration

The dividends per share declared by Investec plc and Investec Limited are determined with reference to the combined group's adjusted EPS, before goodwill and non-operating items (as defined on page 17) denominated in Pounds Sterling and prepared in accordance with IFRS.

Operating environment

Key macro-economic data pertaining to the group's three principal geographies: the UK, South Africa and Australia is set out below.

	31 March 2007		31 March 2006	
	Year end	Average	Year end	Average
UK Clearing Banks Base Rate	5.25%	4.82%	4.50%	4.59%
LIBOR - 3 month	5.62%	5.08%	4.61%	4.68%
South Africa Prime Overdraft Rate	12.50%	11.62%	10.50%	10.52%
JIBAR - 3 month	9.18%	8.30%	7.09%	7.05%
Reserve Bank of Australia cash target rate	6.25%	5.99%	5.50%	5.50%
FTSE All Share Index	3 283.2	3 094.2	3 048.0	2 708.4
JSE All Share Index	27 267.2	22 813.1	20 351.7	16 281.6
Australian All Ordinaries Index	5 978.8	5 315.9	5 087.2	4 457.1

Source: Datastream

Overview of results

	31 March 2007	31 March 2006	% Change
Income statement and selected returns			
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items (£'000) ¹	300 704	230 017	30.7%
Headline earnings (£'000) ¹	294 881	222 805	32.3%
Operating profit before goodwill, non-operating items and taxation (£'000)	466 585	388 767	20.0%
Operating profit before goodwill, non-operating items and taxation: SA (% of total)	57.6%	68.3%	
Operating profit before goodwill, non-operating items and taxation: Non-SA (% of total)	42.4%	31.7%	
Cost to income ratio	59.0%	58.7%	
Staff compensation to operating income ratio	40.9%	40.1%	
Return on average adjusted shareholders' equity ² (post tax)	26.1%	25.5%	
Return on average adjusted tangible shareholders' equity ² (post tax)	31.7%	32.7%	
Operating profit per employee (£'000) ³	92.3	91.5	
Net interest income as a percentage of operating income net of insurance claims	29.2%	26.8%	
Non-interest income as a percentage of operating income net of insurance claims	70.8%	73.2%	
Effective operational tax rate (excluding Assurance Activities)	26.3%	27.3%	
Balance sheet			
Total capital resources (including subordinated liabilities) (£million)	2 665	2 042	30.5%
Total equity (including preference shares and minority interests) (£million)	1 834	1 512	21.3%
Shareholders' equity (excluding minority interests) (£million)	1 542	1 226	25.8%
Total assets (£million)	26 300	23 901	10.0%
Loans and advances to customers (£million)	10 190	9 605	6.1%
Loans and advances to customers as a percentage of total assets	38.7%	40.2%	
Third party assets under management (£million)	54 986	56 331	(2.4%)
Capital adequacy ratio: Investec plc ⁴	24.7%	17.7%	
Capital adequacy ratio: Investec Limited ⁴	14.7%	16.3%	
Salient financial features and key statistics			
Adjusted earnings per share before goodwill and non-operating items (pence) ^{1,7}	53.3	41.9	27.2%
Headline earnings per share (pence) ^{1,7}	52.3	40.6	28.8%
Basic earnings per share (pence) ^{1,7}	54.7	53.8	1.7%
Diluted earnings per share (pence) ^{1,7}	50.4	50.0	0.8%
Dividends per share (pence) ⁷	23.0	18.2	26.4%
Dividend cover (times)	2.3	2.3	-
Net tangible asset value per share (pence) ^{5,7}	178.6	148.9	19.9%
Weighted number of ordinary shares in issue (million) ^{1,7}	563.8	548.8	2.7%
Total number of shares in issue (million) ⁷	609.3	593.2	2.7%
Closing share price (pence) ⁷	658	588	11.9%
Market capitalisation (£million) ⁶	4 009	3 488	14.9%
Number of employees in the group	5 430	4 453	21.9%
Closing ZAR/£ exchange rate	14.20	10.72	32.4%
Ave ZAR/£ exchange rate	13.38	11.43	17.1%

Notes:

1. Refer to definitions and calculations on pages 17 and 18.
2. Refer to calculations on page 80.
3. Refer to calculations on page 83.
4. Refer to calculations on page 79.
5. Refer to calculations on page 77.
6. Refer to calculations on page 86.
7. Numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.

Commentary

Introduction

The financial information contained in this commentary is prepared in accordance with International Financial Reporting Standards (IFRS).

Unless the context indicates otherwise, all comparatives 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.

In order to understand some of the variances it is important to take cognisance of the following significant transactions that have occurred during the reporting period.

- Investec plc issued an additional £50.6 million non-redeemable, non-cumulative, non-participating preference shares on 22 February 2007.
- 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.
- Investec plc issued £80.6 million (R1 036 million) non-redeemable, non-cumulative, non-participating preference shares on 3 August 2006.
- The consolidation of two private equity investments effective May 2006 and July 2006, respectively.
- The acquisition of NM Rothschild & Sons (Australia) Limited effective 7 July 2006.
- A subsidiary of Investec plc issued €200 million (£133 million) preferred securities in June 2005.
- The sale of our UK Private Client Stockbroking business, Carr Sheppards Crosthwaite Ltd to Rensburg plc on 6 May 2005. We retain a 47.1% interest in the combined entity, Rensburg Sheppards plc.

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.

Commentary

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.

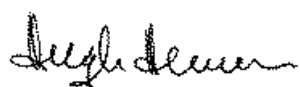
Financial statement analysis

Please refer to section 4, pages 70 to 72 for a detailed financial statement analysis.

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.



Hugh Herman
Chairman



Stephen Koseff
Chief Executive Officer



Bernard Kantor
Managing Director

Accounting policies and disclosures

The year end results are prepared in accordance with the recognition and measurement requirements of IFRS 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.

Dividend announcements

Investec Limited

Notice is hereby given that a final dividend (No. 103) of 180 cents (2006: 125.4 cents) 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 dividend are:

Last day to trade cum-dividend	Friday, 20 July 2007
Shares commence trading ex-dividend	Monday, 23 July 2007
Record date	Friday, 27 July 2007
Payment date	Monday, 13 August 2007

The final dividend of 180 cents per ordinary share has been determined by converting the Investec plc distribution of 13 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 11h00 (SA time) on 16 May 2007.

Share certificates may not be dematerialised or rematerialised between Monday, 23 July 2007 and Friday, 27 July 2007, both dates inclusive.

By order of the board



B Coetsee
Company Secretary
17 May 2007

Investec Limited

Registration number: 1925/002833/06

Share code: INPR

ISIN: ZAE000063814

Non-redeemable non-cumulative non-participating preference shares

Declaration of dividend number 5

Notice is hereby given that preference dividend number 5 amounting to 428.44 cents per share has been declared for the period 01 October 2006 to 31 March 2007. 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.

The relevant dates for the payment of dividend number 5 are as follows:

Last day to trade cum-dividend	Friday, 22 June 2007
Shares trade ex-dividend	Monday, 25 June 2007
Record date	Friday, 29 June 2007
Payment date	Monday, 2 July 2007

Share certificates may not be dematerialised or rematerialised between Monday, 25 June 2007 and Friday, 29 June 2007, both dates inclusive.

By order of the board



B Coetsee
Company Secretary
17 May 2007

Investec Bank Limited

Registration number: 1969/004763/06

Share code: INLP

ISIN: ZAE000048393

Non-redeemable non-cumulative non-participating preference shares Declaration of dividend number 8

Notice is hereby given that preference dividend number 8 amounting to 459.04 cents per share has been declared for the period 01 October 2006 to 31 March 2007. 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.

The relevant dates for the payment of dividend number 8 are as follows:

Last day to trade cum-dividend	Friday, 22 June 2007
Shares trade ex-dividend	Monday, 25 June 2007
Record date	Friday, 29 June 2007
Payment date	Monday, 02 July 2007

Share certificates may not be dematerialised or rematerialised between Monday, 25 June 2007 and Friday, 29 June 2007, both dates inclusive.

By order of the board



B Coetsee

Company Secretary

17 May 2007

Investec plc

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.

Dividend announcements

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

Registration number 3633621
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:

Last day to trade cum dividend:

On the JSE	Friday, 22 June 2007
On the CISX	Tuesday, 26 June 2007

Shares trade ex dividend:


On the JSE	Monday, 25 June 2007
On the CISX	Wednesday, 27 June 2007

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

Financial results (Investec plc and Investec Limited)



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)
Net interest income	343 915	259 152
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
Other income	944 694	998 538
Claims and reinsurance premiums on insurance business	(111 492)	(293 135)
Total operating income net of insurance claims	1 177 117	964 555
Impairment losses on loans and advances	(16 530)	(9 160)
Operating income	1 160 587	955 395
Administrative expenses	(680 687)	(558 887)
Depreciation and amortisation of property, equipment and software	(13 315)	(7 741)
Operating profit before goodwill	466 585	388 767
Goodwill	2 569	(21 356)
Operating profit	469 154	367 411
Profit on disposal of group operations	-	73 573
Profit before taxation	469 154	440 984
Taxation	(119 781)	(111 616)
Profit after taxation	349 373	329 368
Earnings attributable to minority interests	9 054	14 267
Earnings attributable to shareholders	340 319	315 101
	349 373	329 368
Earnings per share (pence)		
- basic	54.7	53.8
- diluted	50.4	50.0
Adjusted earnings per share (pence)		
- basic	53.3	41.9
- diluted	49.2	39.0
Headline earnings per share (pence)		
- basic	52.3	40.6
- diluted	48.2	37.8
Dividends per share (pence)	23.0	18.2

Combined consolidated balance sheet

£'000	31 March 2007	31 March 2006
Assets		
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
	22 281 867	18 840 499
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
	26 299 688	23 900 949
Liabilities		
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
	19 616 999	16 798 552
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
	23 634 820	21 859 002
Subordinated liabilities (including convertible debt)	830 705	529 854
	24 465 525	22 388 856
Equity		
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)
	1 542 485	1 226 492
Shareholders' equity excluding minority interests		
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
	1 834 163	1 512 093
Total equity		
	26 299 688	23 900 949
Total liabilities and equity		
	26 299 688	23 900 949

Combined consolidated reconciliation of equity

£'000

	Share capital Investec Limited	Share premium account Investec Limited	Treasury shares	Share capital Investec plc	Share premium account Investec plc	Equity portion of convertible instruments
At 1 April 2005	46	635 418	(109 362)	119	393 824	2 191
Movement in reserves 1 April 2005 - 31 March 2006						
Foreign currency adjustments	-	-	-	-	-	-
Retained profit for the year	-	-	-	-	-	-
Share based payments adjustments	-	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-	-
Pension fund actuarial gains	-	-	-	-	-	-
Total recognised gains and losses for the year	-	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-	-
Issue of equity by subsidiaries	-	-	-	-	-	-
Share issue expenses	-	-	-	-	(556)	-
Re-issue of treasury shares	-	-	13 062	-	51	-
Movement on minorities on disposals and acquisitions	-	-	-	-	-	-
Transfer from equity accounted reserve	-	-	-	-	-	-
Transfer to capital reserves	-	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-	-
At 31 March 2006	46	635 418	(96 300)	119	393 319	2 191
Movement in reserves 1 April 2006 - 31 March 2007						
Foreign currency adjustments	-	-	-	-	-	-
Retained profit for the year	-	-	-	-	-	-
Share based payments adjustments	-	-	1 112	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-	-
Pension fund actuarial losses	-	-	-	-	-	-
Total recognised gains and losses for the year	-	-	1 112	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-	-
Issue of ordinary shares	-	18 873	-	4	28 984	-
Issue of perpetual preference shares by the holding company	-	-	-	-	-	-
Issue of equity by subsidiaries	-	-	-	-	-	-
Minorities arising on acquisition of subsidiaries	-	-	-	-	-	-
Share issue expenses	-	(36)	-	-	(23)	-
Net movement of treasury shares	-	20 660	(8 513)	-	32 664	-
Transfer from capital reserves	-	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-	-
Transfer between reserves	-	-	(5 578)	-	-	-
Dividends paid to minorities	-	-	-	-	-	-
Capital reduction paid to minority	-	-	-	-	-	-
At 31 March 2007	46	674 915	(109 279)	123	454 944	2 191

Perpetual preference shares	Capital reserve account	Available for sale reserve	Other Reserves				Share based payment	Profit and loss account	Shareholder's equity excluding minority interests	Minority interests	Total
			Regulatory general risk	Equity accounted reserve	Foreign currency reserves						
196 742	7 668	9 875	28 315	470	(5 814)	37 540	(266 529)	930 503	145 108	1 075 611	
18 563	-	-	-	-	24 407	-	-	42 970	9 594	52 564	
-	-	-	-	-	-	-	315 101	315 101	14 267	329 368	
-	-	-	-	-	-	18 065	1 156	19 221	-	19 221	
-	-	8 480	-	-	-	-	-	8 480	-	8 480	
-	-	-	-	-	-	-	2 035	2 035	-	2 035	
18 563	-	8 480	-	-	24 407	18 065	318 292	387 807	23 861	411 668	
-	-	-	-	-	-	-	(84 435)	(84 435)	-	(84 435)	
-	-	-	-	-	-	-	(19 940)	(19 940)	-	(19 940)	
-	-	-	-	-	-	-	-	-	132 520	132 520	
-	-	-	-	-	-	-	-	(556)	-	(556)	
-	-	-	-	-	-	-	-	13 113	-	13 113	
-	-	-	-	-	-	-	-	-	(15 888)	(15 888)	
-	-	-	-	(470)	-	-	470	-	-	-	
-	5 575	-	-	-	-	-	(5 575)	-	-	-	
-	-	-	21 992	-	-	-	(21 992)	-	-	-	
215 305	13 243	18 355	50 307	-	18 593	55 605	(79 709)	1 226 492	285 601	1 512 093	
(52 690)	-	-	-	-	(93 172)	-	-	(145 862)	(38 985)	(184 847)	
-	-	-	-	-	-	-	340 319	340 319	9 054	349 373	
-	-	-	-	-	-	32 878	-	33 990	-	33 990	
-	-	12 287	-	-	-	-	-	12 287	-	12 287	
-	-	-	-	-	-	-	(2 470)	(2 470)	-	(2 470)	
(52 690)	-	12 287	-	-	(93 172)	32 878	337 849	238 264	(29 931)	208 333	
-	-	-	-	-	-	-	(112 592)	(112 592)	-	(112 592)	
-	-	-	-	-	-	-	(31 850)	(31 850)	-	(31 850)	
-	-	-	-	-	-	-	-	47 861	-	47 861	
131 187	-	-	-	-	-	-	-	131 187	-	131 187	
-	-	-	-	-	-	-	-	-	20 949	20 949	
-	-	-	-	-	-	-	-	-	21 858	21 858	
(1 629)	-	-	-	-	-	-	-	(1 688)	-	(1 688)	
-	-	-	-	-	-	-	-	44 811	-	44 811	
-	(701)	-	-	-	-	-	701	-	-	-	
-	-	-	21 633	-	-	-	(21 633)	-	-	-	
-	-	-	-	-	-	5 578	-	-	-	-	
-	-	-	-	-	-	-	-	-	(528)	(528)	
-	-	-	-	-	-	-	-	-	(6 271)	(6 271)	
292 173	12 542	30 642	71 940	-	(74 579)	94 061	92 766	1 542 485	291 678	1 834 163	

Summarised combined consolidated cash flow statement

£'000	Year to 31 March 2007	Year to 31 March 2006
Cash flows 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
Net increase/(decrease) in cash and cash equivalents	84 257	(192 373)
Cash and cash equivalents at the beginning of the year	1 190 183	1 382 556
Cash and cash equivalents at the end of the year	1 274 440	1 190 183

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).

Dividends and earnings per share

	Year to 31 March 2007	Year to 31 March 2006
Ordinary dividends - pence per share		
Interim	10.0	7.6
Final	13.0	10.6
	23.0	18.2
Earnings	£'000	£'000
Earnings attributable to shareholders	340 319	315 101
Preference dividends paid	(31 850)	(19 940)
Earnings attributable to ordinary shareholders	308 469	295 161
Earnings resulting from future dilutive convertible instruments	974	2 675
Diluted earnings attributable to ordinary shareholders	309 443	297 836
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	602 052 096	593 166 365
Weighted average number of treasury shares	(38 269 412)	(44 327 451)
Weighted average number of shares in issue during the year	563 782 684	548 838 914
Weighted average number of shares resulting from future dilutive potential shares	41 146 215	29 424 371
Weighted average number of shares resulting from future dilutive convertible instruments	17 869 970	17 869 970
Adjusted weighted number of shares potentially in issue	622 798 869	596 133 255
Earnings per share - pence		
Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year:	54.7	53.8
Diluted earnings per share - pence		
Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year:	50.4	50.0
Adjusted earnings per share - pence		
Adjusted earnings per share is calculated by dividing the earnings before goodwill and non-operating items attributable to the ordinary shareholders and after taking into account earnings attributable to perpetual preference shareholders, by the weighted average number of ordinary shares in issue during the year:	53.3	41.9
	£'000	£'000
Earnings attributable to shareholders	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)
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items	300 704	230 017

* In accordance with IFRS, dividends attributable to equity holders is accounted for when a constructive liability arises, i.e. on declaration by the board of directors and approval by the shareholders, where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS.

Dividends and earnings per share (continued)

	Year to 31 March 2007	Year to 31 March 2006
Headline earnings per share - pence		
Headline earnings per share has been calculated in accordance with the definition in the Institute of Investment Management Research Statement of Investment Practice No. 1 "The Definition of Headline Earnings" and is disclosed in accordance with the JSE listing requirements and is in terms of circular 7/2002 issued by the South African Institute of Chartered Accountants.		
	52.3	40.6
	£'000	£'000
Earnings attributable to shareholders	340 319	315 101
Goodwill	(2 569)	21 356
Profit on disposal of group operations	-	(73 573)
Preference dividends paid	(31 850)	(32 867)
Other headline adjustments**	(11 019)	(7 212)
Headline earnings attributable to ordinary shareholders	294 881	222 805

** Other headline adjustments include the fair value of investment properties and realisation gains/losses on available for sale instruments.

Divisional and segmental review



Integrated global management structure

Global roles

Chief Executive Officer - Stephen Koseff
 Managing Director - Bernard Kantor

Executive Director - Alan Tapnack
 Group Risk and Finance Director - Glynn Burger

Geographic business leaders

	South Africa Andy Leith Glynn Burger David Lawrence	United Kingdom Bradley Fried	Australia Geoff Levy Brian Schwarz tz	SE Asia Richard Forlee
Divisional business leaders	Private Banking Steven Heilbron			
	Private Client Stockbroking Henry Blumenthal - SA	Support structures		
	Capital Markets David van derWalt	Banking and Institutions - David Lawrence Chief Integrating Officer - Allen Zimmler Corporate Governance, Internal Audit and Compliance - Bradley Tapnack Finance and Operations - Rayanne Jacobson		
	Investment Banking Bradley Fried and Andy Leith	IT - Ingrid David and Simon Shapiro Marketing - Raymond van Niekerk Risk Management - Ciaran Whelan Share Schemes and Secretarial - Les Penfold		
	Asset Management Hendrik du Toit			
	Property Activities Sam Hackner			

Group operating structure

Our strategic goals and objectives are motivated by the desire to develop an efficient and integrated business on an international scale through the active pursuit of clearly established core competencies in our principal business areas. Our core philosophy has been to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.



Private Client Activities

Partner of choice from wealth creation to wealth management

Scope of activities

Private Client Activities comprises two businesses: Private Banking and Private Client Portfolio Management and Stockbroking

Private Banking

Activities	- Banking Activities - Growth and Acquisition Finance - Investment Management and Advisory Services - Specialised Lending - Structured Property Finance - Trust and Fiduciary Services
Target market	- Ultra high net worth individuals - Active wealthy entrepreneurs - High income professionals including property developers and investors, self-employed entrepreneurs, management buyout and management buy-in candidates and sophisticated investors

Private Client Portfolio Management and Stockbroking

Activities	- Investment portfolio management and stockbroking
Target market	Private Client Securities, South Africa: High net worth individuals Rensburg Sheppards plc, UK: Transaction concluded in May 2005, see page 28.

Strategic focus

Private Banking

Investec Private Bank positions itself as the “investment bank for private clients”, offering specialist financial services to our chosen target market. This strategy is underpinned by the fundamental and aspirational philosophy of “out thinking” as opposed to “out muscling” competitors.

Private Client Portfolio Management and Stockbroking

South Africa

Mission: To be the premier South African portfolio management and stockbroking house

We differentiate ourselves by:

- Continually demonstrating superior portfolio management returns to clients
- Introducing new discretionary and non-discretionary products and services
- Offering clients additional value through products developed within the broader Investec group
- Enhancing client focus with teams offering specialist solutions to clients
- Leveraging cross-sell opportunities within the Investec group

Private Client Activities

Partner of choice from wealth creation to wealth management

Management structure

Private Banking

Global Head of Private Banking

Steven Heilbron

UK and Europe

Regional Head

Steven Heilbron

Banking and Treasury

Linda McBain

Growth and Acquisition Finance

Avron Epstein

Investment Management

Robert Gottlieb

Kim Hillier

Private Client Lending

Wayne Preston

Nicky Walden

Specialised Lending

David Drewienka

Structured Property Finance

Paul Stevens

Trust and Fiduciary

Robert Clifford

Investec Bank Channel Islands

Mort Mirghavameddin

Investec Bank Ireland

Michael Cullen

Investec Bank Switzerland

Peter Gyger

Regional Head: Manchester

Richard Heggie

Finance and Operations

Chris Forsyth

IT

Alan Bletcher

Marketing

Antonia Kerr

South Africa

National Head

Paul Hanley

Regional Heads (Cape Town)

Rob Nicolella

Michael Barr

Regional Head (Durban)

Colin Franks

Regional Head (Johannesburg)

Wessel Oosthuysen

Regional Head (Pretoria)

Wouter de Vos

Regional Head (Port Elizabeth)

