



Corporate information

Investec plc and Investec Limited

Secretary and Registered Office

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Registration number

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

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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
Peter Thomas
Fani Titi

* Resigned with effect 30 September 2007.

For queries regarding information in this document.

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