Andy Vogel

Banking

Carol-Ann van der Merwe

Investment Management

Warren King

Treasury

Les Scott

Compliance

Geoff Cooke

Credit Risk

Michael Leisegang

Finance

Lianne D'Agnes

Human Resources

Tracey Rowe

IT

Denton Muil

Marketing

Carol-Ann van der Merwe

Risk Management

Tim Till

Australia

Growth and Acquisition Finance

Mark Joffe

Michael Sack

Private Client Treasury and

Investments

Ivan Katz

Specialised Lending

Ashley Krongold

Strategic Management

Colin Jensen

Structured Property Finance

Tim Johansen

Wealth Management

Robert Lipman

Business Systems

Angelica Stein

Finance

Kelley-Ann Axiom

Marketing

Ngairé Threlfall

Operations

Steven Munitz

Risk Management

Mike Sargeant

Private Client Portfolio Management and Stockbroking

Head of Private Client Securities

South Africa

Henry Blumenthal

Investment Process

Donald Glyn

Peter Armitage

Finance and Operations

Andrew Birrell

Cape Town region

Jonathan Bloch

Stephen Glanz

Angus Robertson

Durban region

Craig Hudson

Johannesburg region

Paul Deuchar

Raymond Goss

Pietermaritzburg region

Andrew Smythe

Port Elizabeth region

Andy Vogel

Pretoria region

Len Olivier

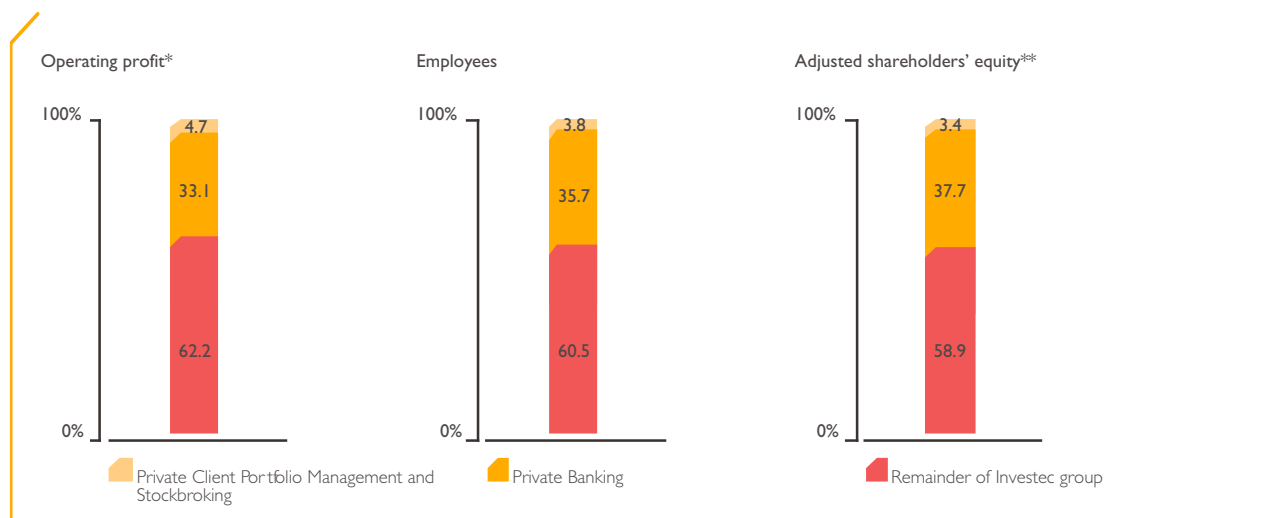
Online Services

Ockert Olivier

Risk Management

Alex Harding

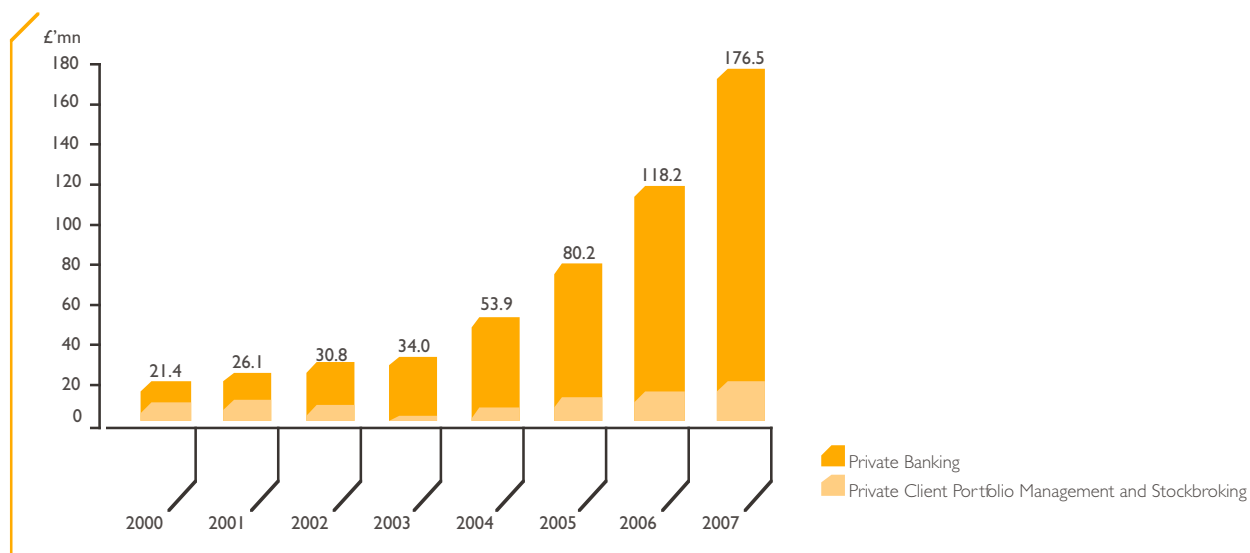
Contribution analysis



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 82.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Private Banking

Partner of choice from wealth creation to wealth management

Overview and financial analysis

- Operating profit increased by 52.1% to £154.4 million, contributing 33.1% to group profit.
- Excellent growth was achieved in all key geographies.
- Key earnings drivers:
 - Loans and advances increased by 11.3% to £6.9 billion
 - The deposit book increased by 16.5% to £5.6 billion
 - Funds under advice increased by 34.1% to £2.5 billion

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	217 435	165 308	52 127	31.5%
Net fees and commissions receivable	109 596	70 675	38 921	55.1%
Principal transactions	16 381	11 657	4 724	40.5%
Other operating income and operating income from associates	288	(132)	420	>100.0%
Impairment losses on loans and advances	(6 932)	1 745	(8 677)	>100.0%
Admin expenses and depreciation	(182 377)	(147 730)	(34 647)	23.5%
Operating profit before goodwill, non-operating items and taxation	154 391	101 523	52 868	52.1%
UK and Europe	96 734	61 533	35 201	57.2%
Southern Africa	41 413	31 981	9 432	29.5%
Australia	16 244	8 009	8 235	>100.0%
Operating profit before goodwill, non-operating items and taxation	154 391	101 523	52 868	52.1%
Adjusted shareholders' equity*	478 947	372 651	106 296	28.5%
ROE (pre-tax)*	38.1%	29.3%		
Cost to income ratio	53.1%	59.7%		
Operating profit per employee (£'000)*	87.2	70.6		23.5%

* As calculated on pages 82 and 83.

The variance in operating profit over the year can be explained as follows:

- The solid increase in net interest income has been driven by:
 - Strong growth in loans and advances and deposits.
 - A strong increase in arrangement and exit fees associated with an 18% increase in lending turnover.
- The impact of IAS 18 resulted in a cumulative R506 million (2006: R345 million) of lending fees in the South African business being deferred for recognition as margin by 31 March 2010.
- Net fees and commissions receivable principally include fees in relation to trust and fiduciary services, investment management, banking and treasury activities, as well as profit shares arising out of lending transactions. The growth in net fees and commissions receivable has been driven by strong activity levels in the majority of these areas of specialisation.
- Principal transactions include the revaluations and realisations of equity and warrant positions held (these are associated with our lending activities and the manner in which certain of our deals are structured). The increase in principal transactions reflects the increasing contribution made by the Growth and Acquisition Finance business.
- Impairment losses on loans and advances, after adjusting for £5.6 million of recoveries in the prior year, increased from £3.8 million to £6.9 million. This increase is the result of impairments held against certain transactions in South Africa.
- The increase in expenses is mainly as a result of an increase in variable remuneration in line with growth in profitability, a 22% rise in average headcount, and investment in product development and infrastructure.

Loans, deposits and funds under advice

£'million As at	UK and Europe		Southern Africa		Australia		Total		% Change
	31 March 2007	31 March 2006	31 March 2007	31 March 2006	31 March 2007	31 March 2006	31 March 2007	31 March 2006	
Residential	1 084	818	868	908	10	11	1 962	1 737	13.0%
Commercial	787	721	1 609	1 559	417	319	2 813	2 599	8.2%
Cash-backed loans	119	117	-	-	-	-	119	117	1.7%
Other	412	325	862	925	102	51	1 376	1 301	5.8%
Securitised assets	-	-	605	424	-	-	605	424	43.0%
Total gross loans and advances	2 402	1 981	3 944	3 816	529	381	6 875	6 178	11.3%
Specific impairments	2	2	11	10	2	1	15	13	15.4%
Portfolio impairments	2	1	3	6	-	-	5	7	(28.6%)
Net loans and advances	2 398	1 978	3 930	3 800	527	380	6 855	6 158	11.3%
Asset quality									
Gross defaults	16	13	45	41	10	1	71	55	
Collateral value	15	11	34	29	9	-	58	40	
Specific impairments	2	2	11	10	2	1	15	13	
Net defaults (limited to zero)	-	-	-	2	-	-	-	2	100.0%
Gross defaults as a % of gross loans and advances	0.7%	0.7%	1.1%	1.1%	1.9%	0.3%	1.0%	0.9%	
Total deposits	3 439	2 921	1 851	1 650	270	202	5 560	4 773	16.5%

Net loans and advances as at	31 March 2007	31 March 2006	% Change	31 March 2007	31 March 2006	% Change
	£'million			Home currency' million		
UK and Europe	2 398	1 978	21.2%	£2 398	£1 978	21.2%
Southern Africa	3 930	3 800	3.4%	R55 786	R40 749	36.9%
Australia	527	380	38.7%	A\$1 279*	A\$928	37.8%
Net loans and advances	6 855	6 158	11.3%			

* Includes A\$189 million acquired from Rothschild's.

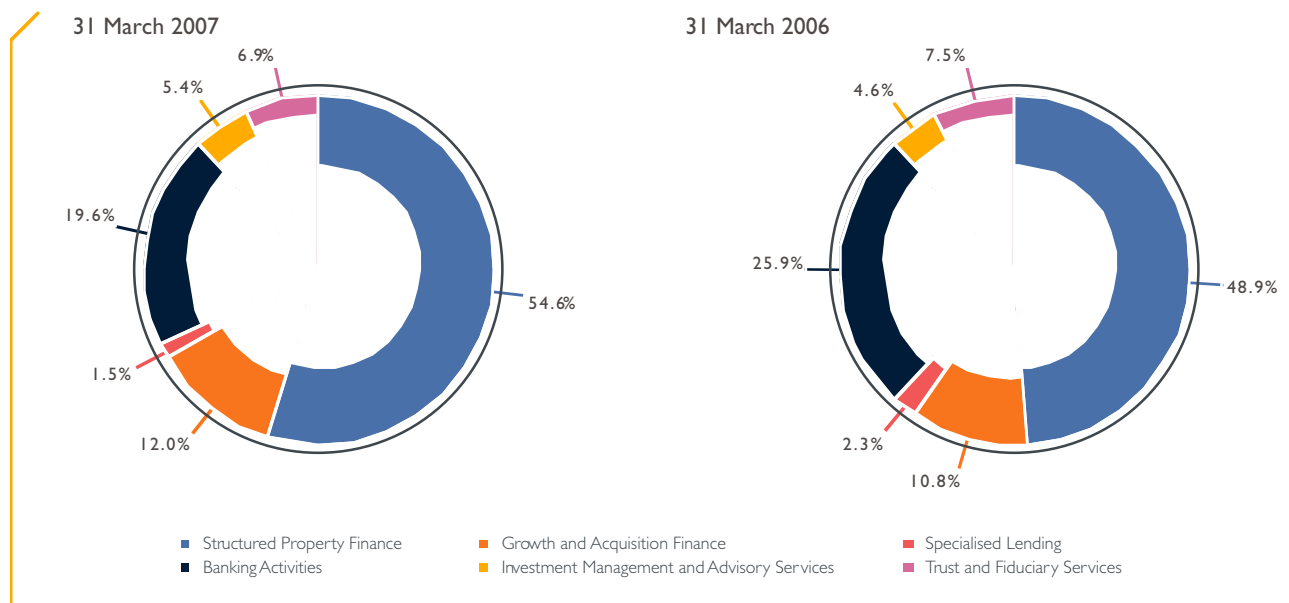
Deposits as at	31 March 2007	31 March 2006	% Change	31 March 2007	31 March 2006	% Change
	£'million			Home currency' million		
UK and Europe	3 439	2 921	17.7%	£3 439	£2 921	17.7%
Southern Africa	1 851	1 650	12.2%	R26 277	R17 687	48.6%
Australia	270	202	33.7%	A\$655	A\$495	32.3%
Total deposits	5 560	4 773	16.5%			

Funds under advice as at	31 March 2007	31 March 2006	% Change	31 March 2007	31 March 2006	% Change
	£'million			Home currency' million		
UK and Europe	951	642	48.1%	£951	£642	48.1%
Southern Africa	1 275	1 006	26.7%	R18 111	R10 784	67.9%
Australia	306	240	27.5%	A\$740	A\$586	26.3%
Total funds under advice	2 532	1 888	34.1%			

Private Banking

Partner of choice from wealth creation to wealth management

Analysis of total income by area of specialisation



Developments

UK and Europe

- The Structured Property Finance team concluded a number of significant client led cross-border transactions in Europe and has continued expanding its distribution capacity in London, Manchester and Ireland.
- The Banking business has significantly expanded its distribution capacity and continues to innovate in the mortgage arena. Deposit raising and general banking activities have commenced in Switzerland and Jersey.
- The Growth and Acquisition Finance business has enhanced its portfolio of transactions with a good pipeline of exits. The product set has been expanded to include asset based lending, with an emphasis on receivables financing in addition to mezzanine and equity.
- The Investment Management business continues to win significant private client portfolio mandates. A material uplift in profitability and the talent pool has also been achieved. We continue to gain scale in our key focus areas, which include the provision of advisory services and specialised opportunities to our clients.
- The Guernsey based bank continues to successfully penetrate the Channel Islands market for deposit raising and is a key provider of liquidity for the Private Bank in Europe. In addition, good progress in both the Investment Management and Structured Property Finance activities has been achieved.
- The Trust and Fiduciary business has enhanced profitability through efficiencies together with the successful integration of the Quorum Management Limited business. The business is an integral part of the Private Bank offering and continues to meaningfully support the deposit raising and investment activities of the bank.
- We are on track to roll out an online banking functionality by the end of 2008 and a transactional banking product is under review. This is aimed at further bolstering client acquisition and retention in general banking activities.

South Africa

- The Structured Property Finance and Growth and Acquisition Finance teams completed 29 transactions, providing R2.7 billion in funding for black economic empowerment initiatives.
- The Wealth Management team's increased focus on the ultra-wealthy South African private client led to a significant increase in assets under advice.
- The pricing strategy for transactional banking was revised from being transaction based to a consolidated monthly fee. The change has had a materially favourable impact on client behaviour and client acquisition, with notable progress being made with clients engaging Investec as their primary banking partner.
- Significant investment in information technology relating to the Banking specialisation was undertaken as a result of the considerable increase in volumes of online banking transactions resulting from client acquisition and client usage.
- We securitised R1.4 billion of our commercial loans under the first multi-borrower commercial securitisation undertaken in South Africa.

Australia

- The private client activities resulting from the acquisition of NM Rothschild & Sons (Australia) Limited were successfully integrated into the business.
- Our regional expansion continued into Brisbane and more recently Perth with the introduction of a private client offering.
- Structured Property Finance expanded its distribution capability, enhanced its sectoral focus and increased its focus on equity participations.
- We increased our lending capability with the launch of a new business line, Specialised Lending, which focuses on providing sophisticated gearing solutions for high net worth clients.
- The money market offering was enhanced through product innovation and an improved service capability.
- We exited our first two significant Growth and Acquisition Finance transactions through an initial public offering (IPO) and trade sale respectively and continue to look for opportunities to build a portfolio of investments.
- We successfully distributed A\$200 million of specialist opportunities originated by the bank and increased high net worth funds under advice by 26.3%.
- We are developing a platform for third party co-investment opportunities to be offered to target clients.
- There is substantial investment under way to increase brand presence and distribution capability across all regions.

Outlook

- On the assumption that current market conditions prevail, the earnings outlook across all geographies is positive, with good deal pipelines in place.
- There are planned growth strategies in each jurisdiction, which include the expansion of distribution capability together with new strategic initiatives.

Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

Overview and financial analysis

- Operating profit increased by 32.7% to £22.1 million, contributing 4.7% to group profit.
- Private client funds under management in South Africa grew by 25.6% from R84.1 billion to R105.6 billion.

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	6	480	(474)	(98.8%)
Net fees and commissions receivable	28 053	30 264	(2 211)	(7.3%)
Principal transactions	3 137	631	2 506	>100.0%
Other operating income and operating income from associates	10 065	6 389	3 676	57.5%
Admin expenses and depreciation	(19 180)	(21 122)	1 942	(9.2%)
Operating profit before goodwill, non-operating items and taxation	22 081	16 642	5 439	32.7%
UK and Europe	10 065	7 399	2 666	36.0%
Southern Africa	12 016	9 243	2 773	30.0%
Operating profit before goodwill, non-operating items and taxation	22 081	16 642	5 439	32.7%
Adjusted shareholders' equity*	42 927	37 122	5 805	15.6%
ROE (pre-tax)*	44.2%	40.8%		
Cost to income ratio	46.5%	55.9%		
Operating profit per employee (£'000)*	64.6	65.3		(1.1%)

* As calculated on pages 82 and 83.

The variance in operating profit over the year can be explained as follows:

- The South African Private Client business benefited from higher asset levels and increased volumes over the year.
- Investec's UK Private Client Stockbroking business, Carr Sheppards Crosthwaite, was sold to Rensburg plc on 6 May 2005. We retain a 47.1% interest in the combined entity, Rensburg Sheppards plc. Prior to 6 May 2005, the results of Carr Sheppards Crosthwaite have been consolidated into the group's results. After 6 May 2005, the results of the combined entity Rensburg Sheppards plc have been equity accounted and the directors' estimate of these results are included in the line item "operating income from associates" (the £10.1 million income reflected above is post an estimate for tax of approximately £5 million).

Developments

UK and Europe

- Rensburg Sheppards plc will be releasing its results for the year ended 31 March 2007 in June 2007. We are therefore unable to provide any additional information on their performance until this time.

South Africa

- Revenue increased substantially over the prior period, assisted by higher trading volumes.

Funds under management as at	31 March	31 March	% Change	31 March	31 March	% Change
	2007	2006		2007	2006	
	R'million			£'million		
Discretionary	18 419	14 343	28.4%	1 297	1 338	(3.1%)
Non-discretionary	87 177	69 744	25.0%	6 139	6 506	(5.6%)
Total	105 596	84 087	25.6%	7 436	7 844	(5.2%)

R'million	31 March	31 March
	2007	2006
Net flows at cost over the period		
Discretionary	1 065	2 799
Non-discretionary	2 316	13 957
Total	3 381	*16 756

* Includes HSBC funds acquired of R13.4 billion (R2.1 billion discretionary and R11.3 billion non-discretionary).

Outlook

South Africa

- Market conditions were strong over the past year, encouraging many private clients to enter or remain in the stock market. This was partly driven by the flow of funds into emerging economies, given their favourable valuation fundamentals compared to developed economies. Although valuations can be supported by local underlying fundamentals, there are concerns that given the record price and index levels, driven by strong performances from resource counters, the South African market remains vulnerable to external shocks that will affect emerging economies.
- Revenue from stockbroking advisory and execution activities is expected to increase above that of the prior year, although at a modest rate. This is dependent on current market conditions remaining benign.
- Revenue from portfolio management activities is expected to increase, given the base effect of higher portfolio values.

Capital Markets

Specialist structuring and advisory business

Scope of activities

The growth and development of the business over the last few years has caused us to reflect on the appropriateness of the name Treasury and Specialised Finance. The name is not reflective of our core activities and has caused some confusion in the market as a result from now on we will rebrand ourselves Investec Capital Markets. This does not mean a change of direction of the business.

The Capital Markets division provides a wide range of specialist products, services and solutions to select corporate clients, public sector bodies and institutions. The division undertakes the bulk of Investec's wholesale debt, structuring, proprietary trading, capital markets and derivatives business.

Strategic focus

Our objectives include:

- Continuing to remain a focused and specialised business, targeting markets and products where we can be distinctive and competitive.
- Seeking through strong discipline, that is centred on clients and delivery of structured products:
 - Asset creation opportunities
 - Product structuring and distribution opportunities
 - Trading, hedging and proprietary market opportunities
 - Advisory mandates
- Creating platforms for the origination and securitisation of internal and third party originated banking assets on a sustainable basis.
- 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, to ensure maximum competitive advantage and long-term cost savings.
- Taking advantage of opportunities to use our specialist skills to launch specialist funds.
- Investing in the future and targeting growth.

Management structure

Global Head of Capital Markets

David van der Walt

UK and Europe

Regional Head	David van der Walt
Balance Sheet and Interest Rates	John Barbour
Commodities and Resource Finance	George Rogers
Corporate Forex (UK)	James Arnold
Equity Derivatives	Mark Roessgen
Fixed Income Options	David Kantor
Foreign Exchange	Phillip Wells
Principal Finance (UK and Europe)	Andy Clapham
Principal Finance (US)	Ruth Leas Michael Schewitz
Project Finance (UK and International)	Maurice Hochschild
Structured and Asset Finance Operations (UK and International)	Alistair Crowther
Regional Head: Ireland	Kevin McKenna
Corporate Treasury: Ireland	Michael Cullen
Equity Finance: Ireland	Aisling Dodgson
Operations: Ireland	Loman Gallagher Alan Byrne

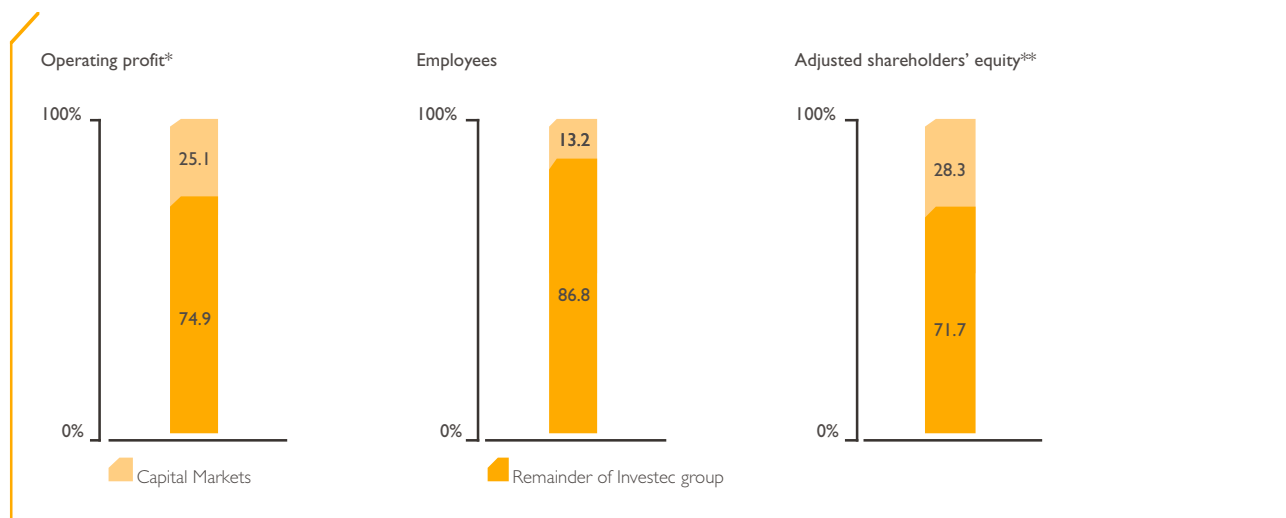
Southern Africa

Regional Head	Richard Wainwright
Commodities and Resource Finance	Dharmesh Kaylan
Corporate Treasury	Gary Gorman
Equity Derivatives (South Africa and International)	Milton Samios
Financial Products	Mark Currie
Foreign Exchange	Grant Barrow
Interest Rates	Brett Hopkins
Project Finance	Michael Meeser
Structured and Asset Finance	David Kuming Anton Millar
Balance Sheet Management	Clive Sindelman
Regional Head: Mauritius Operations	Craig McKenzie Stuart Spencer

Australia

Regional Head	José de Nobrega
Commodities and Resource Finance (Australia)	Anthony Hawke
Commodities and Resource Finance (International)	José de Nobrega
Principal Finance	Darren Klein
Project and Infrastructure Finance	Cosmas Kapsanis Mark Schneider
Structured Finance	David Phillips
Balance Sheet Management	Jeff Duncan-Nagy

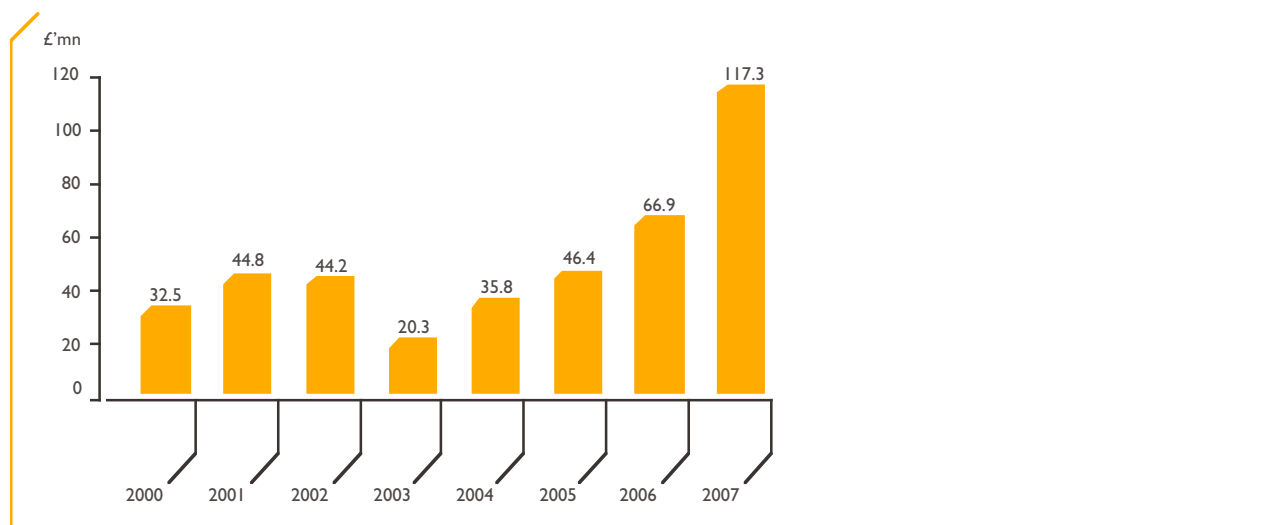
Contribution analysis



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 82.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Capital Markets

Specialist structuring and advisory business

Overview and financial analysis

- Strong growth continued as operating profit increased by 75.3% to £117.3 million, contributing 25.1% to group profit.
- Growth was underpinned by contributions from all our core value drivers: advising, structuring, asset creation, distribution and trading.
- The lending book grew by 3.2% to £3.1 billion.

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	89 078	71 228	17 850	25.1%
Net fees and commissions receivable	80 190	55 878	24 312	43.5%
Principal transactions	102 700	55 098	47 602	86.4%
Other operating income and operating income from associates	(11)	(72)	61	(84.7%)
Impairment losses on loans and advances	(9 925)	(12 342)	2 417	(19.6%)
Admin expenses and depreciation	(144 741)	(102 874)	(41 867)	40.7%
Operating profit before goodwill, non-operating items and taxation	117 291	66 916	50 375	75.3%
UK and Europe	51 409	22 507	28 902	>100.0%
Southern Africa	56 145	43 560	12 585	28.9%
Australia	9 737	849	8 888	>100.0%
Operating profit before goodwill, non-operating items and taxation	117 291	66 916	50 375	75.3%
Adjusted shareholders' equity*	358 724	293 542	65 182	22.2%
ROE (pre-tax)*	37.7%	27.3%		
Cost to income ratio	53.2%	56.5%		
Operating profit per employee (£'000)*	188.3	137.3		37.1%

* As calculated on pages 82 and 83.

The variance in operating profit over the year can be explained as follows:

- Net interest income benefited from an increase in advances, higher activity levels within a number of the businesses established over the past two years and the acquisition of NM Rothschild & Sons (Australia) Limited (effective 7 July 2006).
- The increase in net fees and commissions receivable is attributable to a solid performance from the advisory and structuring businesses in all geographies, with a number of mandates closed successfully, particularly in Project Finance, Structured Finance and Equity Finance.
- Principal transactions reflect a significantly improved trading performance on the back of structured transactions and increased client business. In South Africa, this was helped by increased market volatility and liquidity as well as revaluations and realisations of investments in the Structured Finance and Resource Finance businesses. In the UK and Australia, we benefited from profits earned in the Principal Finance (securitisation), Commodities and Resource Finance and Structured Finance businesses. Further analysis is provided below.
- Impairment losses on loans and advances in local currencies remained largely in line with the prior year.
- Expenses increased largely due to an increase in average headcount (staff been hired to progress new initiatives), greater variable remuneration in line with strong growth in profitability, and an increase in costs associated with complying with new and forthcoming regulatory requirements.

Analysis of principal transactions (£'000)

	31 March 2007	31 March 2006	Variance
UK and Europe			
Trading activities	3 203	1 463	1 740
Principal Finance	23 906	6 277	17 629
Commodities and Resource Finance	10 102	5 296	4 806
Structured and Asset Finance	20 602	8 111	12 491
	57 813	21 147	36 666
Southern Africa			
Trading activities	17 441	11 092	6 349
Balance sheet management	6 372	11 604	(5 232)
Financial Products	2 319	1 235	1 084
Lending areas	13 038	7 903	5 135
	39 170	31 834	7 336
Australia	5 717	2 117	3 600
Total	102 700	55 098	47 602

Loans

£'million As at	UK and Europe		Southern Africa		Australia		Total		% Change
	31 March 2007	31 March 2006	31 March 2007	31 March 2006	31 March 2007	31 March 2006	31 March 2007	31 March 2006	
Loans	1 282	942	1 434	1 862	141	25	2 857	2 829	1.0%
Assets to be securitised/ warehouse assets	242	172	-	-	-	-	242	172	40.7%
Total gross loans and advances	1 524	1 114	1 434	1 862	141	25	3 099	3 001	3.0%
Specific impairments	5	5	5	8	8	1	18	14	(28.6%)
Portfolio impairments	-	-	1	2	-	-	1	2	-
Net loans and advances	1 519	1 109	1 428	1 852	133	24	3 080	2 985	3.2%
Asset quality									
Gross defaults	18	5	24	25	*8	1	50	31	
Collateral value	11	-	24	22	-	-	35	22	
Specific impairments	5	5	5	8	8	1	18	14	
Net defaults (limited to zero)	2	-	-	-	-	-	2	-	
Gross defaults as a % of gross loans and advances	1.2%	0.4%	1.7%	1.3%	6.0%	4.0%	1.6%	1.0%	

* Acquired as part of the Rothchild's acquisition.

Net loans and advances as at

	31 March 2007	31 March 2006	% Change	31 March 2007	31 March 2006	% Change
	£'million			Home currency 'million		
UK and Europe	1 519	1 109	37.0%	£1 519	£1 109	37.0%
- Loans	1 277	937	36.3%	£1 277	£937	36.3%
- Assets to be securitised/warehouse assets	242	172	40.7%	£242	£172	40.7%
Southern Africa	1 428	1 852	(22.9%)	R20 275	R19 855	2.1%
Australia	133	24	>100.0%	A\$323*	A\$58	>100.0%
Net loans and advances	3 080	2 985	3.2%			

* Includes A\$338 million acquired from Rothschild's.

Capital Markets

Specialist structuring and advisory business

Developments

UK and Europe

- The European Principal Finance business is fully established and closed a number of transactions during the year, with various deals in the pipeline. The strong performance of the US business was negatively affected by the volatility in the US sub-prime market, where a number of fair value adjustments were required.
- The Acquisition Finance business continued to perform well.
- The Project Finance division closed the St Barts and St Helens hospital projects, realising significant fees. The St Barts deal is the largest PFI project to date in the UK.
- Activity continued in the aircraft finance market and we earned strong fee income from this area during the current period, with mandates of more than £0.5 billion completed.
- The Fixed Income Options Trading business commenced operations during May 2006 and volumes increased steadily. The desk is fully resourced and an improved performance is expected going forward.
- There are two fund initiatives under way: a structured credit fund and a resources fund. The resources fund is established with seed capital of \$40 million and further capital raising is expected. The credit fund was delayed due to volatility in credit markets.
- A platform for the securitisation of third party originated residential mortgages in Ireland was launched called Nua. The first assets are being underwritten.
- The resources sector continues to be active and we benefited from increased deal flow and good positioning within this market.
- Subsequent to the year end, we bolstered our Equity Derivative Sales and Structuring business with a number of high calibre hires.

South Africa

- Deal activity in most of our lending areas was strong but we were negatively affected by unexpected repayments, resulting in a lower than anticipated closing advances book.
- We increased our market share significantly in the equity derivative listed products market through an ongoing focus on innovation and service levels.
- The central Derivative Sales and Structuring team continued to be successful, reflected by increased levels of client flows and profitability on the trading desks.
- Our focus in the debt capital markets area was rewarded with numerous successful securitisations concluded in the financial year and significant mandates received for deals yet to close. We continue to concentrate on establishing platforms to provide securitisable assets.
- The division holds numerous equity related positions, which are linked to underlying advances. The results were positively affected both through realisation of certain of these and through the increase in valuation of the positions held at year end.

Australia

- The division benefited from the integration of the relevant businesses within NM Rothschild & Sons (Australia) Limited and now has an increased presence in Commodities and Resource Finance, Project and Infrastructure Finance and Principal Finance as well as a larger lending book. The acquisition increased the loans and advances book by A\$338 million.
- The newly established Commodities Desk contributed significantly to earnings during the year and enabled us to provide clients with a full product suite across a range of interest rates, foreign exchange and precious and base metal products.
- The Rothschild's acquisition has been successful with people, clients and businesses embedded, effectively transforming Capital Markets into a significant banking business within Australia.
- The year ahead will see the strengthening of our origination capability, coupled with the development of new businesses in the areas of Principal Finance, Securitisation and Acquisition Finance.

Outlook

The strategy has not changed. We continue to remain a focused specialist business targeting markets where we can be distinctive and competitive focusing on our core value drivers.

- In the UK and South Africa we will continue to strive for depth and greater penetration. In Australia we will look for opportunities to broaden our franchise.
- Securitisation and capital markets are a key focus in particular we will look to originate assets in higher margin niche areas to be funded through securitisation in the capital markets.
- We will continue to pursue our strategy around specialist funds.
- Momentum in the business is good

Markets remain favourable and we are still targeting growth in excess of the group target, although are unlikely to achieve the levels of the recent past. We will continue to invest in the business to ensure continued growth in the medium term.

Investment Banking

Integrated business focused on local client delivery with international access

Scope of activities

We engage in a range of investment banking activities and position ourselves as an integrated business focused on local client delivery with international access. We target clients seeking a highly customised service, which we offer through a combination of domestic depth and expertise within each geography and a client centric approach.

Activities	<ul style="list-style-type: none">- Corporate Finance- Institutional Research, Sales and Trading- Direct Investments- Private Equity
Target market	<ul style="list-style-type: none">- Major listed and unlisted corporations- Fund managers- Government- Parastatals

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.

Our primary objectives are to secure our current positionings and to continue building our operations, with a strong focus on enhancing overall profitability

UK and Europe

Our strategic objectives are to:

- Become a pre-eminent full service mid-market investment bank.
- Leverage our highly rated product and service offering internationally, specifically in the US and Europe.
- Offer additional corporate services such as private equity and debt advisory specialisation.
- Increase the use of capital to reinforce our mid-market offering.
- Achieve greater sector specialisation in Corporate Finance.

South Africa

Corporate Finance

Our strategy is to:

- Take advantage of our leading position in the South African market.
- Improve the size and profile of our client base with a focus on servicing existing clients and undertaking new client initiatives.
- Identify appropriate investment banking transactions, mergers and acquisitions and IPO opportunities.
- Continue with our strategy relating to black economic empowerment.
- Improve cross-border activity.

Institutional Research, Sales and Trading

Our strategic objectives are to:

- Be the top rated South African specialist broker as determined by our target client base.
- Broaden our research base to ensure appropriate coverage and to reinforce our South African distinctiveness.
- Further leverage our research product into the UK and US and selectively target key European clients.
- Continue to grow related product offerings.

Investment Banking

Integrated business focused on local client delivery with international access

Direct Investments and Private Equity

Our strategy is to:

- Focus on quality, not quantity, of investments, in selected industries.
- Identify and pursue transactions with the potential for significant value unlocking in the short to medium term.
- Target platform investments that can be grown significantly through the implementation of an agreed strategy operating in industries that will benefit strongly from economic growth in South Africa.
- Co-invest with experienced executives and non-executives with a proven track record, strategic investors and empowerment partnerships built on trust.
- Concentrate on closer co-operation with black economic empowerment platform investee companies.
- Convert our current transaction pipeline.

Australia

Our objectives are to:

- Build an integrated business model of advisory, private equity and direct investments, to maximise market opportunities.
- Continue to focus on global collaboration to enhance cross-border activity.
- Maintain a disciplined approach to Private Equity and Direct Investment activities in relation to deal origination, participation in competitive processes and transaction valuations.

Management structure

Joint Global Heads of Investment Banking

Bradley Fried
Andy Leith

UK and Europe

Regional Head	Bradley Fried
Investment Banking	David Currie
Investec Securities Institutional	
Stockbroking	Craig Tate
Ireland	Michael Cullen
Finance	Ray Milner
IT and Operations	Trevor Gatfield

South Africa

Regional Head	Andy Leith
Corporate Finance	Kevin Kerr Hugo Steyn
Investec Securities Institutional	
Stockbroking	Craig Tate Kevin Brady
Finance and Operations	Andrew Birrell
Direct Investments	Khumo Shuenyane
Private Equity	Thomas Prins
Finance	Caroline Thomson Robert Slater

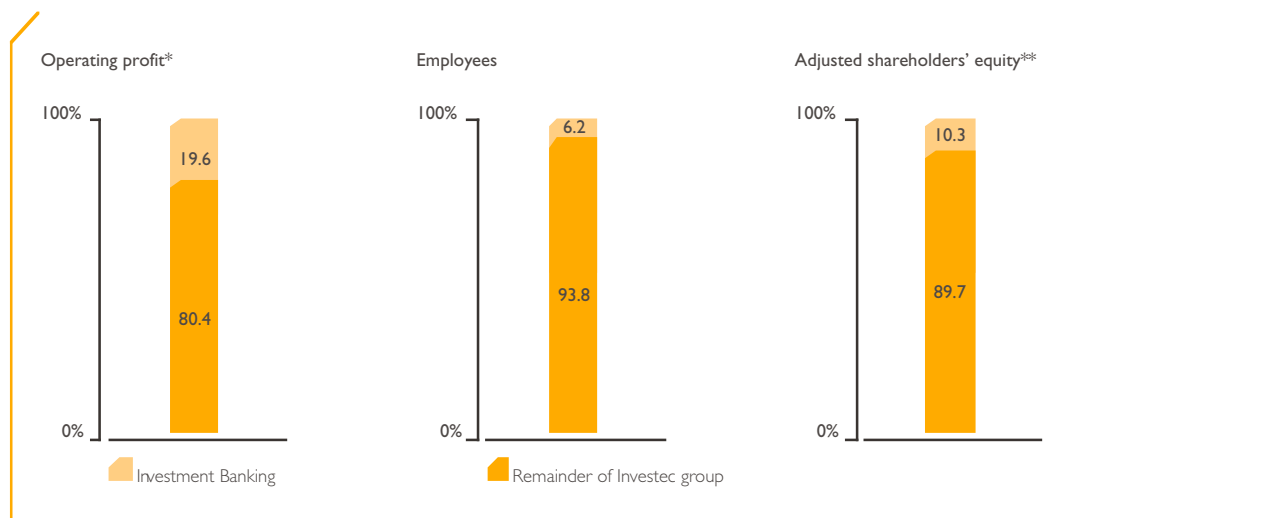
Australia

Regional Head	Geoff Levy
Corporate Advisory	Ben Smith
Private Equity	John Murphy
Direct Investments	Geoff Levy

Hong Kong

Regional Head	Richard Forlee
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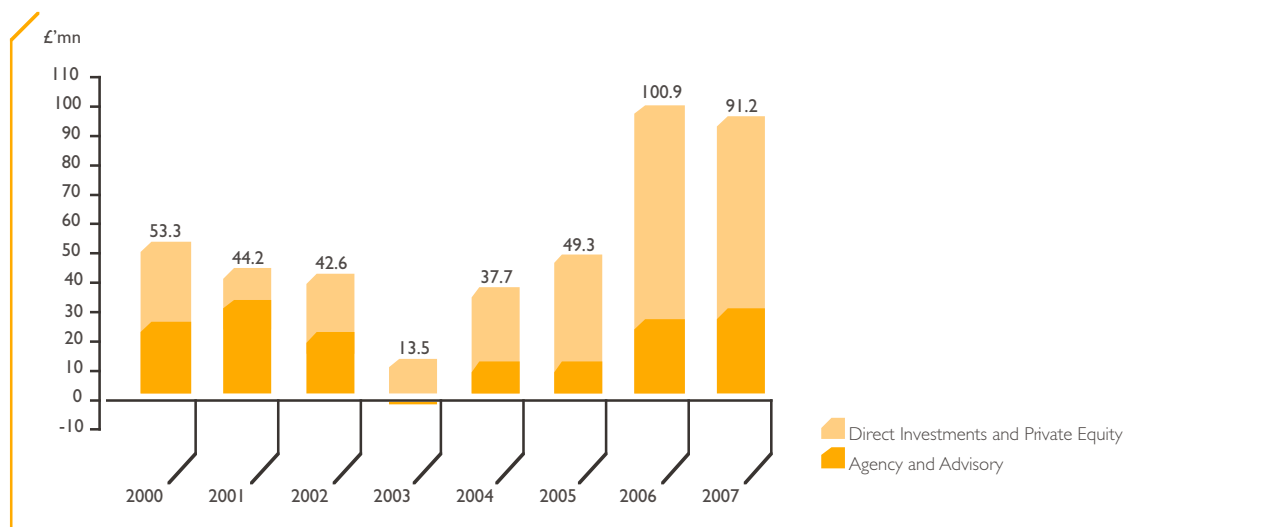
Contribution analysis



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 82.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Investment Banking

Integrated business focused on local client delivery with international access

Overview and financial analysis

- Operating profit decreased by 9.6% to £91.2 million, contributing 19.6% to group profit.

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	(2 457)	2 216	(4 673)	>100.0%
Net fees and commissions receivable	91 904	82 633	9 271	11.2%
Principal transactions	73 719	97 864	(24 145)	(24.7%)
Other operating income and operating income from associates	45 629	307	45 322	>100.0%
Impairment losses on loans and advances	(1)	722	(723)	>100.0%
Admin expenses and depreciation	(117 559)	(82 812)	(34 747)	42.0%
Operating profit before goodwill, non-operating items and taxation	91 235	100 930	(9 695)	(9.6%)
Corporate Finance	15 890	11 608	4 282	36.9%
Institutional Research, Sales and Trading	14 394	14 982	(588)	(3.9%)
Direct Investments	18 148	34 218	(16 070)	(47.0%)
Private Equity	42 803	40 122	2 681	6.7%
Operating profit before goodwill, non-operating items and taxation	91 235	100 930	(9 695)	(9.6%)
UK and Europe	23 294	29 631	(6 337)	(21.4%)
Southern Africa	60 632	65 887	(5 255)	(8.0%)
Australia	7 309	5 412	1 897	35.1%
Operating profit before goodwill, non-operating items and taxation	91 235	100 930	(9 695)	(9.6%)
Adjusted shareholders' equity*	130 816	63 875	66 941	>100.0%
ROE (pre-tax)*	68.6%	171.8%		
Cost to income ratio	56.3%	45.2%		
Operating profit per employee (£'000)*	291.9	378.3		(22.8%)

* As calculated on pages 82 and 83.

Developments

Corporate Finance and Institutional Research, Sales and Trading

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	(1 147)	43	(1 190)	>100.0%
Net fees and commissions receivable	91 544	79 768	11 776	14.8%
Principal transactions	12 774	10 095	2 679	26.5%
Other operating income and operating income from associates	(15)	-	(15)	100.0%
Impairment losses on loans and advances	(1)	(44)	43	(97.7%)
Admin expenses and depreciation	(72 871)	(63 272)	(9 599)	15.2%
Operating profit before goodwill, non-operating items and taxation	30 284	26 590	3 694	13.9%

The variance in operating profit over the year can be explained as follows:

- The Corporate Finance operations benefited from a strong deal pipeline across all geographies, particularly in South Africa, with a number of mandates closed successfully.
- The Institutional Stockbroking operations in South Africa were positively affected by increased volumes over the period. In the UK, commissions were negatively affected by regulatory changes and consequent competitive pressures.
- Principal transaction income reflects a solid performance by the dual listed arbitrage and SA/UK hedge book activities in South Africa and the Equity Trading business in the UK, partially offset by a weaker performance by the UK market making activities.
- The increase in expenses largely relates to a rise in headcount in certain businesses and an increase in variable remuneration.

Corporate Finance

UK and Europe

- We benefited from good levels of merger and acquisition (M&A) activity. The IPO market was subdued at the beginning of the year but activity levels improved significantly during the second half.
- Eight IPOs were concluded during the period, the most significant being Southern Cross Healthcare PLC, Clinphone PLC and Styles & Wood PLC.
- We completed 24 M&A transactions with a value of £2.5 billion (2006: 14 transactions with a value of £1.1 billion).
- We completed 21 fundraisings during the year, raising in aggregate £597 million (2006: 21 transactions, raising £634 million).
- We continue to build the quality and size of the corporate client list, gaining 25 new brokerships, with the total number of quoted clients now at 91. The average market capitalisation of these clients is £272 million.

South Africa

- We maintained our strong positioning with a good level of activity.
- Our focus was on M&As, corporate restructuring activities, IPOs and black economic empowerment transactions.
- We retained all our major clients and gained several new mandates during the period, particularly for black economic empowerment transactions and IPOs.
- Corporate Finance transactions during the period increased to 140 (2006: 119), with a value of R52 billion (2006: R31.2 billion).
- Sponsor broker deals completed during the period increased to 161 (2006: 128), with the value increasing substantially to R70.1 billion (2006: R28.6 billion).
- The Corporate Finance division was ranked first in volume of M&A transactions and second in general corporate finance by volume in the Dealmakers Magazine Survey for Corporate Finance (2006 calendar year).
- The Sponsor division was ranked first in volume of M&A transactions and in general corporate finance in the Dealmakers Magazine Survey for Sponsors (2006 calendar year).
- The Sponsor and Corporate Finance divisions were also ranked first and second respectively in volume of M&A transactions in the Ernst & Young review for M&A (2006 calendar year).

Australia

- There is increasing awareness and recognition of the Investec brand within the Australian market.
- We advised on 15 transactions (2006: 20) valued at approximately A\$8.7 billion (2006: A\$6.5 billion).
- We focused on building our capabilities in Brisbane and strengthening our presence in Melbourne.
- We continue to expand our sector specialisation and launched our resource advisory capability leveraging off opportunities in Western Australia.
- We experienced strong cross-border activity, particularly in the resources and renewable energy sectors, between Australia and the rest of the group.

Institutional Research, Sales and Trading

UK and Europe

- While volatile markets and unbundling affected the growth of secondary commissions compared to the prior year, trading revenues reflected upward momentum.
- Our sector build out is now complete with the introduction of two new sectors during the year, namely Speciality and Other Financials and Construction and Building.
- The quality of our research was highlighted in the Sunday Times/Starmine Survey published in January 2007, in which we were placed first across all UK brokers for FTSE 250 recommendations in the UK. We also achieved the number one ranking in the Investors Chronicle AIM survey.
- We recently established a sales desk in New York to accelerate our UK offering in that market.
- We continued to make substantial investments in our trading and execution capacity.

South Africa

- Strong agency performance was driven by active market volumes and greater international penetration.
- We broadened our stock coverage and filled key gaps in our research offering to underpin our South African distinctiveness.
- Further to our stock association initiative, leading market share positions were achieved in the key dual listed shares.
- Our Prime Broking operation performed well, exceeding expectations in the growth of funds on the system and new client mandates.
- Good progress was made across our key product offerings.

Investment Banking

Integrated business focused on local client delivery with international access

Direct Investments and Private Equity

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	(1 310)	2 173	(3 483)	(>100.0%)
Net fees and commissions receivable	360	2 865	(2 505)	(87.4%)
Principal transactions	60 945	87 769	(26 824)	(30.6%)
Other operating income and operating income from associates	45 644	307	45 337	>100.0%
Impairment losses on loans and advances	-	766	(766)	100.0%
Admin expenses and depreciation	(44 688)	(19 540)	(25 148)	>100.0%
Operating profit before goodwill, non-operating items and taxation	60 951	74 340	(13 389)	(18.0%)

The variance in operating profit over the year can be explained as follows:

- Principal transaction income represents the year to date cumulative increase/decrease in the value of the division's direct investments and private equity portfolios, the profit/loss on realisation of these investments, and dividends and other income received. Further analysis is provided below.
- Other operating income relates to the operating results of two investments held within the UK Private Equity portfolio, which 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.
- The increase in expenses largely relates to the consolidation of the two investments mentioned above (expenses amounted to £25 million), partially offset by a decrease in variable remuneration given lower profitability in certain of the divisions.

Value of trading investments on balance sheet at 31 March 2007

£'million	Listed	Unlisted	Advances	Total
UK Private Equity	9	6	-	15
SA Direct Investments	23	39	9	71
SA Private Equity	-	83	6	89
Australia	2	-	-	2
Hong Kong Direct Investments	2	5	-	7
	36	133	15	184

Note: excludes our two investments (mentioned above) which have been consolidated.

Value of trading investments on balance sheet at 31 March 2006

£'million	Listed	Unlisted	Advances	Total
UK Private Equity	11	7	-	18
SA Direct Investments	24	35	6	65
SA Private Equity	-	77	9	86
Australia	5	3	-	8
Hong Kong Direct Investments	10	-	-	10
	50	122	15	187

Analysis of operating profit for the year to 31 March 2007

£'million	Realised	Un-realised	Dividends	Interest and other	Income	Funding costs	Net income	Expenses	Net profit
UK Private Equity	-	(0.6)	0.4	36.6	36.4	-	36.4	(28.5)	7.9
SA Direct Investments	0.3	16.9	3.1	1.2	21.5	(4.6)	16.9	(4.1)	12.8
SA Private Equity	3.7	28.0	7.8	0.1	39.6	(1.7)	37.9	(7.2)	30.7
Australia	-	-	-	6.5	6.5	-	6.5	(2.3)	4.2
Hong Kong Direct Investments	6.2	1.5	-	0.2	7.9	-	7.9	(2.6)	5.3
Total	10.2	45.8	11.3	44.6	111.9	(6.3)	105.6	(44.7)	60.9

Analysis of operating profit for the year to 31 March 2006

£'million	Realised	Un-realised	Dividends	Interest and other	Income	Funding costs	Net income	Expenses	Net profit
UK Private Equity	10.3	-	-	0.6	10.9	-	10.9	(3.1)	7.8
SA Direct Investments	2.3	31.6	0.5	1.9	36.3	(3.0)	33.3	(7.0)	26.3
SA Private Equity	13.4	17.5	6.0	0.7	37.6	(1.3)	36.3	(5.8)	30.5
Australia	-	0.8	-	2.9	3.7	-	3.7	(1.1)	2.6
Hong Kong Direct Investments	-	9.6	-	-	9.6	-	9.6	(2.5)	7.1
Total	26.0	59.5	6.5	6.1	98.1	(4.3)	93.8	(19.5)	74.3

UK, Europe and Hong Kong

- We continued to seek appropriate investment opportunities, to enable us to leverage off the skills and knowledge base of the group and we also increased the resources in this area.

South Africa

- The Direct Investments portfolio increased significantly from R697 million at 31 March 2006 to R1 012 million at 31 March 2007. This was driven by a good performance from the underlying investments and further investment acquisitions. The opportunistic investment side of Direct Investments was not as active this year compared to previous years because opportunities in this part of the business tend to arise in weaker stock market conditions.
- We continued to expand the capacity of our Private Equity investments through acquisitions and capital expenditure. The Private Equity portfolio was approximately R1 266 million at 31 March 2007 (March 2006: R922 million).

Australia

- We completed the equity raising of A\$200 million for Investec Wentworth Private Equity Fund 3. The total size of the Private Equity Funds is A\$480 million.
- We successfully completed three new investments.
- The investment portfolio continued to perform strongly.

Outlook

Corporate Finance

- Black economic empowerment, IPOs and M&A transactions are expected to continue to drive activity in South Africa.
- The pipeline looks positive across all geographies and we continue to build our client base.
- An enhanced team structure together, with increased brand awareness and national reach, provides a solid platform for future growth opportunities across all areas of the Australian business.

Institutional Research, Sales and Trading

- The UK business has strengthened its positioning in the market, while further growth is expected to come from hedge funds and increased distribution into the US and Europe.
- The South African business remains well positioned to capitalise on current market conditions. The focus on broadening the research product, combined with increased international leverage, the stock association programme and improved traction from new initiatives, has improved the outlook for the operation.

Direct Investments and Private Equity

- We remain active in seeking direct investment opportunities, while continuing to unlock further value from the portfolio and building quality black economic empowerment platforms.
- The companies in our Private Equity portfolio are all trading in line with expectations and the outlook remains positive.

Asset Management

Investment specialist focused on performance and client needs

Scope of activities

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

- | | |
|------------------------|---|
| UK | <ul style="list-style-type: none">• Growing mutual fund (OEIC) business• Recognised player in institutional market• Leading public sector liquidity management provider |
| Southern Africa | <ul style="list-style-type: none">• Market leader in mutual funds (unit trusts) and portfolio products• One of the largest third party institutional managers |
| Cross border | <ul style="list-style-type: none">• Growing offshore mutual funds provider to Asia, Europe, UK, the Americas, Southern Africa and other offshore markets• Institutional services to sovereign funds and central bank clients |

Strategic focus

Mission: To exceed client expectations of investment performance and service

We intend to achieve this by:

- Delivering sound investment performance across all propositions
- Providing exceptional client service
- Recognising capacity constraints (alpha and service), where relevant
- Being at the forefront of product innovation
- Driving diversity worldwide

Management structure

Global Head of Asset Management Hendrik du Toit

Chief Operating Officer Kim McFarland

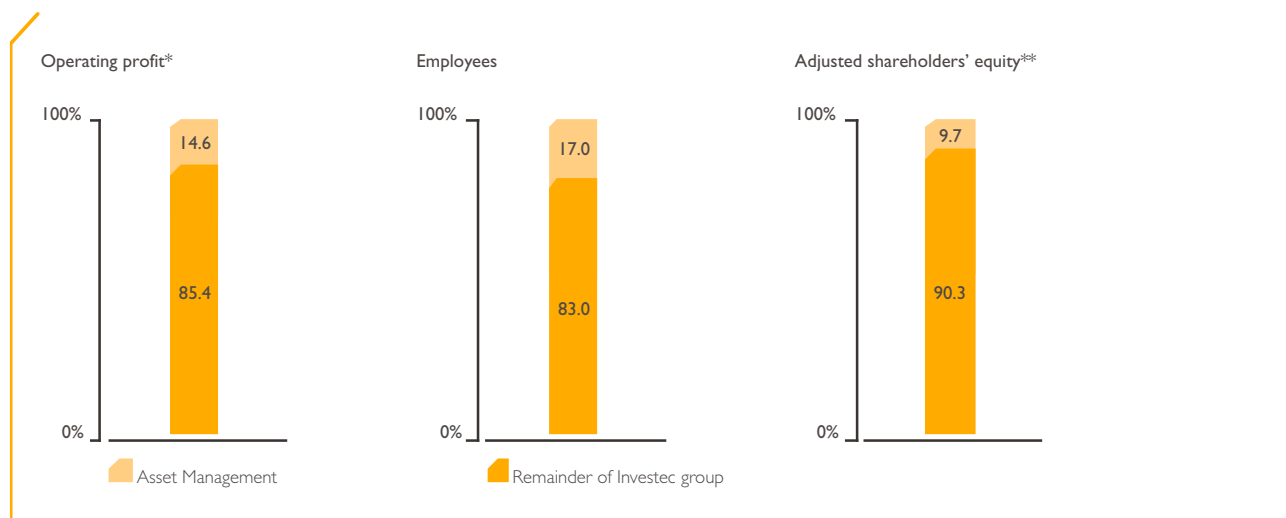
UK and international

Investments	Domenico Ferrini
4Factor Equities	Mark Breedon
4Factor Equity Research	James Hand
Contrarian	Alastair Mundy
Multi-asset	Philip Saunders
Fixed Income	John Stopford
Mutual Funds (UK and Europe)	David Aird
Mutual Funds (Asia)	Philip Yeung
Mutual Funds (Americas)	Richard Garland
Institutional (UK)	Mark Samuelson
Institutional (US)	Steve Padden
Marketing	Sarah McLeland

South Africa

Managing Director	John Green
Deputy Managing Director	Thabo Khojane
Managing Director (Africa, excluding SA)	Ade Animashahun
Investments	John McNab
Equities	Sam Houlie
Fixed Income	Andre Roux
Communications	Jeremy Gardiner

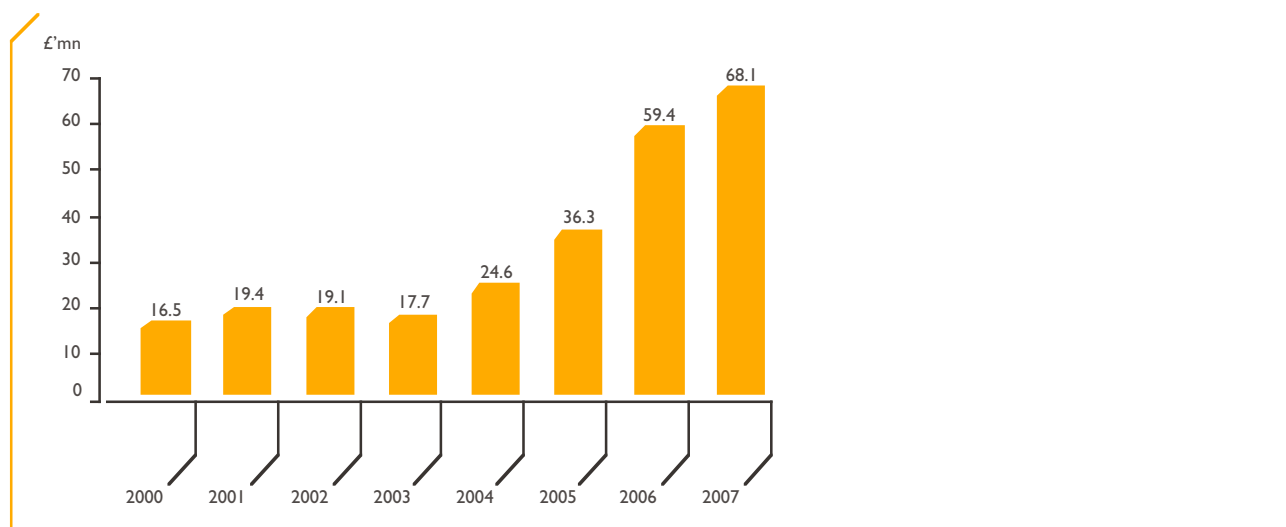
Contribution analysis



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 82.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Asset Management

Investment specialist focused on performance and client needs

Overview and financial analysis

- Operating profit increased by 14.7% to £68.1 million, contributing 14.6% to group profit.
- Assets under management decreased by 5.6% to £29.9 billion.

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	5 242	4 050	1 192	29.4%
Net fees and commissions receivable	180 539	165 890	14 649	8.8%
Other income	2 775	1 514	1 261	83.3%
Impairment losses on loans and advances	-	(16)	16	100.0%
Admin expenses and depreciation	(120 444)	(112 062)	(8 382)	7.5%
Operating profit before goodwill, non-operating items and taxation	68 112	59 376	8 736	14.7%
UK and international	17 555	10 609	6 946	65.5%
Southern Africa	50 557	48 767	1 790	3.7%
Operating profit before goodwill, non-operating items and taxation	68 112	59 376	8 736	14.7%
Adjusted shareholders' equity*	123 211	140 042	(16 831)	(12.0%)
ROE (pre-tax)*	44.9%	36.3%		
Cost to income ratio	63.9%	65.4%		
Operating profit per employee (£'000)*^	79.5	78.4		1.4%

* As calculated on page 82 and 83.

^ Includes Silica (third party administration business).

The variance in operating profit over the year can be explained as follows:

United Kingdom and international

- Operating profit grew by 65.5% to £17.6 million.
- Growth was underpinned by the general momentum of the business and strong mutual fund sales.
- Assets under management increased to £13.1 billion on the back of net flows in excess of £1 billion for the reporting period.

Southern Africa

- Operating profit grew by 3.7% to £50.6 million (2007: R676.8 million; 2006: R522.2 million, an increase of 22.6%).
- Investment performance generally remained good, resulting in a rise in performance fee revenue from R210 million to R263 million.
- Assets under management benefited from strong mutual fund sales however on the institutional side, client restructures and rebalances and structural outflows from the ex-Fedsure book resulted in net outflows for the period.
- The final transfer of the ex-Fedsure book (R11.9 billion) to Liberty took place in the second half of the year.

Costs

- The increase in expenses is largely due to a rise in variable remuneration in line with the strong growth in profitability and an increase in headcount to drive future growth opportunities.

Assets under management*



Movement in assets under management*

	Total £'million	UK and international £'million	Southern Africa £'million	Rands
31 March 2006	31 653	11 820	19 833	212 658
New clients/funds	1 539	1 071	468	6 482
Existing client/fund net flows	(1 644)	80	(1 724)	(23 360)
Net flows	(105)	1 151	(1 256)	(16 878)
Market movement	(1 655)	124	(1 779)	42 990
31 March 2007	29 893	13 095	16 798	238 770
Institutional		6 070	10 855	
Retail		7 025	5 943	

£'million	Total	Institutional	Retail
31 March 2006	31 653	19 782	11 871
New clients/funds	1 539	1 380	159
Existing client/fund net flows	(1 644)	(3 373)	1 729
Net flows	(105)	(1 993)	1 888
Market movement	(1 655)	(864)	(791)
31 March 2007	29 893	16 925	12 968
UK and international		6 070	7 025
South Africa		10 855	5 943

Sales (gross inflows)

£'million	31 March 2007	31 March 2006	£'million	31 March 2007	31 March 2006
Institutional	3 789	2 540	Fixed interest and cash	4 104	3 628
Retail	6 276	6 811	Equity	5 114	4 625
	10 065	9 351	Balanced	847	1 098
				11 065	9 351

* Managed basis

Asset Management

Investment specialist focused on performance and client needs

Developments

UK and international

- Good investment performance from the equity and multi-asset propositions.
 - 86% of mutual funds by value and 64% of mutual funds by number are in the first or second quartile over three years.
 - 67% over three years and 92% over five years of institutional propositions outperformed their benchmarks.
- The institutional business reported increased traction and started to benefit from the strong performance across our investment proposition.
- The UK onshore mutual funds business grew from £3.2 billion to £4.2 billion, an increase of 30.9% with net sales of £870.3 million. Notably, the Cautious Managed Fund passed through the £1 billion market - the first fund in the mutual fund range to do so.
- Key awards won over the period included Global Money Management's Pension Fund Award 2007 for Fixed Income Manager of the Year in the UK, Lipper's Best Large Equity Group of the Year for Switzerland and Morningstar's Small Company of the Year for equity funds in Germany.
- The offshore funds continued to achieve strong sales, particularly from Asia (Hong Kong and Taiwan).

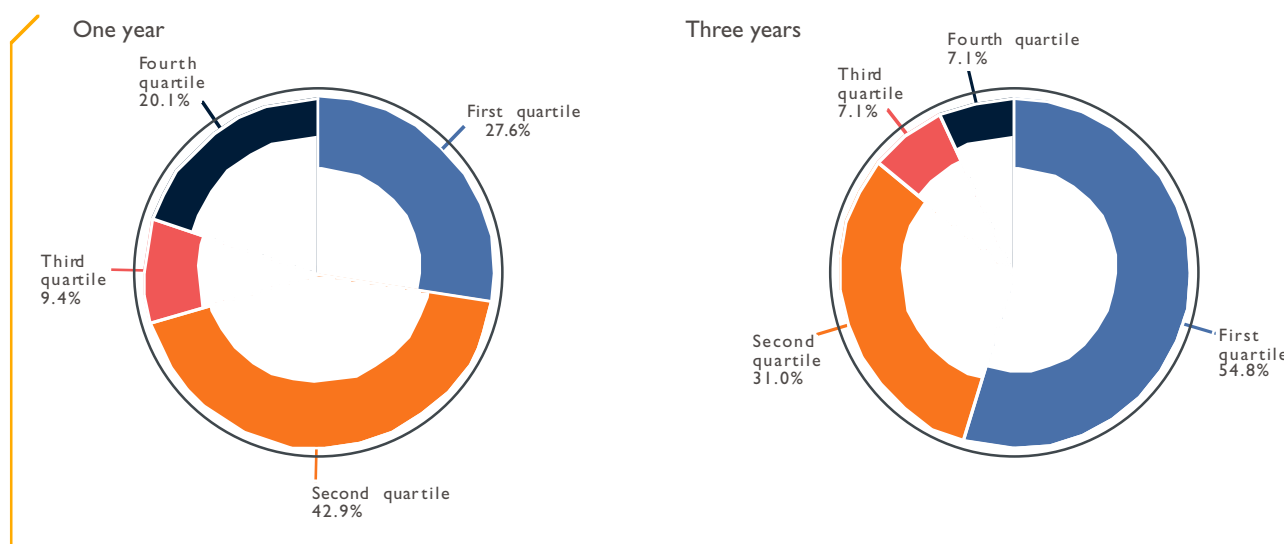
Investec Asset Management (IAM) in the UK mutual fund industry

£'million	31 March 2007	31 March 2006	31 March 2005
IAM assets under management	4 230	3 231	2 020
Total industry size	447 888	382 670	282 283
Market share	0.9%	0.8%	0.7%
Size ranking in industry	33rd of 113	37th of 118	43rd of 118
Industry net retail sales	13 805	11 818	3 729
IAM % of industry net retail sales	5.1%	6.8%	7.3%
Industry gross retail sales	59 973	45 693	30 823
IAM % of industry gross retail sales	2.2%	2.9%	1.8%

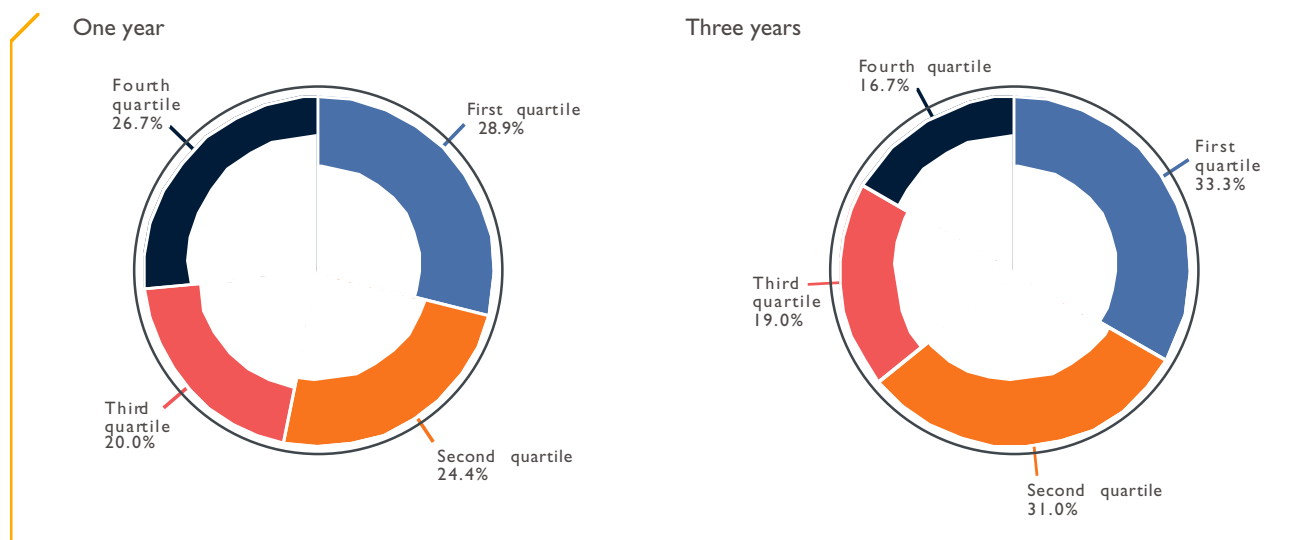
Sourced from data from the Investment Management Association.
Sales for the 12-month period.

UK and global retail investment performance

By value of funds



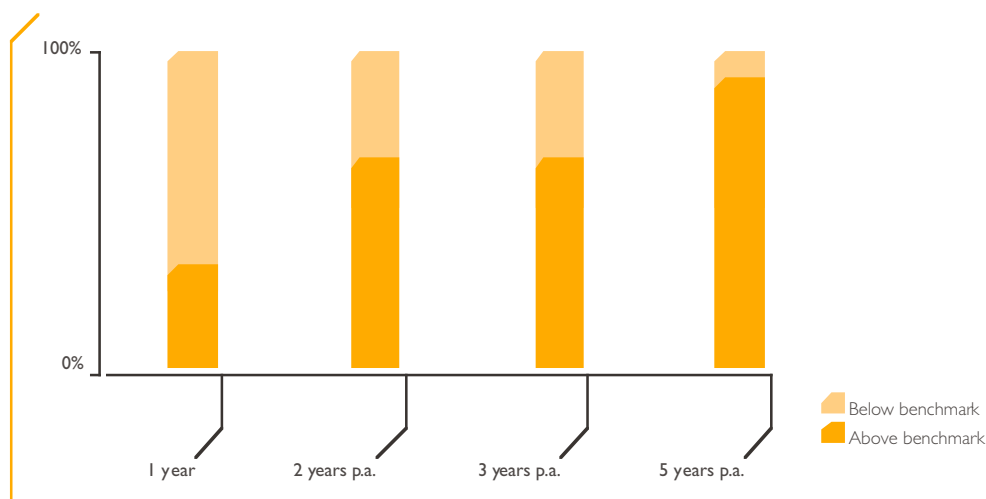
By number of funds



Calculated from Lipper data.

Excludes cash, cash plus and liquidity funds.

UK and global institutional investment performance



Calculated from Standard & Poor's Micropal, WM Spectrum, Lipper Hindsight data.

Southern Africa

- Long-term investment performance remains good.
 - 69% of mutual funds by value and 53% of mutual funds by number are in the first or second quartile over three years.
 - Over three years 100% and over five years 89% of institutional propositions outperformed their benchmarks.
- The Africa initiative has been established as a viable investment option in the eyes of investors, resulting in good flows from several large investors.
- The Liberty/Stanlib transfer of ex-Fedsure assets was completed in the second half of the year.
- Key awards won over the period are:
 - Best Larger Group over three and five years - Standard & Poor's fund awards.
 - ACI/Personal Finance Raging Bull award for the Best Offshore Global Equity Fund and Offshore Management Company of the year.
 - Second place overall - PlexCrown Offshore Survey March 2007.

Asset Management

Investment specialist focused on performance and client needs

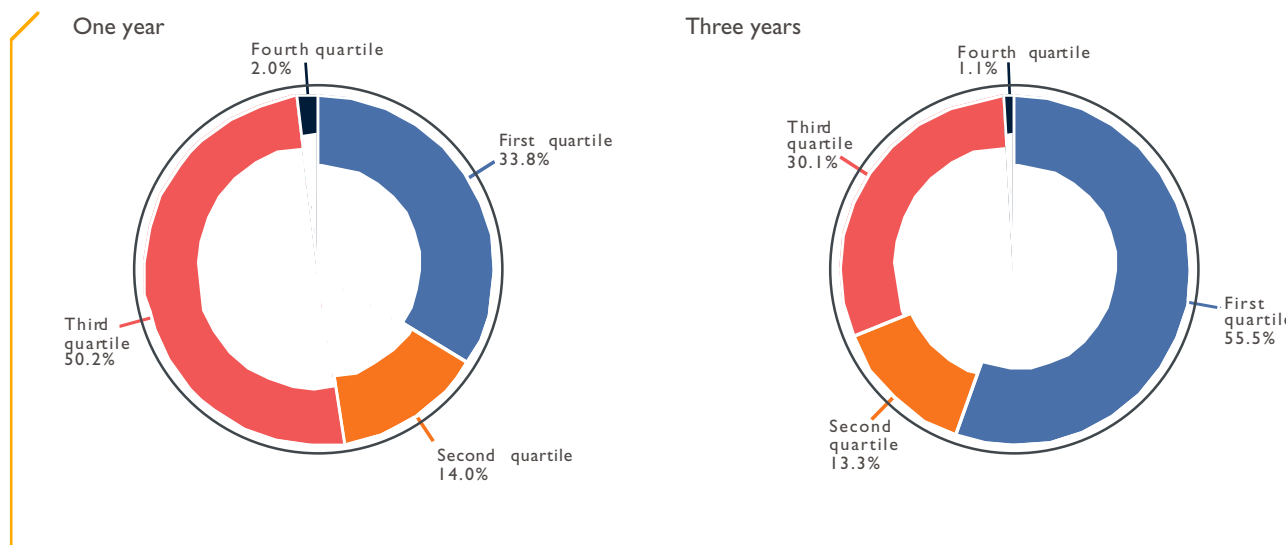
Investec Asset Management (IAM) in the South African unit trust industry

R'million	31 March 2007	31 March 2006	31 March 2005
IAM assets under management	55 910	40 867	27 166
Total industry size	596 072	485 410	339 812
Market share	9.4%	8.4%	8.0%
Size ranking in industry	4th of 34	3rd of 28	3rd of 26
Industry gross sales	480 032	393 186	295 891
IAM % of gross industry sales	8.7%	9.0%	8.7%

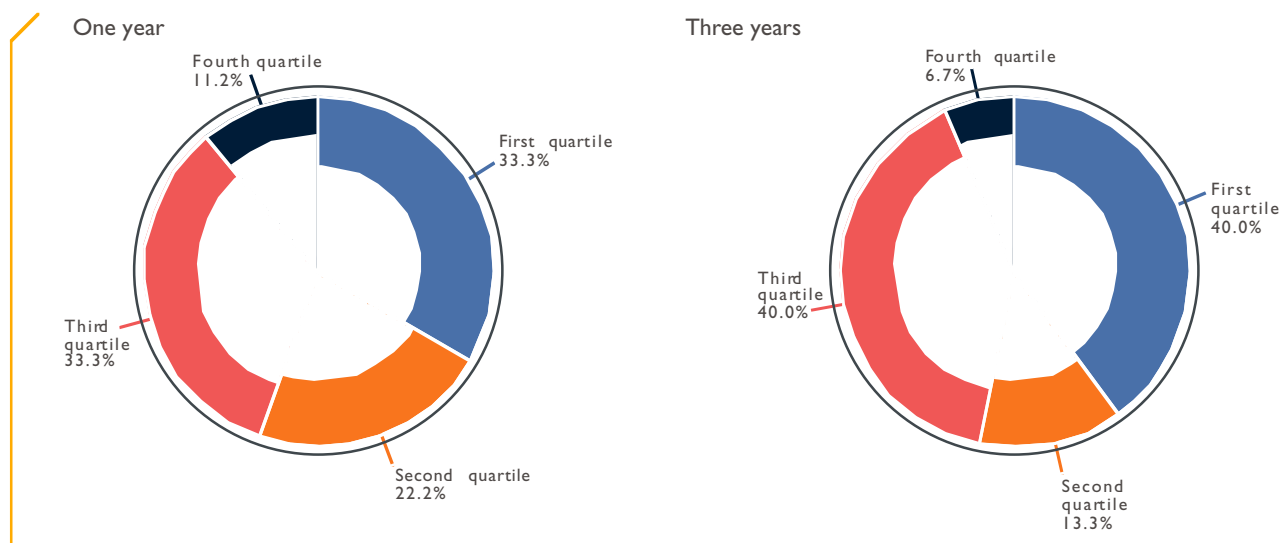
Sourced from data from the Association of Collective Investments.
Sales for the 12-month period.

South African retail investment performance

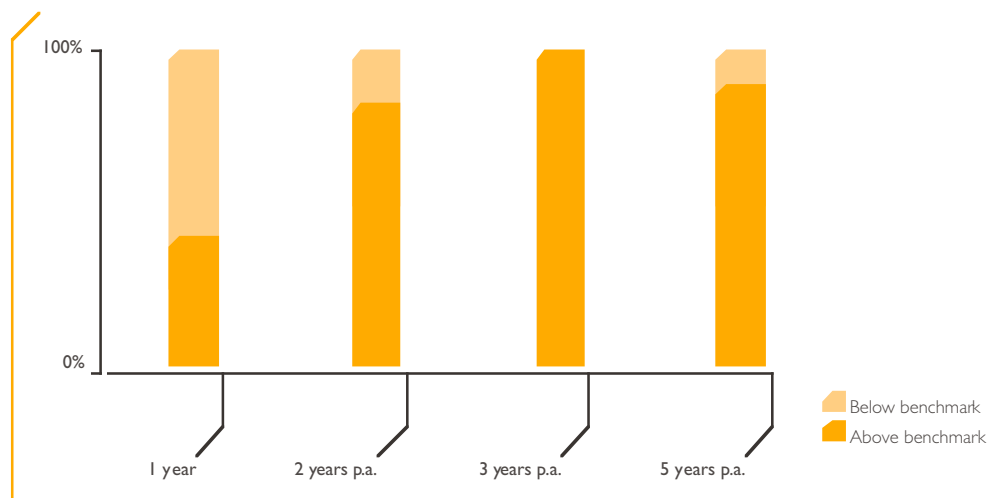
By value of funds



By number of funds



South African institutional investment performance



Calculated from Alexander Forbes data.

Outlook

- Momentum across the business remains positive.
- A solid long-term track record and growing demand for specialist high performance product support the fundamentals of the business.

Property Activities

Leading fund management consolidator, seeking selective trading opportunities

Scope of activities

- Property Fund Management
- Property Services
- Property Projects (development and trading)
- Listed Property Portfolio Management

Strategic focus

UK and Europe

We are making progress in expanding our property model in the UK to include property fund management and aligning the strategic focus of the UK business with that of South Africa.

South Africa

Property Fund Management

Our strategy is to:

- Continue to grow assets under management
- Pursue the strategic acquisition of individual properties and portfolios

Property Services

Our strategic objective is integrally linked to the growth of Property Fund Management

Property Projects

Our strategy is to:

- Source development and trading opportunities to create value and trade for profit within agreed risk parameters

Listed Property Portfolio Management

Our strategic objectives are to:

- Substantially increase our assets under management
- Attract foreign investment into South African listed property equities
- Develop global property products

Management structure

Global Head of Property Activities

Sam Hackner

South Africa

Regional Head

Sam Leon

Fund Management

Norbert Sasse

Property Services

Andrew Cox

Property Projects

Robin Magid

Listed Property Portfolio

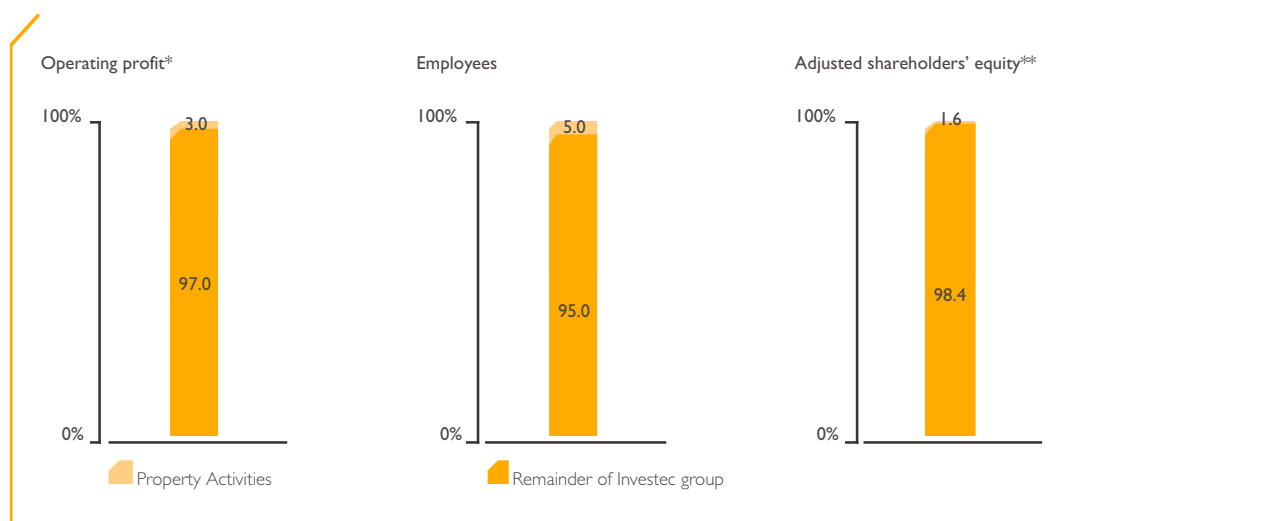
Management

Angelique de Rauville

Finance

Dave Donald

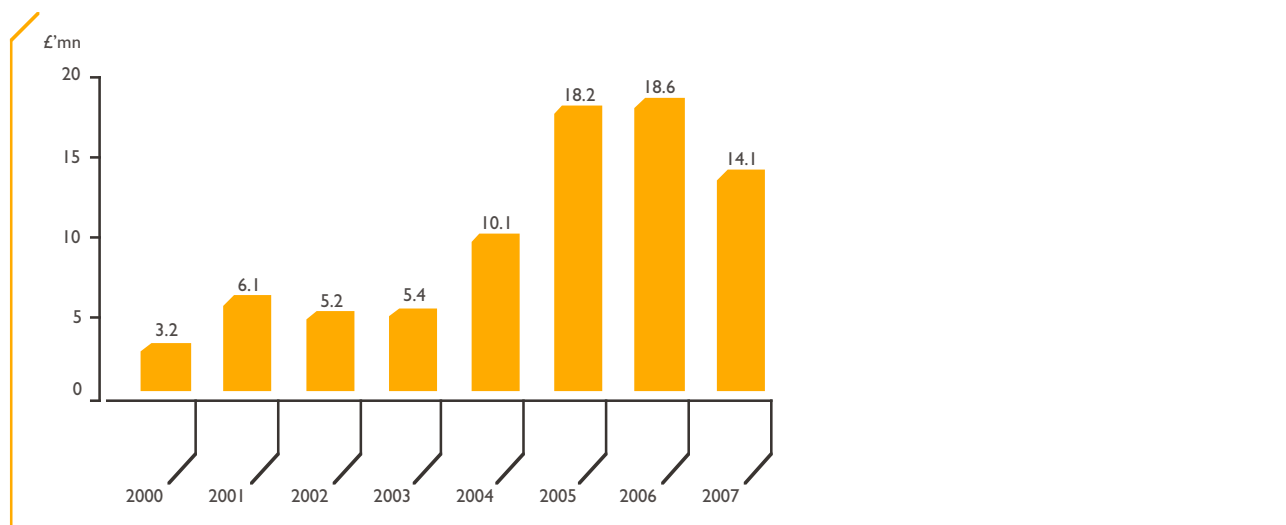
Contribution analysis



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 82.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

Property Activities

Leading fund management consolidator, seeking selective trading opportunities

Overview and financial analysis

- Operating profit decrease by 23.9% to £14.1 million, contributing 3.0% to group profit.
- Funds under management increased by 31.0% to R25.9 billion (2006: R19.8 billion).

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	(5 801)	(4 002)	(1 799)	45.0%
Net fees and commissions receivable	28 354	20 586	7 768	37.7%
Other income	11 847	21 944	(10 097)	(46.0%)
Admin expenses and depreciation	(20 256)	(19 930)	(326)	1.6%
Operating profit before goodwill, non-operating items and taxation	14 144	18 598	(4 454)	(23.9%)
UK & Europe	1 292	2 023	(731)	(36.1%)
Southern Africa	12 852	16 575	(3 723)	(22.5%)
Operating profit before goodwill, non-operating items and taxation	14 144	18 598	(4 454)	(23.9%)
Adjusted shareholders' equity*	19 975	17 124	2 851	16.6%
ROE (pre-tax)*	50.0%	76.8%		
Cost to income ratio	58.9%	51.7%		
Operating profit per employee (£'000)*	53.2	76.9		(30.8%)

* As calculated on pages 82 and 83.

The variance in operating profit over the year can be explained as follows:

- Excluding the revaluation of investment properties, the South African division showed an improvement in operating profit largely due to:
 - Strong equity and property market fundamentals.
 - An increase in funds under management.
 - Realised gains on the sale of properties.
- Revaluation of investment properties net of funding costs amounted to £1.1 million (2006: £6.4 million). The lower contribution is due to increased funding costs.

Outlook

UK and Europe

- Refer to strategic focus on page 50.

South Africa

- Property fundamentals continue to be positive, with lower vacancies, increasing rentals in all sectors and reasonably stable financing costs.
- Development opportunities also remain positive; however, there are concerns on the availability of skills and the increased cost and shortage of building materials.
- A shortage of prime zoned land has become evident, driving land prices to unprecedented levels, particularly industrial land.

Group Services and Other Activities

Group Services includes the Central Services and Central Funding functions, while Other Activities predominantly includes the International Trade Finance business and Assurance Activities.

Scope of activities

Central Services	<ul style="list-style-type: none"> - Corporate Affairs - Corporate Social Investment - Economics Research - Facilities - Finance and Operations - Head Office - Human Resources - Information Centre - Information Technology 	<ul style="list-style-type: none"> - International Financial Institutions - Investor Relations - Legal and Tax - Marketing - Organisation Development - Regulatory, Internal Audit and Compliance - Risk Management - Secretarial
Other Activities	<ul style="list-style-type: none"> International Trade Finance (ReichmansCapital) - Trade, asset and debtor finance 	

Management structure

Banking and Institutions	David Lawrence
Chief Integrating Officer	Allen Zimbler
Corporate Affairs	Carole Mason (SA)
Corporate Governance, Internal Audit and Compliance	Bradley Tapnack
Corporate Social Investment	Setlogane Manchidi (SA)
Facilities	Craig Gunnell
Finance and Operations	Rayanne Jacobson
Human Resources	Allen Zimbler (UK)
	Tracey Rowe (SA)
Information and Business Intelligence Centres	Bruce Braude (UK)
	Amanda Ritchie (SA)
	Stacey Lee-Yates (SA)
Information Technology	Ingrid David
	Simon Shapiro
International Financial Institutions	Helmut Bahrs
Investor Relations	Ursula Nobrega
Legal	David Nurek
Marketing	Raymond van Niekerk
Organisation Development	Caryn Solomon (UK)
	Rene Dembo (SA)
Risk Management	Ciaran Whelan
Secretarial and Staff Share Schemes	Les Penfold
Tax	Pankaj Shah (UK)
	Justin Cowley (SA)
ReichmansCapital	Robin Jacobson
	Howard Tradonsky
	John Wilks

Group Services and Other Activities

Overview and financial analysis

£'000	31 March 2007	31 March 2006	Variance	% Change
International Trade Finance	5 462	4 505	957	21.2%
USA continuing businesses	-	(120)	120	(100.0%)
UK Traded Endowments	(109)	(47)	(62)	>100.0%
Assurance Activities	1 646	11 518	(9 872)	(85.7%)
	6 999	15 856	(8 857)	(55.9%)
Central Funding	66 981	66 777	204	0.3%
Central Services	(74 649)	(57 851)	(16 798)	29.0%
Operating (loss)/profit before goodwill, non-operating items and taxation	(669)	24 782	(25 451)	>100.0%

£'000 - 31 March 2007	UK & Europe	Southern Africa	Australia	Other	Total group
International Trade Finance	2 957	2 505	-	-	5 462
UK Traded Endowments	-	(109)	-	-	(109)
Assurance Activities	-	1 646	-	-	1 646
Central Funding	(4 516)	63 716	7 400	381	66 981
Central Services	(31 408)	(32 700)	(10 541)	-	(74 649)
Operating (loss)/profit before goodwill, non-operating items and taxation	(32 967)	35 058	(3 141)	381	(669)

£'000 - 31 March 2006	UK & Europe	Southern Africa	Australia	Other	Total group
International Trade Finance	2 192	2 313	-	-	4 505
USA continuing businesses	-	-	-	(120)	(120)
UK Traded Endowments	-	(47)	-	-	(47)
Assurance Activities	-	11 518	-	-	11 518
Central Funding	(5 616)	67 020	5 375	(2)	66 777
Central Services	(22 542)	(31 407)	(3 902)	-	(57 851)
Operating profit/(loss) before goodwill, non-operating items and taxation	(25 966)	49 397	1 473	(122)	24 782

Developments

International Trade Finance

- Notwithstanding higher interest rates and a volatile exchange rate, we continued to add new clients across the board.

Assurance activities

- 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 following the reinsurance of the group risk business on 31 December 2004.

Central costs

- We have a policy of allocating costs that are housed in the centre that are, in effect, performing a function for the divisions of the group.
- There are certain costs that are strategic in nature which have not been allocated for pure segmental disclosure, amounting to £74.6 million. (2006: £57.9 million). However, a portion thereof (£61.6 million) is allocated to the operating divisions for purposes of determining return on adjusted capital per business segment. Refer to page 82 for further details.
- Central costs increased from £57.9 million to £74.6 million, largely as a result of an increase in variable remuneration given increased profitability.

Central Funding

- We have a business model of maintaining a central pool of capital with the aim of ensuring that economies of scale with respect to corporate investments, funding and overall management are obtained.
- Various sources of funding are employed, the determination of which depends on the specific financial and strategic requirements the group faces at the relevant point in time.
- The funds raised are applied towards making acquisitions, funding central services and debt obligations, and purchasing corporate assets and investments not allocated to the five operating divisions.

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income (excluding interest on sub-debt and debentures)	86 040	63 992	22 048	34.5%
Other income	40 235	59 024	(18 789)	(31.8%)
	126 275	123 016	3 259	2.6%
Interest paid on sub-debt and debentures	(54 963)	(52 911)	(2 052)	3.9%
Impairment losses on loans and advances	794	1 771	(977)	(55.2%)
Admin expenses and depreciation	(5 125)	(5 099)	(26)	0.5%
Operating profit before goodwill, non-operating items and taxation	66 981	66 777	(204)	0.3%

The variance in operating profit over the year can be explained as follows:

- Net interest income was positively affected by increased cash holdings.
- The decline in other income reflects:
 - A lower level of return on certain of the assets in the South African portfolio.
 - A loss of £3.4 million arising on the derivative hedging of the preferred securities issued by a subsidiary of Investec plc from Euros into Pounds Sterling. This exposure is hedged with the equal and opposite impact reflected in earnings attributable to minorities.

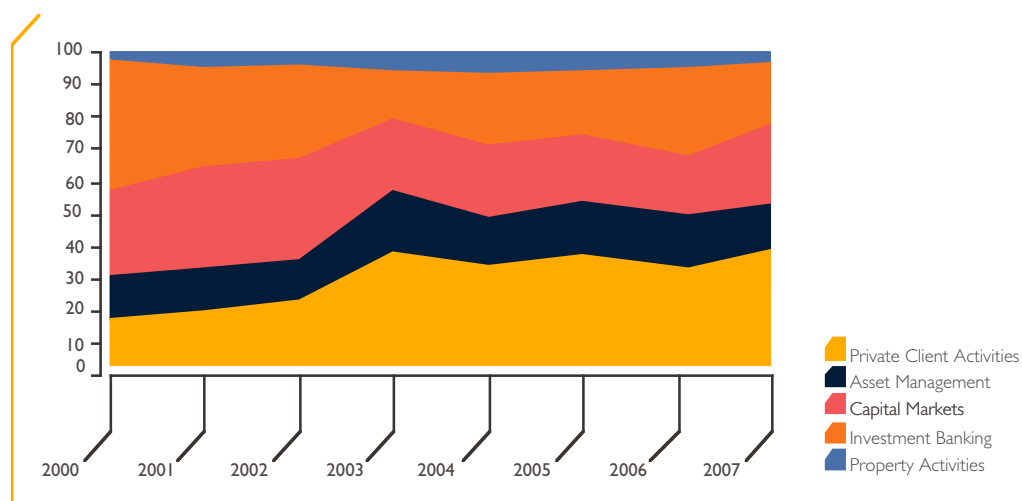
Geographical overview

The table below indicates the changes in operating profit before goodwill, non-operating items and taxation by geography. Goodwill, non-operating items and taxation are discussed elsewhere in this document.

£'000	31 March 2007	31 March 2006	Variance	% Change
UK and Europe	167 382	107 736	59 646	55.4%
Southern Africa	268 673	265 410	3 263	1.2%
Australia	30 149	15 743	14 406	91.5%
Other geographies	381	(122)	503	>100.0%
Operating profit before goodwill, non-operating items and taxation	466 585	388 767	77 818	20.0%

A balanced mix of businesses

% contribution to operating profit*



* Excluding Group Services and Other Activities.

Trend reflects numbers as at the year ended 31 March unless stated otherwise.

Segmental geographical analysis - income statement

For the year to 31 March 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Interest receivable	377 484	761 140	94 588	14	1 233 226
Interest payable	(244 428)	(589 319)	(55 564)	-	(889 311)
Net interest income	133 056	171 821	39 024	14	343 915
Fees and commissions receivable	299 027	253 388	24 673	685	577 773
Fees and commissions payable	(43 778)	(12 354)	(143)	-	(56 275)
Principal transactions	77 789	159 921	7 753	-	245 463
Operating income from associates	*10 523	-	162	-	10 685
Investment income on assurance activities	-	36 821	-	-	36 821
Premiums and reinsurance recoveries on insurance contracts	-	80 542	-	-	80 542
Other operating income	44 362	2 794	2 529	-	49 685
Other income	387 923	521 112	34 974	685	944 694
Claims and reinsurance premiums on insurance business	-	(111 492)	-	-	(111 492)
Total operating income net of insurance claims	520 979	581 441	73 998	699	1 177 117
Impairment losses on loans and advances	(6 312)	(9 040)	(1 178)	-	(16 530)
Operating income	514 667	572 401	72 820	699	1 160 587
Administrative expenses	(339 409)	(298 911)	(42 049)	(318)	(680 687)
Depreciation and amortisation of property, equipment and software	(7 876)	(4 817)	(622)	-	(13 315)
Operating profit before goodwill	167 382	268 673	30 149	381	466 585
Goodwill	-	(8 111)	10 680	-	2 569
Operating profit	167 382	260 562	40 829	381	469 154
Profit on disposal of group operations	-	-	-	-	-
Profit before taxation	167 382	260 562	40 829	381	469 154
Taxation	(37 370)	(72 938)	(9 473)	-	(119 781)
Profit after taxation	130 012	187 624	31 356	381	349 373
Earnings attributable to minority interests	(3 643)	(3 409)	(2 002)	-	(9 054)
Earnings attributable to shareholders	126 369	184 215	29 354	381	340 319
Selected returns and key statistics					
ROE (post-tax)	19.6%	37.1%	15.0%	(6927.3%)	26.1%
Cost to income ratio	66.7%	52.2%	57.7%	45.5%	59.0%
Staff compensation to operating income	47.5%	34.8%	43.5%	-	40.9%
Operating profit per employee (£'000)	121.7	78.0	148.5	76.2	92.3
Effective operational tax rate (excluding Assurance Activities)	23.8%	27.1%	31.6%	-	26.3%
Total assets (£'million)	10 239	14 770	1 290	1	26 300

* This number is net of an estimate of tax of approximately £5 million.

Segmental geographical analysis - income statement

For the year to 31 March 2006

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Interest receivable	277 848	605 470	50 514	557	934 389
Interest payable	(176 762)	(471 505)	(26 970)	-	(675 237)
Net interest income	101 086	133 965	23 544	557	259 152
Fees and commissions receivable	226 860	230 674	16 322	4 609	478 465
Fees and commissions payable	(29 311)	(11 321)	(680)	(279)	(41 591)
Principal transactions	57 572	181 747	3 664	3 076	246 059
Operating income from associates	*6 902	-	(207)	(1)	6 694
Investment income on assurance activities	-	141 559	-	-	141 559
Premiums and reinsurance recoveries on insurance contracts	-	164 631	-	-	164 631
Other operating income	1 578	1 143	-	-	2 721
Other income	263 601	708 433	19 099	7 405	998 538
Claims and reinsurance premiums on insurance business	-	(293 135)	-	-	(293 135)
Total operating income net of insurance claims	364 687	549 263	42 643	7 962	964 555
Impairment losses on loans and advances	(6 291)	(1 919)	(950)	-	(9 160)
Operating income	358 396	547 344	41 693	7 962	955 395
Administrative expenses	(248 053)	(277 482)	(25 376)	(7 976)	(558 887)
Depreciation and amortisation of property, equipment and software	(2 607)	(4 452)	(574)	(108)	(7 741)
Operating profit before goodwill	107 736	265 410	15 743	(122)	388 767
Goodwill	-	(21 356)	-	-	(21 356)
Operating profit	107 736	244 054	15 743	(122)	367 411
Profit on disposal of group operations	73 700	-	-	(127)	73 573
Profit before taxation	181 436	244 054	15 743	(249)	440 984
Taxation	(28 387)	(78 378)	(4 851)	-	(111 616)
Profit after taxation	153 049	165 676	10 892	(249)	329 368
Earnings attributable to minority interests	(6 893)	(7 374)	-	-	(14 267)
Earnings attributable to shareholders	146 156	158 302	10 892	(249)	315 101
Selected returns and key statistics					
ROE (post-tax)	14.1%	42.8%	13.9%	(305.0%)	25.5%
Cost to income ratio	68.7%	51.3%	60.9%	101.5%	58.7%
Staff compensation to operating income	48.2%	33.7%	47.1%	69.9%	40.1%
Operating profit/(loss) per employee (£'000)	91.3	92.1	103.6	(3.4)	91.5
Effective operational tax rate (excluding Assurance Activities)	28.2%	26.7%	30.4%	-	27.3%
Total assets (£'million)	7 083	16 172	646	-	23 901

* This number is net of tax of £3.6 million.

Segmental business analysis - income statement

For the year to 31 March 2007

£'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
Net interest income	217 441	89 078	(2 457)	5 242	(5 801)	40 412	343 915
Fees and commissions receivable	148 951	82 741	96 438	219 029	28 354	2 260	577 773
Fees and commissions payable	(11 302)	(2 551)	(4 534)	(38 490)	-	602	(56 275)
Principal transactions	19 518	102 700	73 719	171	11 847	37 508	245 463
Operating income from associates	**10 253	(11)	147	-	-	296	10 685
Investment income on assurance activities	-	-	-	-	-	36 821	36 821
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	80 542	80 542
Other operating income	100	-	45 482	2 604	-	1 499	49 685
Other income	167 520	182 879	211 252	183 314	40 201	159 528	944 694
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(111 492)	(111 492)
Total operating income net of insurance claims	384 961	271 957	208 795	188 556	34 400	88 448	1 177 117
Impairment losses on loans and advances	(6 932)	(9 925)	(1)	-	-	328	(16 530)
Operating income	378 029	262 032	208 794	188 556	34 400	88 776	1 160 587
Administrative expenses	(198 674)	(143 793)	(113 068)	(119 542)	(20 174)	(85 436)	(680 687)
Depreciation and amortisation of property, equipment and software	(2 883)	(948)	(4 491)	(902)	(82)	(4 009)	(13 315)
Operating profit before goodwill	176 472	117 291	91 235	68 112	14 144	(669)	466 585
Goodwill	3 560	3 560	-	(6 091)	(2 020)	3 560	2 569
Operating profit	180 032	120 851	91 235	62 021	12 124	2 891	469 154
Profit on disposal of group operations	-	-	-	-	-	-	-
Profit before taxation	180 032	120 851	91 235	62 021	12 124	2 891	469 154
Selected returns and key statistics							
ROE (pre-tax)	38.7%	37.7%	68.6%	44.9%	50.0%	(0.1%)	36.4%
Cost to income ratio	52.4%	53.2%	56.3%	63.9%	58.9%	>100.0%	59.0%
Staff compensation to operating income	33.8%	35.3%	37.3%	42.2%	37.2%	96.9%	40.9%
Operating profit/(loss) per employee (£'000)	85.0	188.3	291.9	79.5	53.2	(1.0)	92.3
Total assets (£'million)	8 043	12 032	804	409	107	4 905	26 300

* Where: PC=Private Client Activities CM=Capital Markets IB = Investment Banking AM=Asset Management
PA= Property Activities GSO=Group Services and Other Activities

** This number is net of an estimate of tax of approximately £5 million.

Segmental business analysis - income statement

For the year to 31 March 2006

£'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
Net interest income	165 788	71 228	2 216	4 050	(4 002)	19 872	259 152
Fees and commissions receivable	111 821	58 598	86 800	190 139	20 586	10 521	478 465
Fees and commissions payable	(10 882)	(2 720)	(4 167)	(24 249)	-	427	(41 591)
Principal transactions	12 288	55 098	97 864	1 514	21 387	57 908	246 059
Operating income from associates	**6 257	(72)	307	-	-	202	6 694
Investment income on assurance activities	-	-	-	-	-	141 559	141 559
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	164 631	164 631
Other operating income	-	-	-	-	557	2 164	2 721
Other income	119 484	110 904	180 804	167 404	42 530	377 412	998 538
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(293 135)	(293 135)
Total operating income net of insurance claims	285 272	182 132	183 020	171 454	38 528	104 149	964 555
Impairment losses on loans and advances	1 745	(12 342)	722	(16)	-	731	(9 160)
Operating income	287 017	169 790	183 742	171 438	38 528	104 880	955 395
Administrative expenses	(166 058)	(102 549)	(82 669)	(111 163)	(19 823)	(76 625)	(558 887)
Depreciation and amortisation of property, equipment and software	(2 794)	(325)	(143)	(899)	(107)	(3 473)	(7 741)
Operating profit before goodwill	118 165	66 916	100 930	59 376	18 598	24 782	388 767
Goodwill	-	-	-	(14 157)	(7 199)	-	(21 356)
Operating profit	118 165	66 916	100 930	45 219	11 399	24 782	367 411
Profit on disposal of group operations	-	-	(1 071)	-	-	74 644	73 573
Profit before taxation	118 165	66 916	99 859	45 219	11 399	99 426	440 984
Selected returns and key statistics							
ROE (pre-tax)	30.3%	27.3%	171.8%	36.3%	76.8%	(0.9%)	37.9%
Cost to income ratio	59.2%	56.5%	45.2%	65.4%	51.7%	76.9%	58.7%
Staff compensation to operating income	37.8%	34.8%	34.3%	41.2%	33.6%	66.4%	40.1%
Operating profit per employee (£'000)	70.1	137.3	378.3	78.4	76.9	29.7	91.5
Total assets (£'million)	7 120	9 855	584	324	141	5 877	23 901

* Where: PC=Private Client Activities CM=Capital Markets IB = Investment Banking AM=Asset Management
PA= Property Activities GSO=Group Services and Other Activities

** This number is net of tax of £3.6 million.

Segmental geographic and business analysis of operating profit before goodwill, non-operating items and taxation

For the year to 31 March 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group	% Change	% of Total
Private Banking	96 734	41 413	16 244	-	154 391	52.1%	33.1%
Private Client Portfolio Management and Stockbroking	*10 065	12 016	-	-	22 081	32.7%	4.7%
Capital Markets	51 409	56 145	9 737	-	117 291	75.3%	25.1%
Investment Banking	23 294	60 632	7 309	-	91 235	(9.6%)	19.6%
Asset Management	17 555	50 557	-	-	68 112	14.7%	14.6%
Property Activities	1 292	12 852	-	-	14 144	(23.9%)	3.0%
Group Services and Other Activities	(32 967)	35 058	(3 141)	381	(669)	(>100.0%)	(0.1%)
Total group	167 382	268 673	30 149	381	466 585	20.0%	100.0%
% Change	55.4%	1.2%	91.5%	>100.0%	20.0%		
% of Total	35.9%	57.6%	6.5%	0.1%	100.0%		

For the year to 31 March 2006

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group	% of Total
Private Banking	61 533	31 981	8 009	-	101 523	26.1%
Private Client Portfolio Management and Stockbroking	**7 399	9 243	-	-	16 642	4.3%
Capital Markets	22 507	43 560	849	-	66 916	17.2%
Investment Banking	29 631	65 887	5 412	-	100 930	26.0%
Asset Management	10 609	48 767	-	-	59 376	15.3%
Property Activities	2 023	16 575	-	-	18 598	4.8%
Group Services and Other Activities	(25 966)	49 397	1 473	(122)	24 782	6.4%
Total group	107 736	265 410	15 743	(122)	388 767	100%
% of Total	27.7%	68.3%	4.0%	-	100%	

* This number is net of an estimate of tax of approximately £5 million.

** This number is net of tax of £3.6 million.

Segmental geographic and business analysis of operating profit before goodwill, non-operating items and taxation

£'000	1st half 2007	2nd half 2007	Year to 31 March 2007	1st half 2006	2nd half 2006	Year to 31 March 2006	% Change year on year
Private Client Activities							
Private Banking	73 620	80 771	154 391	41 767	59 756	101 523	52.1%
Private Client Portfolio Management and Stockbroking	9 738	12 343	22 081	7 724	8 918	16 642	32.7%
	83 358	93 114	176 472	49 491	68 674	118 165	49.3%
Capital Markets	57 065	60 226	117 291	28 644	38 272	66 916	75.3%
Investment Banking							
Corporate Finance	9 604	6 286	15 890	5 898	5 710	11 608	36.9%
Institutional Research, Sales and Trading	7 314	7 080	14 394	5 568	9 414	14 982	(3.9%)
Direct Investments	5 185	12 963	18 148	10 193	24 025	34 218	(47.0%)
Private Equity	13 675	29 128	42 803	21 079	19 043	40 122	6.7%
	35 778	55 457	91 235	42 738	58 192	100 930	(9.6%)
Asset Management	31 896	36 216	68 112	21 809	37 567	59 376	14.7%
Property Activities	6 319	7 825	14 144	9 815	8 783	18 598	(23.9%)
Group Services and Other Activities							
International Trade Finance	2 195	3 267	5 462	1 866	2 639	4 505	21.2%
USA Continuing Activities	-	-	-	365	(485)	(120)	>100.0%
UK Traded Endowments	(19)	(90)	(109)	(69)	22	(47)	>100.0%
Assurance Activities	725	921	1 646	1 476	10 042	11 518	(85.7%)
	2 901	4 098	6 999	3 638	12 218	15 856	(55.9%)
Central Funding	22 757	44 224	66 981	19 200	47 577	66 777	0.3%
Central Services Costs	(34 783)	(39 866)	(74 649)	(22 564)	(35 287)	(57 851)	29.0%
	(9 125)	8 456	(669)	274	24 508	24 782	>100.0%
Total group	205 291	261 294	466 585	152 771	235 996	388 767	20.0%

Segmental geographic analysis - balance sheet

At 31 March 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Cash and balances at central banks	30 861	59 919	11 971	-	102 751
Loans and advances to banks	766 413	1 634 741	75 008	807	2 476 969
Cash equivalent advances to customers	23 210	664 708	-	-	687 918
Reverse repurchase agreements and cash collateral on securities borrowed	1 979 936	205 386	-	-	2 185 322
Trading securities	491 270	1 592 051	67 715	-	2 151 036
Derivative financial instruments	254 268	403 375	66 849	-	724 492
Investment securities	1 391 172	29 182	356 247	-	1 776 601
Loans and advances to customers	4 003 454	5 523 356	663 442	-	10 190 252
Interests in associated undertakings	53 165	11	17 156	-	70 332
Deferred taxation assets	22 648	31 265	5 481	-	59 394
Other assets	931 827	468 766	7 440	126	1 408 159
Property and equipment	120 588	8 763	2 154	-	131 505
Investment properties	-	85 424	-	-	85 424
Goodwill	152 703	26 921	16 259	-	195 883
Intangible assets	17 628	17 979	222	-	35 829
	10 239 143	10 751 847	1 289 944	933	22 281 867
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	3 024 997	-	-	3 024 997
- assets related to reinsurance contracts	-	992 824	-	-	992 824
Total assets	10 239 143	14 769 668	1 289 944	933	26 299 688
Liabilities					
Deposits by banks	1 434 204	912 891	-	-	2 347 095
Derivative financial instruments	71 648	399 402	38 869	-	509 919
Other trading liabilities	96 252	225 611	-	-	321 863
Repurchase agreements and cash collateral on securities lent	1 598 127	167 544	-	-	1 765 671
Customer accounts	3 786 317	5 147 528	451 003	-	9 384 848
Debt securities in issue	681 531	2 174 577	477 608	-	3 333 716
Current taxation liabilities	38 206	70 995	4 766	-	113 967
Deferred taxation liabilities	9 390	38 658	-	-	48 048
Other liabilities	1 070 705	696 647	22 955	98	1 790 405
Pension fund liabilities	1 467	-	-	-	1 467
	8 787 847	9 833 853	995 201	98	19 616 999
Liabilities to customers under investment contracts	-	3 004 254	-	-	3 004 254
Insurance liabilities, including unit-linked liabilities	-	20 743	-	-	20 743
Reinsured liabilities	-	992 824	-	-	992 824
	8 787 847	13 851 674	995 201	98	23 634 820
Subordinated liabilities (including convertible debt)	561 578	227 661	41 466	-	830 705
	9 349 425	14 079 335	1 036 667	98	24 465 525

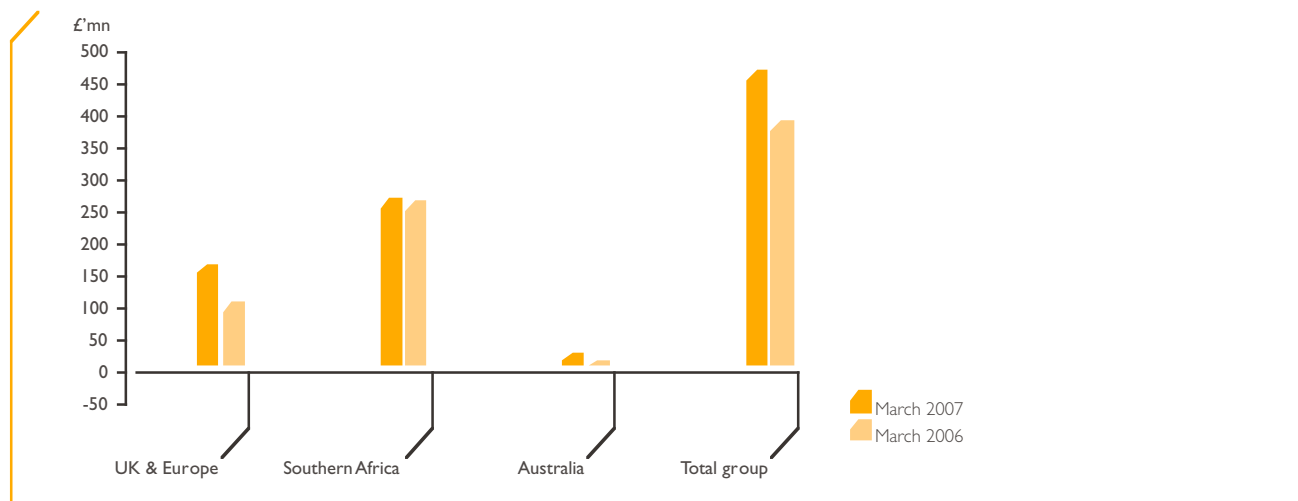
Segmental geographic analysis - balance sheet

At 31 March 2006

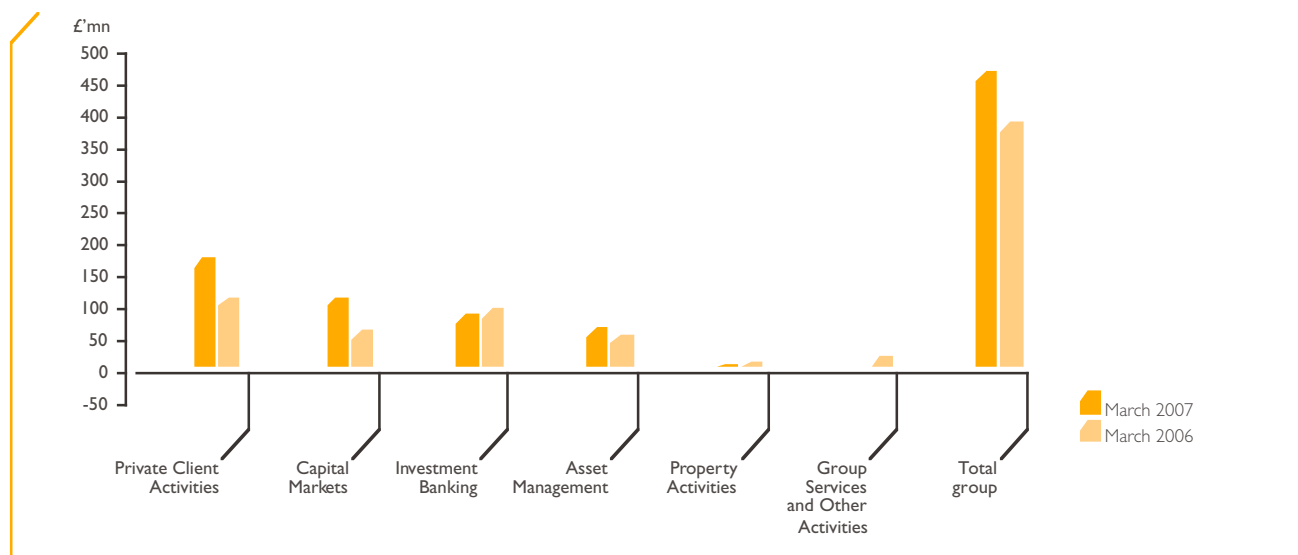
£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Cash and balances at central banks	8 982	179 963	1 893	-	190 838
Loans and advances to banks	517 574	1 231 767	81 262	-	1 830 603
Cash equivalent advances to customers	54	690 182	-	-	690 236
Reverse repurchase agreements and cash collateral on securities borrowed	642 465	114 180	-	-	756 645
Trading securities	159 460	1 479 417	1 211	-	1 640 088
Derivative financial instruments	237 078	842 448	1 761	-	1 081 287
Investment securities	1 103 904	26 487	136 282	-	1 266 673
Loans and advances to customers	3 229 630	5 971 902	403 057	-	9 604 589
Interests in associated undertakings	61 768	-	1 331	-	63 099
Deferred taxation assets	24 763	32 619	2 653	-	60 035
Other assets	954 844	314 836	3 098	9	1 272 787
Property and equipment	15 209	9 713	1 994	-	26 916
Investment properties	-	163 049	-	-	163 049
Goodwill	125 479	46 488	11 593	-	183 560
Intangible assets	1 262	8 601	231	-	10 094
	7 082 472	11 111 652	646 366	9	18 840 499
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	3 628 574	-	-	3 628 574
- assets related to reinsurance contracts	-	1 431 876	-	-	1 431 876
Total assets	7 082 472	16 172 102	646 366	9	23 900 949
Liabilities					
Deposits by banks	1 154 323	725 160	-	-	1 879 483
Derivative financial instruments	45 798	658 859	1 107	-	705 764
Other trading liabilities	123 791	333 463	-	-	457 254
Repurchase agreements and cash collateral on securities lent	272 584	85 694	-	-	358 278
Customer accounts	3 208 040	5 237 891	253 234	-	8 699 165
Debt securities in issue	511 469	2 191 880	246 754	-	2 950 103
Current taxation liabilities	36 473	99 494	1 459	-	137 426
Deferred taxation liabilities	430	24 674	1 083	23	26 210
Other liabilities	840 901	730 807	11 060	88	1 582 856
Pension fund liabilities	2 013	-	-	-	2 013
	6 195 822	10 087 922	514 697	111	16 798 552
Liabilities to customers under investment contracts	-	3 488 756	-	-	3 488 756
Insurance liabilities, including unit-linked liabilities	-	139 818	-	-	139 818
Reinsured liabilities	-	1 431 876	-	-	1 431 876
	6 195 822	15 148 372	514 697	111	21 859 002
Subordinated liabilities (including convertible debt)	225 683	304 171	-	-	529 854
	6 421 505	15 452 543	514 697	111	22 388 856

Segmental geographical and business analysis

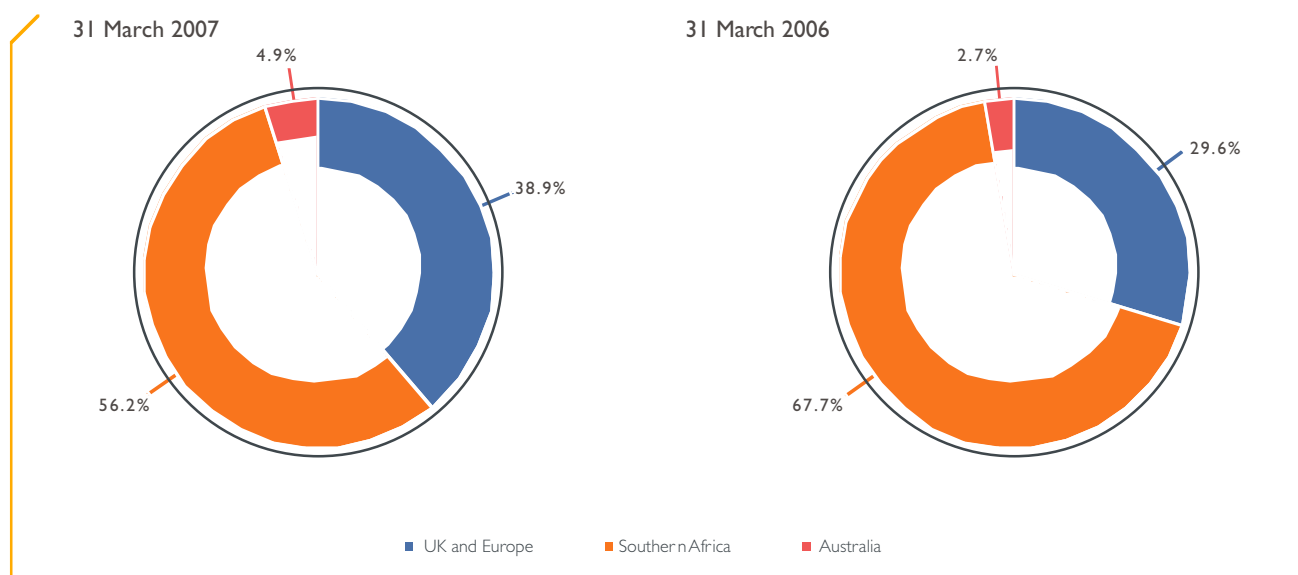
Operating profit before goodwill, non-operating items and taxation by geography



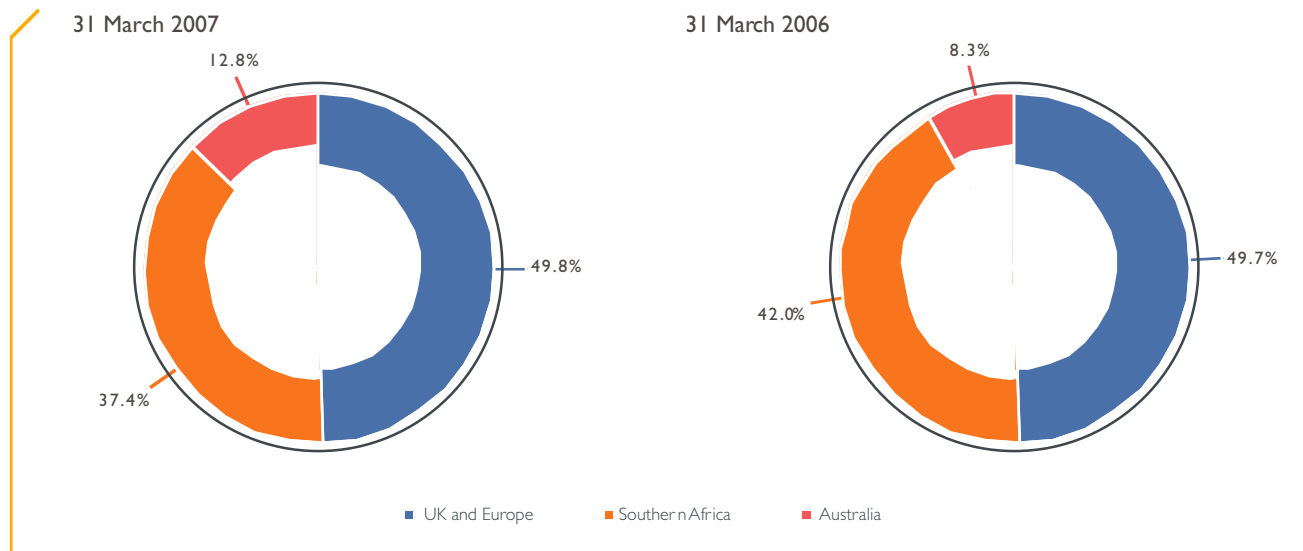
Operating profit before goodwill, non-operating items and taxation by line of business



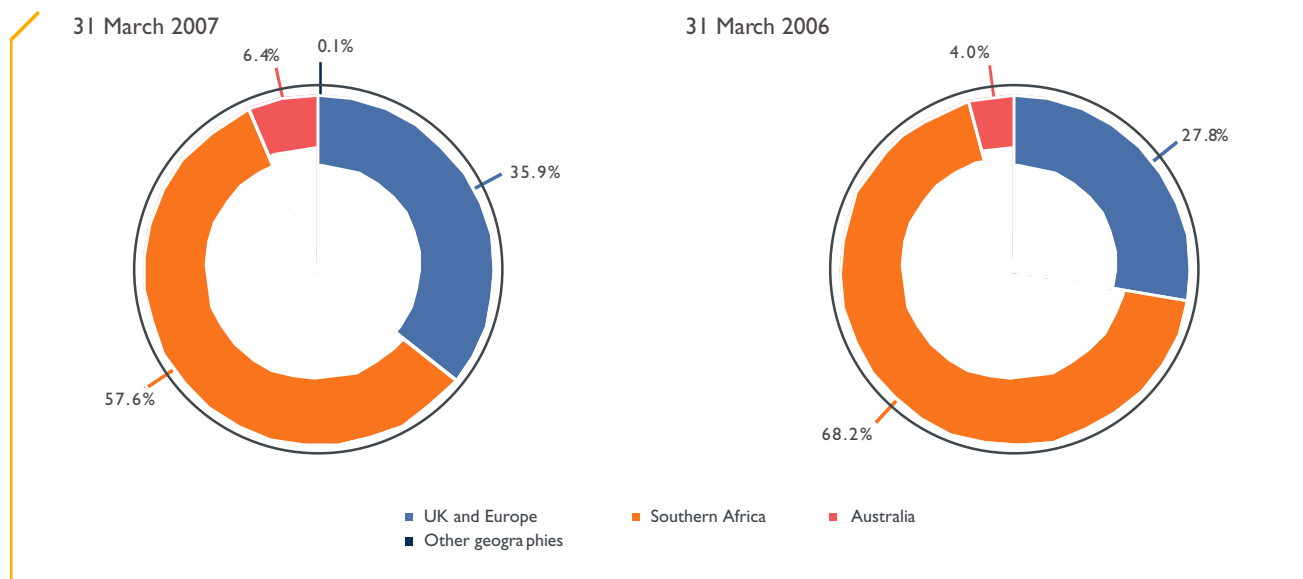
Assets by geography



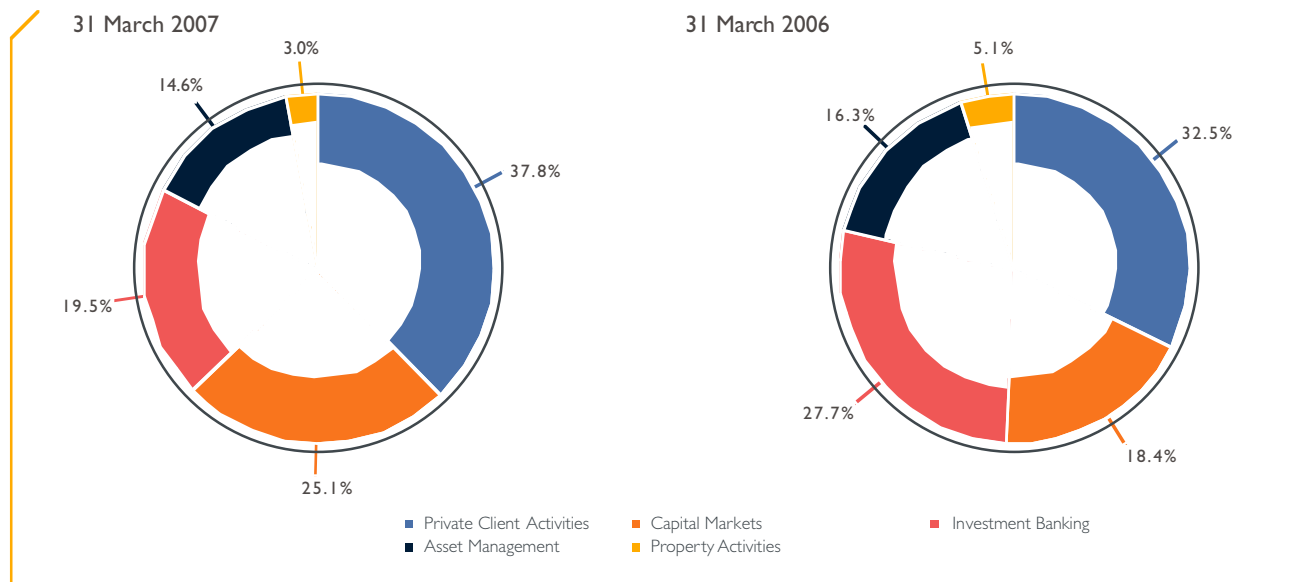
Adjusted shareholders' equity by geography



Operating profit before goodwill, non-operating items and taxation by geography



Operating profit before goodwill, non-operating items and taxation by line of business (excluding Group Services and Other Activities)



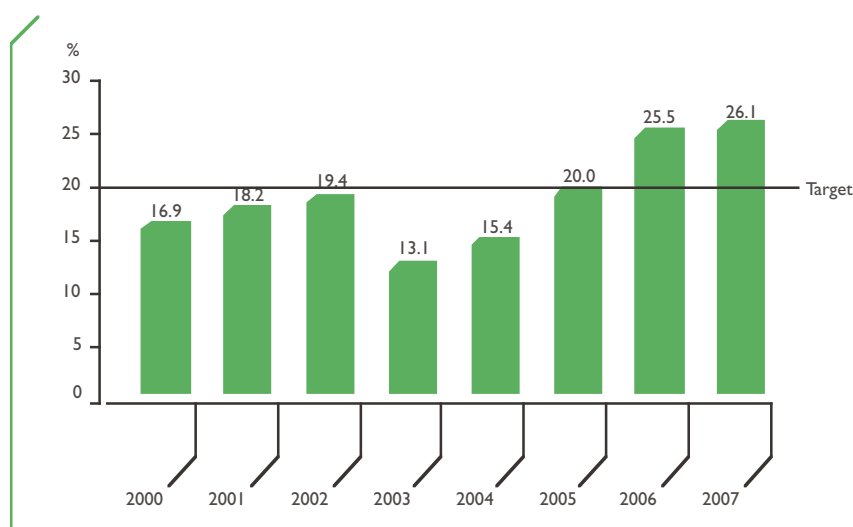


Financial objectives and additional information

Financial objectives

We have achieved our financial objectives.

ROE*



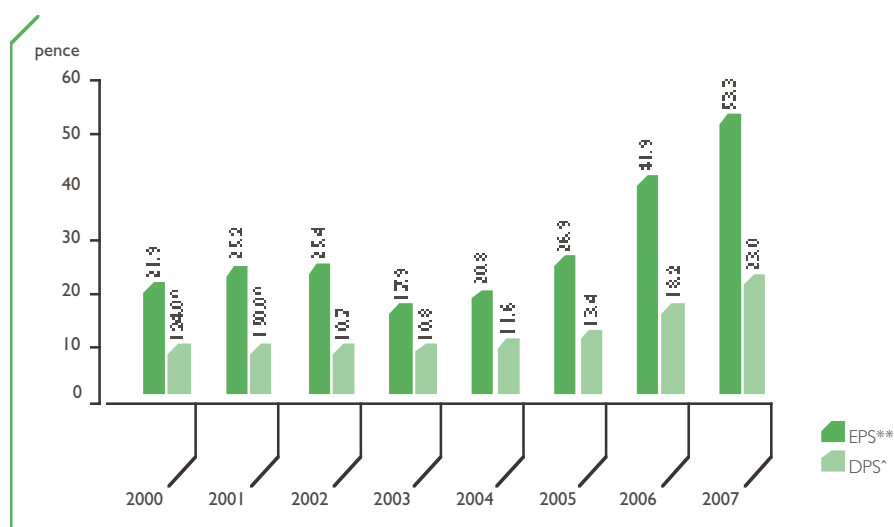
* ROE is post-tax return on adjusted average shareholders' equity (inclusive of compulsorily convertible instruments) as calculated on page 80.

Our objective is to continue to focus on increasing ROE, as opposed to nominal capital, through the efficient deployment of our capital base. We intend to generate ROE in excess of our cost of capital.

We have set the following targets over the medium to long-term:

- **Group ROE: greater than 20% in Pounds Sterling.**

Adjusted earnings per share (EPS) and dividends per share (DPS)



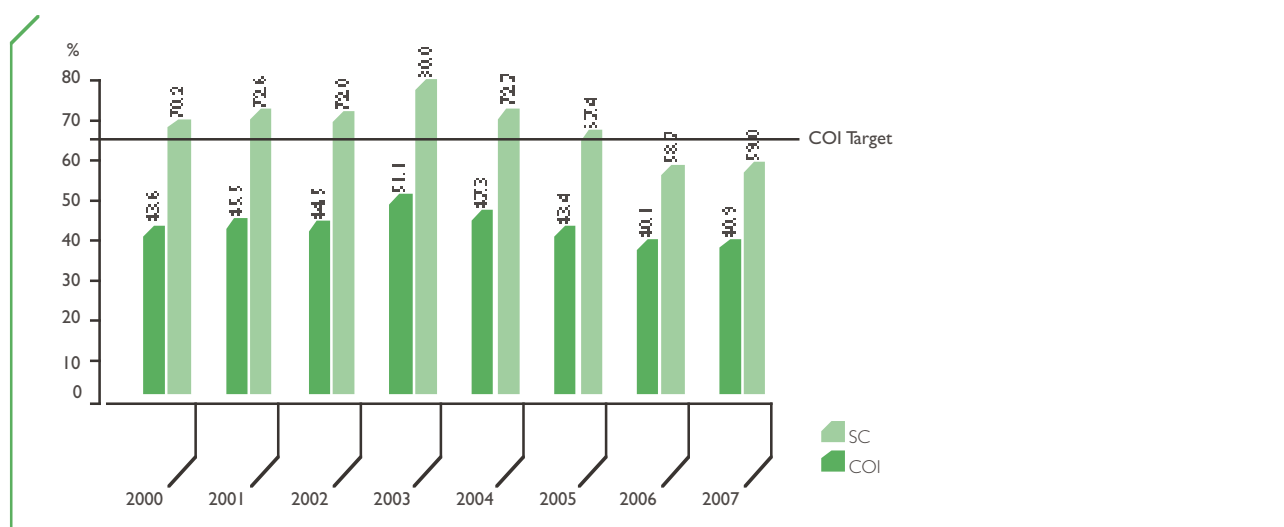
** Adjusted EPS before goodwill and non-operating items as defined on page 17.

^ The dividend for 2000 and 2001 was set in Rand and the dividend thereafter was determined in Pounds Sterling. The numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.

In the medium to long-term, we aim to achieve adjusted **EPS growth of 10% in excess of UK inflation (in Pounds Sterling)**. We continually strive to build and maintain a sustainable business model. We intend to maintain a dividend cover of between 1.7 and 2.3 times based on earnings per share as defined above, denominated in Pounds Sterling. We maintain this range to allow us the ability to apply a progressive dividend policy in terms of which dividends should grow in line with earnings. Interim and final dividends will be declared and proposed in accordance with the above policy.

Refer to note on page 69.

Cost to income ratio (COI) and staff compensation to operating income ratio (SC)

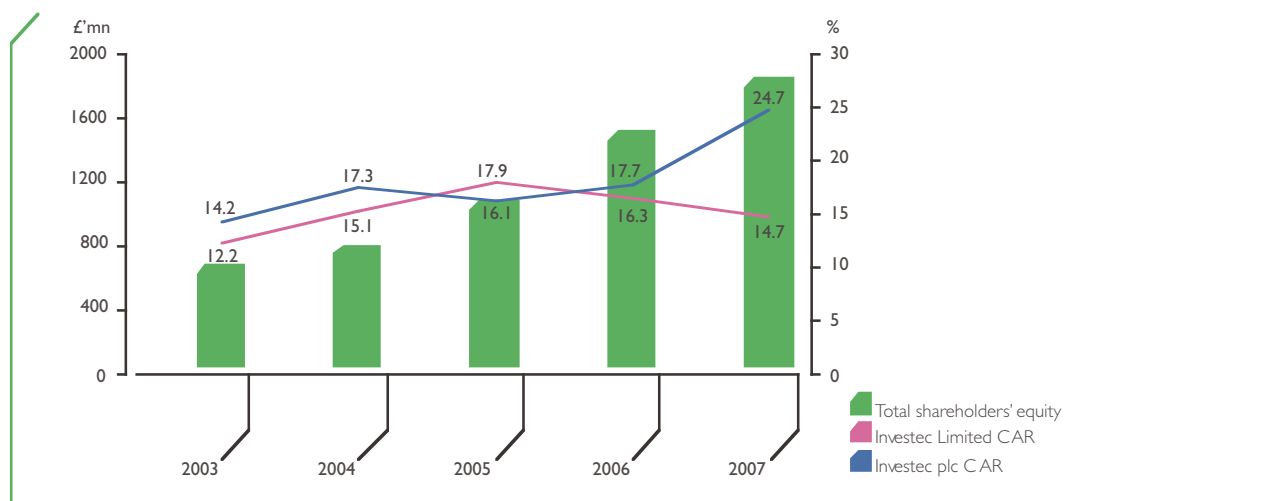


We have significantly rationalised and restructured our operations over the past few years in an effort to reduce our overall cost base. Increased emphasis continues to be placed on enhancing income growth while at the same time ensuring effective containment of costs.

We have set the following targets over the medium to long-term:

- Group COI ratio: less than 65% in Pounds Sterling.

Total shareholders' equity and capital adequacy ratios (CAR)



We intend to maintain a sufficient level of capital to satisfy regulatory requirements, as well as take advantage of opportunities that may arise in the financial services industry focusing on increasing our return on equity in the medium to long-term. Investec plc and Investec Limited aim to maintain a capital adequacy ratio of 13% to 16% and targets a tier 1 ratio of 10%.

Note:

The numbers shown in the financial objectives graphs on pages 68 and 69 are for the years ended 31 March, unless stated otherwise. The numbers prior to 2005 are reported in terms of UK GAAP.

Financial statement analysis

Income statement analysis

The overview that follows will highlight the main reasons for the variances in the major category line items on the face of the income statement during the period under review.

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	343 915	259 152	84 763	32.7%
Private Banking	217 435	165 308	52 127	31.5%
Private Client Portfolio Management and Stockbroking	6	480	(474)	(98.8%)
Capital Markets	89 078	71 228	17 850	25.1%
Investment Banking	(2 457)	2 216	(4 673)	>100.0%
Asset Management	5 242	4 050	1 192	29.4%
Property Activities	(5 801)	(4 002)	(1 799)	45.0%
Group Services and Other Activities	40 412	19 872	20 540	>100.0%

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.

£'000	31 March 2007	31 March 2006	Variance	% Change
Net fees and commissions receivable	521 498	436 874	84 624	19.4%
Private Banking	109 596	70 675	38 921	55.1%
Private Client Portfolio Management and Stockbroking	28 053	30 264	(2 211)	(7.3%)
Capital Markets	80 190	55 878	24 312	43.5%
Investment Banking	91 904	82 633	9 271	11.2%
Asset Management	180 539	165 890	14 649	8.8%
Property Activities	28 354	20 586	7 768	37.7%
Group Services and Other Activities	2 862	10 948	(8 086)	(73.9%)

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.

£'000	31 March 2007	31 March 2006	Variance	% Change
Principal transactions	245 463	246 059	(596)	(0.2%)
Private Banking	16 381	11 657	4 724	40.5%
Private Client Portfolio Management and Stockbroking	3 137	631	2 506	>100.0%
Capital Markets	102 700	55 098	47 602	86.4%
Investment Banking	73 719	97 864	(24 145)	(24.7%)
Asset Management	171	1 514	(1 343)	(88.7%)
Property Activities	11 847	21 387	(9 540)	(44.6%)
Group Services and Other Activities	37 508	57 908	(20 400)	(35.2%)

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 Capital Markets 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

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.

Net income from assurance activities

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

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.

£'000	31 March 2007	31 March 2006	Variance	% Change
Impairment losses on loans and advances	(16 530)	(9 160)	(7 370)	80.5%
Private Banking	(6 932)	1 745	(8 677)	>100.0%
Capital Markets	(9 925)	(12 342)	2 417	(19.6%)
Investment Banking	(1)	722	(723)	>100.0%
Asset Management	-	(16)	16	100.0%
Group Services and Other Activities	328	731	(403)	(55.1%)

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%). Refer to page 79 for further details.

£'000	31 March 2007	31 March 2006	Variance	% Change
Administrative expenses and depreciation	(694 002)	(566 628)	(127 374)	22.5%
Private Banking	(182 377)	(147 730)	(34 647)	23.5%
Private Client Portfolio Management and Stockbroking	(19 180)	(21 122)	1 942	(9.2%)
Capital Markets	(144 741)	(102 874)	(41 867)	40.7%
Investment Banking	(117 559)	(82 812)	(34 747)	42.0%
Asset Management	(120 444)	(112 062)	(8 382)	7.5%
Property Activities	(20 256)	(19 930)	(326)	1.6%
Group Services and Other Activities	(89 445)	(80 098)	(9 347)	11.7%

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%.

Financial statement analysis

£'000	31 March 2007	31 March 2006	Variance	% Change
Goodwill	2 569	(21 356)	23 925	>100.0%

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)

Balance sheet analysis

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%).

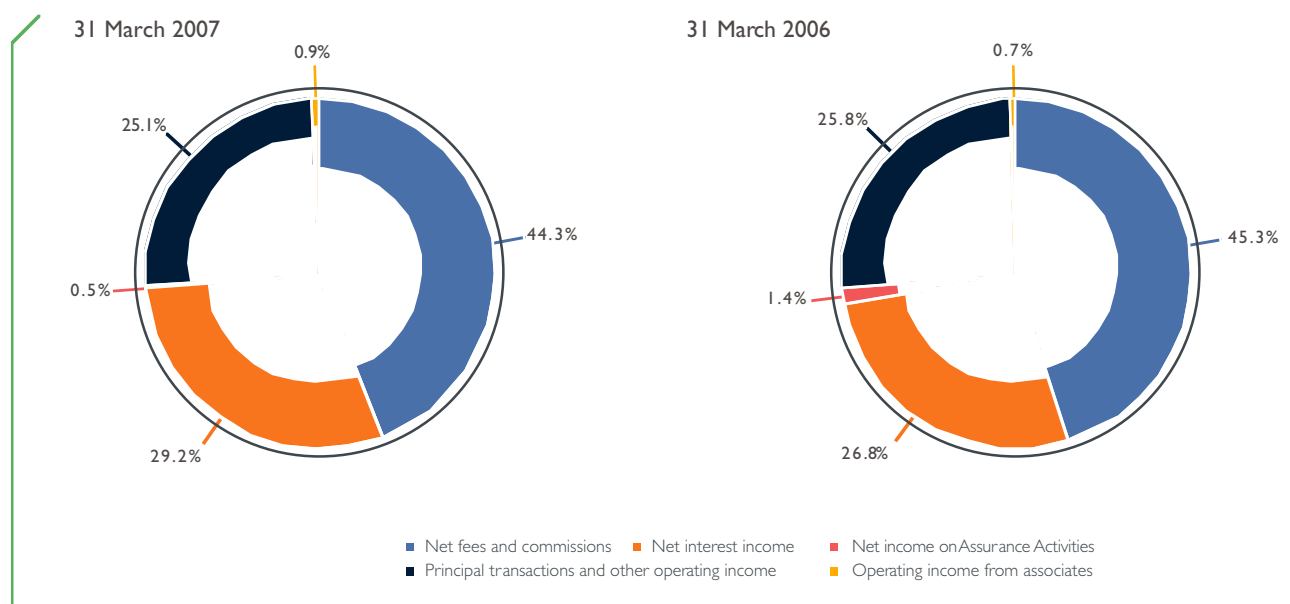
On balance sheet assets have increased by 10.0% to £26.3 billion since 31 March 2006.

An analysis of operating income

£'000

	31 March 2007	31 March 2006	% Change
Net interest income	343 915	259 152	32.7%
Other income	833 202	705 403	18.1%
Net fees and commissions receivable	521 498	436 874	19.4%
Principal transactions	245 463	246 059	(0.2%)
Operating income from associates	10 685	6 694	59.6%
Net income on Assurance Activities	5 871	13 055	(55.0%)
Other operating income	49 685	2 721	>100.0%
Total operating income net of insurance claims	1 177 117	964 555	22.0%

% of total income

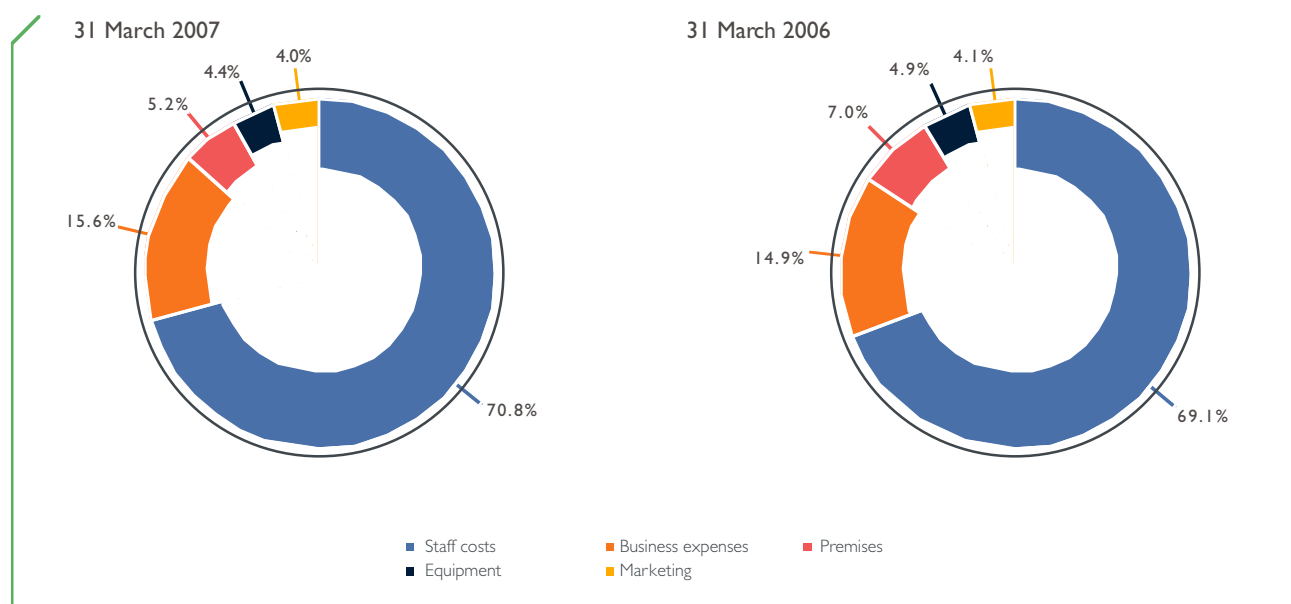


An analysis of administrative expenses

£'000

	31 March 2007	31 March 2006	% Change
Staff costs	482 020	386 393	24.7%
- fixed	276 177	229 506	20.3%
- variable	205 843	156 887	31.2%
Business expenses	105 943	83 345	27.1%
Equipment (excluding depreciation)	29 684	27 311	8.7%
Premises (excluding depreciation)	35 610	39 132	(9.0%)
Marketing expenses	27 430	22 706	20.8%
Administrative expenses	680 687	558 887	21.8%

% of total expenses



Asset quality

£'million	31 March 2007	31 March 2006
Total loans and advances to customers (gross of impairments)	10 230	9 646
Specific impairments	33	31
Portfolio impairments	7	10
Total impairments	40	41
Gross default loans	123	91
Sub-standard	42	21
Doubtful	41	48
Loss	40	22
Less: security	94	62
Net default loans (pre impairments held against these loans)	29	29
Adequacy of impairments		
Specific impairments as a % of loans and advances to customers	0.32%	0.32%
Portfolio impairments as a % of net loans and advances to customers	0.07%	0.10%
Total impairments as a % of loans and advances to customers	0.39%	0.43%
Total impairments as a % gross default loans	32.52%	45.05%
Total impairments as a % of net default loans	137.93%	141.38%
Specific impairments as a % of gross default loans	26.83%	34.07%
Specific impairments as a % of net default loans	113.79%	106.90%
Gross default loans as a % of loans and advances to customers	1.20%	0.94%

£'million	Loans and advances	Portfolio impairments	Specific impairments	Total impairments	Gross default loans	Security held against default loans	Net default loans
31 March 2007							
UK and Europe	4 012	2	6	8	34	26	8
Southern Africa	5 545	5	17	22	71	59	12
Australia	673	-	10	10	18	9	9
Total group	10 230	7	33	40	123	94	29
31 March 2006							
UK and Europe	3 238	1	7	8	19	11	8
Southern Africa	6 004	9	23	32	70	51	19
Australia	404	-	1	1	2	-	2
Total group	9 646	10	31	41	91	62	29

Total third party assets under management

£'million	31 March 2007	31 March 2006
Private Banking funds under advice	2 532	1 888
UK and Europe	951	642
South Africa	1 275	1 006
Australia	306	240
Private Client Portfolio Management and Stockbroking	20 736	20 944
South Africa Private Client Securities	7 436	7 844
Rensburg Sheppards plc	*13 300	13 100
Property Activities	1 825	1 846
Investec Asset Management	29 893	31 653
UK and international	13 095	11 820
Southern Africa	16 798	19 833
Total third party assets under management	54 986	56 331

31 March 2007 £'million	UK, Europe & Other	Southern Africa	Total
Private Banking	1 257	1 275	2 532
Private Client Portfolio Management and Stockbroking	13 300*	7 436	20 736
- Discretionary	-	1 297	n/a
- Non-discretionary	-	6 139	n/a
Institutional	6 070	10 855	16 925
Retail	7 025	5 943	12 968
Property Activities	-	1 825	1 825
Total third party assets under management	27 652	27 334	54 986

31 March 2006 £'million	UK, Europe & Other	Southern Africa	Total
Private Banking	882	1 006	1 888
Private Client Portfolio Management and Stockbroking	13 100	7 844	20 944
- Discretionary	-	1 338	n/a
- Non-discretionary	-	6 506	n/a
Institutional	5 694	14 088	19 782
Retail	6 126	5 745	11 871
Property Activities	-	1 846	1 846
Total third party assets under management	25 802	30 529	56 331

* As last reported by Rensburg Sheppards plc in November 2006.

Net tangible asset value per share

In calculating net tangible asset value per share we assume that all previously issued Compulsory Convertible Debentures (CCD's) are treated as equity. Under IFRS however; a portion of these CCD's are treated as debt and not included in shareholders' equity. As a result, adjustments must be made to the shareholder base which would be more appropriately reflect their permanent capital nature.

£'000	31 March 2007	31 March 2006	Notes
Shareholders' equity	1 542 485	1 226 492	
Less: perpetual preference shares issued by holding companies	(292 173)	(215 305)	
Convertible debt included in subordinated liabilities	19 079	28 016	
Less: goodwill and intangible assets (excluding software)	(219 854)	(189 700)	
Net tangible asset value	1 049 537	849 503	
Number of shares in issue	609.3	593.2	
CCD's	18.0	18.0	Relates to convertible debt mentioned above.
Treasury shares	(39.6)	(40.5)	
Number of shares in issue in this calculation (million)	587.7	570.7	
Net tangible asset value per share (pence)	178.6	148.9	

Goodwill and intangible assets analysis - balance sheet information

£'000	31 March 2007	31 March 2006
UK and Europe	163 034	125 479
Private Banking	17 434	17 536
Capital Markets	13 720	13 787
Investment Banking	43 835	6 111
Asset Management	88 045	88 045
South Africa	40 561	52 628
Private Client Portfolio Management and Stockbroking	2 550	3 371
Asset Management	24 067	40 115
Property Activities	13 944	9 142
Australia	16 259	11 593
Investment Banking	16 259	11 593
Software	11 858	3 954
Total group	231 712	193 654

Capital adequacy

Investec plc and Investec Limited are the two listed holding companies in terms of the DLC structure. Investec Bank (UK) Limited (IBUK) and Investec Bank Limited (IBL) are the main banking subsidiaries of Investec plc and Investec Limited, respectively. Investec Bank (Australia) Limited (IBAL) is a subsidiary of IBUK.

Investec plc and Investec Limited are well capitalised and capital adequacy ratios exceed the minimum regulatory requirements.

The group aims to maintain a capital adequacy ratio on a consolidated basis for Investec plc and Investec Limited of 13-16%, and targets a Tier 1 ratio of 10%.

31 March 2007	IBL R'million	Investec Limited R'million	IBAL A\$million	IBUK £'million	Investec plc £'million
Net qualifying capital	12 789	13 687	568	1 284	1 357
Risk-weighted assets	90 426	93 075	2 383	5 314	5 485
Capital adequacy ratio	14.1%	14.7%	23.8%	24.2%	24.7%
Tier 1 ratio	9.3%	10.4%	19.0%	13.2%	14.8%
31 March 2006	IBL R'million	Investec Limited R'million	IBAL A\$million	IBUK £'million	Investec plc £'million
Net qualifying capital	11 976	12 134	269	725	762
Risk-weighted assets	74 309	74 560	1 422	3 815	4 312
Capital adequacy ratio	16.1%	16.3%	18.9%	19.0%	17.7%
Tier 1 ratio	10.4%	11.1%	18.0%	14.4%	11.6%

The above ratios are determined under South African Reserve Bank regulations in respect of IBL (consolidated) and Investec Limited (consolidated) and Financial Services Authority requirements in respect of IBUK (consolidated) and Investec plc (consolidated).

ROE by country and division

In order to assess the return on economic capital utilised, the group believes that certain adjustments should be made to the income statement analysis and balance sheet analysis as reflected under IFRS. The group believes that these adjustments are necessary as they reflect the actual utilisation of capital and return thereon, notwithstanding accounting conventions.

Return on capital by segment

The methodology applied in accessing the utilisation of the group's economic capital is as follows:

- A notional return on capital (net of the cost of subordinated debt) which is managed and borne in the centre is allocated from Group Services and Other Activities ("GSO") to the business segments based on their total capital utilisation.
- Shareholders' equity is increased to reflect permanent capital which is reflected under subordinated debt.

£'000	31 March 2007	31 March 2006	Average year end 2007	1 April 2005	Average year end 2006
Calculation of average shareholders' equity					
Shareholders' equity per balance sheet (excluding preference shares)	1 250 312	1 011 187	1 130 750	733 760	872 474
Add: Convertible debt included in subordinated liabilities	19 079	28 016	23 547	28 355	28 185
Adjusted shareholders' equity	1 269 391	1 039 203	1 154 297	762 115	900 659
Goodwill and intangible assets (excluding software)	(219 854)	(189 700)	(204 777)	(203 900)	(196 800)
Adjusted tangible shareholders' equity	1 049 537	849 503	949 520	558 215	703 859

£'000	31 March 2007	31 March 2006
Operating profit before goodwill and non-operating items	466 585	388 767
Minority interests	(9 054)	(14 267)
Preference dividends	(37 046)	(32 867)
Profit before taxation	420 485	341 633
Tax on ordinary activities	(119 781)	(111 616)
Profit after taxation	300 704	230 017
Pre-tax return on average adjusted shareholders' equity	36.4%	37.9%
Post-tax return on average adjusted shareholders' equity	26.1%	25.5%
Pre-tax return on average adjusted tangible shareholders' equity	44.3%	48.5%
Post-tax return on average adjusted tangible shareholders' equity	31.7%	32.7%

ROE by country

For the year to 31 March

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Total operating profit	167 382	268 673	30 149	381	466 585
Tax on ordinary activities	(37 370)	(72 938)	(9 473)	-	(119 781)
Minority interests	(3 643)	(3 409)	(2 002)	-	(9 054)
Preference dividends	(13 711)	(23 335)	-	-	(37 046)
Profit on ordinary activities after taxation - 31 March 2007	112 658	168 991	18 674	381	300 704
Profit on ordinary activities after taxation - 31 March 2006	64 915	154 332	10 892	(122)	230 017
Adjusted shareholders' equity at 31 March 2007	631 953	475 026	162 412	-	1 269 391
Goodwill and intangible assets (excluding software)	163 034	40 561	16 259	-	219 854
Adjusted tangible shareholders' equity at 31 March 2007	468 919	434 465	146 153	-	1 049 537
Adjusted shareholders' equity at 31 March 2006	516 401	436 086	86 727	(11)	1 039 203
Goodwill and intangible assets (excluding software)	125 480	52 627	11 593	-	189 700
Adjusted tangible shareholders' equity at 31 March 2006	390 921	383 459	75 134	(11)	849 503
Adjusted average shareholders' equity - 31 March 2007*	574 177	455 556	124 570	(6)	1 154 297
Adjusted average shareholders' equity - 31 March 2006*	461 564	360 613	78 442	40	900 659
Post tax return on average shareholders' equity - 31 March 2007	19.6%	37.1%	15.0%	(6350.0%)	26.1%
Post tax return on average shareholders' equity - 31 March 2006	14.1%	42.8%	13.9%	(305.0%)	25.5%

* This number is not necessarily a straight line average as these numbers are calculated on a monthly basis using actual capital utilised.

ROE by business

For the year to 31 March

£'000	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Total operating profit	154 391	22 081	117 291	91 235	68 112	14 144	(669)	466 585
Notional return on regulatory capital	42 015	3 348	31 861	6 008	1 021	805	(85 058)	-
Notional cost of statutory capital	(3 072)	(726)	(1 830)	1	(5 172)	(706)	11 505	-
Cost of subordinated debt	(15 093)	(1 345)	(11 382)	(2 168)	(374)	(259)	30 621	-
Minority interest	-	-	228	(9 224)	-	-	(58)	(9 054)
Cost of preference shares	(9 070)	(815)	(7 302)	(1 243)	(247)	(194)	(18 175)	(37 046)
Absorption of additional residual costs**	(14 758)	(3 523)	(13 582)	(19 703)	(4 932)	(5 151)	61 649	-
Adjusted earnings/(losses) - 31 March 2007	154 413	19 020	115 284	64 906	58 408	8 639	(185)	420 485
Adjusted earnings/(losses) - 31 March 2006	102 758	14 665	66 262	91 714	51 353	15 363	(482)	341 633
Adjusted shareholders' equity at 31 March 2007	478 947	42 932	358 724	130 816	123 211	19 975	114 786	1 269 391
Goodwill and intangible assets (excluding software)	17 434	2 550	13 720	60 094	112 112	13 944	-	219 854
Adjusted tangible shareholders' equity at 31 March 2007	461 513	40 382	345 004	70 722	11 099	6 031	114 786	1 049 537
Adjusted shareholders' equity at 31 March 2006	372 651	37 122	293 542	63 875	140 042	17 124	114 847	1 039 203
Goodwill and intangible assets (excluding software)	17 536	3 371	13 787	17 704	128 160	9 142	-	189 700
Adjusted tangible shareholders' equity at 31 March 2006	355 115	33 751	279 755	46 171	11 882	7 982	114 847	849 503
Adjusted average shareholders' equity - 31 March 2007[^]	404 897	43 034	306 192	94 570	130 129	17 264	158 211	1 154 297
Adjusted average shareholders' equity - 31 March 2006 [^]	351 205	35 921	242 905	53 380	141 361	19 993	55 894	900 659
Pre-tax return on adjusted average shareholders' equity - 31 March 2007	38.1%	44.2%	37.7%	68.6%	44.9%	50.0%	(0.1%)	36.4%
Pre-tax return on adjusted average shareholders' equity - 31 March 2006	29.3%	40.8%	27.3%	171.8%	36.3%	76.8%	(0.9%)	37.9%

* Where: PB=Private Banking PCSB= Private Client Stockbroking CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

** This allocation represents a portion of the costs remaining in the centre which are indirectly allocated to operating divisions as they facilitate their operations but are excluded in calculating performance incentive remuneration. These allocations are based on management's estimates of relative benefit derived.

[^] This number is not necessarily a straight line average as these numbers are calculated on a monthly basis using actual capital utilised.

Operating profit (before goodwill, non-operating items and taxation and excluding income from associates) per employee

By business	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Number of employees - 31 March 2007	1 941	205	715	336	924	273	1 036	5 430
Number of employees - 31 March 2006	1 598	167	530	287	790	258	823	4 453
Number of employees - 31 March 2005	1 280	415	445	245	723	225	830	4 163
Average employees - year to 31 March 2007	1 769	186	623	312	857	266	929	4 942
Average employees - year to 31 March 2006	1 439	**157	488	266	757	242	827	4 176
Operating profit [^] - 31 March 2007 (£'000)	154 203	12 016	117 302	91 088	68 112	14 144	(965)	455 900
Operating profit [^] - 31 March 2006 (£'000)	101 655	10 253	66 991	100 623	59 376	18 598	24 577	382 073
Operating profit per employee^{^^} - 31 March 2007 (£'000)	87.2	64.6	188.3	291.9	79.5	53.2	(1.0)	92.3
Operating profit per employee ^{^^} - 31 March 2006 (£'000)	70.6	65.3	137.3	378.3	78.4	76.9	29.7	91.5

By geography	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Number of employees - 31 March 2007	1 412	3 778	235	5	5 430
Number of employees - 31 March 2006	1 166	3 114	168	5	4 453
Number of employees - 31 March 2005	1 308	2 648	140	67	4 163
Average employees - year to 31 March 2007	1 289	3 446	202	5	4 942
Average employees - year to 31 March 2006	**1 105	2 881	154	36	4 176
Operating profit [^] - 31 March 2007 (£'000)	156 859	268 673	29 987	381	455 900
Operating profit [^] - 31 March 2006 (£'000)	100 834	265 410	15 950	(121)	382 073
Operating profit per employee^{^^} - 31 March 2007 (£'000)	121.7	78.0	148.5	76.2	92.3
Operating profit per employee ^{^^} - 31 March 2006 (£'000)	91.3	92.1	103.6	(3.4)	91.5

* Where: PB=Private Banking PCSB=Private Client Stockbroking CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

[^] Excluding operating income from associates.

^{^^} Based on average number of employees over the period.

** Adjusted for the sale of Carr Sheppards Crosthwaite to Rensburg plc.

Number of employees

By business - permanent employees

	31 March 2007
Private Banking	
UK and Europe	429
SA and Other	1 305
Australia	78
Total	1 812
Private Client Stockbroking	
SA and Other	191
Total	191
Private Client Activities Total	
UK and Europe	429
SA and Other	1 496
Australia	78
Total	2 003
Capital Markets	
UK and Europe	276
SA and Other	348
Australia	38
Total	662
Investment Banking	
UK Europe and Hong Kong	143
SA and Other	139
Australia	33
USA	5
Total	320
Asset Management	
UK and Europe	231
SA and Other	603
Total	834
Property Activities	
UK and Europe	3
SA and Other	248
Total	251
Group Services and Other Activities	
UK and Europe	212
SA and Other	642
Australia	86
Total	940
Total number of permanent employees	5 010

By geography	31 March 2007	30 Sept 2006	31 March 2006	30 Sept 2005	31 March 2005	31 March 2004
UK and Europe	1 294	1 192	1 166	1 067	1 308	1 431
South Africa and Other	3 476	3 296	3 114	2 880	2 648	2 627
Australia	235	208	168	143	140	112
USA	5	5	5		67	75
Israel	-					213
Temps and contractors	420	354				
Total number of employees	5 430	5 055	4 453	4 090	4 163	4 458

Shareholder analysis

The group has implemented a Dual Listed Companies (DLC) 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-Southern African businesses, was listed on the London Stock Exchange on 29 July 2002. Investec plc also has a secondary listing on the JSE Limited (JSE). Investec Limited, which houses the group's Southern African and Mauritius operations, has been listed in South Africa since 1986.

On 4 September 2006 the group implemented a 5:1 share split of Investec plc and Investec Limited shares.

As at 31 March 2007 Investec plc and Investec Limited had 381.6 million and 227.7 million ordinary shares in issue, respectively.

Largest shareholders as at 31 March 2007

In accordance with the terms provided for in Section 212 of the UK 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

Shareholder analysis by manager group	Number of shares	% holding
1 Barclays Global Investors (UK and US)	25 276 326	6.6
2 Public Investment Commissioner (ZA)	24 493 019	6.4
3 JPMorgan Asset Management (UK and US)	23 568 702	6.2
4 Legal & General Investment Management Ltd (UK)	14 817 387	3.9
5 Investec Securities (Pty) Limited (ZA)	12 964 783	3.4
6 Morley Fund Management Ltd (UK)	12 794 939	3.4
7 Jupiter Asset Management Limited (UK)	12 345 562	3.2
8 Old Mutual Asset Managers (ZA)	11 973 896	3.1
9 State Street Global Advisors (UK, US, JP and FR)	11 493 732	3.0
10 Schroder Investment Management Ltd (UK)	8 884 465	2.3
Cumulative total	158 612 811	41.5

The top 10 shareholders account for 41.5% 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.

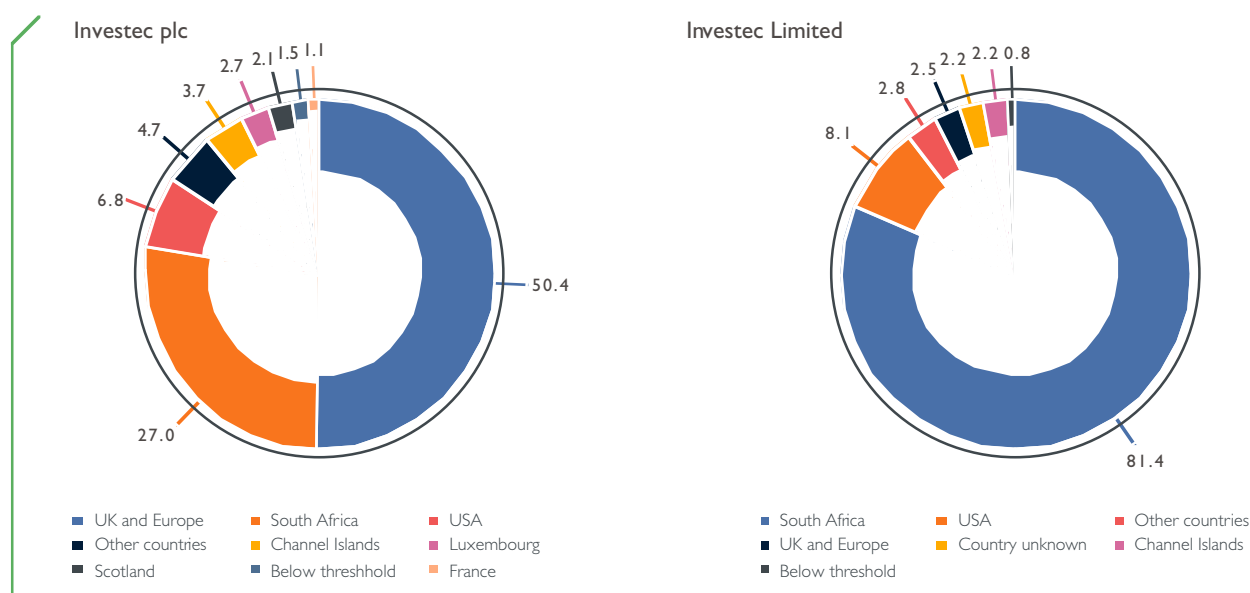
Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1 Public Investment Commissioner (ZA)	24 569 804	10.8
2 Investec Staff Share Schemes (ZA)	19 381 764	8.5
3 Old Mutual Asset Managers (ZA)	16 384 922	7.2
4 Investec Asset Management (ZA)	14 037 074	6.2
5 Tiso INL Investments (Pty)Ltd (ZA)*	14 000 000	6.1
6 Entrepreneurial Development Trust (ZA)*	14 000 000	6.1
7 Peu INL Investments I (Pty) Ltd (ZA)*	13 055 555	5.7
8 Polaris Capital (Pty) Limited (ZA)	9 958 172	4.4
9 RMB Asset Management (ZA)	7 470 551	3.3
10 Investec Securities (Pty) Limited (ZA)	6 911 846	3.0
Cumulative total	139 769 688	61.3

The top 10 shareholders account for 61.3% of the total shareholding in Investec Limited. 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.

* In November 2003, Investec Limited implemented an empowerment transaction in which empowerment partners and an employee share scheme acquired 25.1% of the equity shareholding in Investec Limited.

Geographic holding by beneficial owner as at 31 March 2007



Share statistics

Investec plc ordinary shares in issue

For the year ended 31 March ¹	2007	2006	2005	2004	2003
Closing market price per share (pence) ²					
- year end	658	2 941	1 555	1 089	615
- highest	676	3 034	1 735	1 181	960
- lowest	495	1 522	920	612	607
Number of ordinary shares in issue (million) ²	381.6	74.6	74.6	74.6	74.6
Market capitalisation (£' million) ³	2511	2 194	1 160	812	459
Daily average volume of shares traded ('000)	2 832.5	297.8	148.2	99.6	69.9
Price earnings ratio ⁴	12.4	14.0	11.6	10.5	6.3
Dividend cover (times) ⁴	2.3	2.3	2.0	1.8	1.8
Dividend yield (%) ⁴	3.5	3.1	4.3	5.3	8.8
Earnings yield (%) ⁴	8.1	7.1	8.6	9.5	15.6

Investec Limited ordinary shares in issue

For the year ended 31 March	2007	2006	2005	2004	2003	2002	2001
Closing market price per share (cents) ²							
- year end	9 330	31 300	17 800	12 530	7 650	13 000	19 700
- highest	9 460	33 250	19 000	15 100	17 440	24 580	27 800
- lowest	5 906	17 050	10 780	7 750	7 650	13 000	19 200
Number of ordinary shares in issue (million) ²	227.7	44.0	44.0	44.0	38.4	96.2	81.0
Market capitalisation (R'million) ⁵	56 848	37 121	21 111	14 860	8 645	14 196	19 286
Market capitalisation (£'million)	4 009	3 488	1 844	1 292	695	742	1 400
Daily average volume of shares traded ('000) ⁶	619.7	95.6	102.1	99.0	105.4		

Notes:

¹ Investec plc has been listed on the LSE since 29 July 2002.

² On 4 September 2006 the group implemented a 5:1 share split of Investec plc and Investec Limited shares. Historical information should be divided by or multiplied by 5 where applicable for comparative purposes.

³ The LSE only include the shares in issue for Investec plc i.e. 381.6 million, in calculating market capitalisation, as Investec is incorporated in the UK.

⁴ Calculations are based on the group's consolidated earnings per share before goodwill and non-operating items, and dividends per share as prepared in accordance with IFRS and denominated in Pounds Sterling.

⁵ The JSE have agreed to use the total number of shares in issue for the combined group, comprising Investec Limited and Investec plc, in calculating market capitalisation i.e. a total of 609.3 million shares in issue.

⁶ Information prior to the implementation of the DLC structure is not comparable.

Annexures



Annexure I Definitions

Adjusted shareholders' equity	Refer to calculation on page 80.
Cost to income ratio	Administrative expenses and depreciation divided by operating income.
Dividend cover	Adjusted earnings per ordinary share before goodwill and non-operating items divided by dividends per ordinary share.
Earnings attributable to ordinary shareholders before goodwill and non-operating items	Refer to pages 17 and 18.
Adjusted earnings per ordinary share before goodwill and non-operating items	Refer to pages 17 and 18.
Effective operational tax rate	Tax on profit on ordinary activities divided by operating profit (excluding profit from associates and Assurance Activities).
Headline earnings	Refer to page 18.
Headline earnings per share	Refer to page 18.
Market capitalisation	Total number of shares in issue (including Investec plc and Investec Limited) multiplied by the closing share price of Investec plc on the London Stock Exchange.
Net tangible asset value per share	Refer to calculation on page 77.
Non-operating items	Reflects profits and/or losses on termination or disposal of group operations.
Operating profit	Operating income less administrative expenses, impairments for bad and doubtful debts and depreciation of tangible fixed assets. This amount is before goodwill and non-operating items.
Operating profit per employee	Refer to calculation on page 83.
Return on average adjusted shareholders' equity	Refer to calculation on page 80.
Return on average adjusted tangible shareholders' equity	Refer to calculation on page 80.
Staff compensation to operating income ratio	All employee related costs expressed as a percentage of operating income.
Third party assets under administration	Includes third party assets under administration managed by the Private Client, Asset Management and Property businesses.
Total capital resources	Includes shareholders' equity, subordinated liabilities and minority interests.
Total equity	Total shareholders' equity including minority interests.
Weighted number of ordinary shares in issue	The number of ordinary shares in issue at the beginning of the year; increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group less treasury shares. Refer to calculation on page 17.

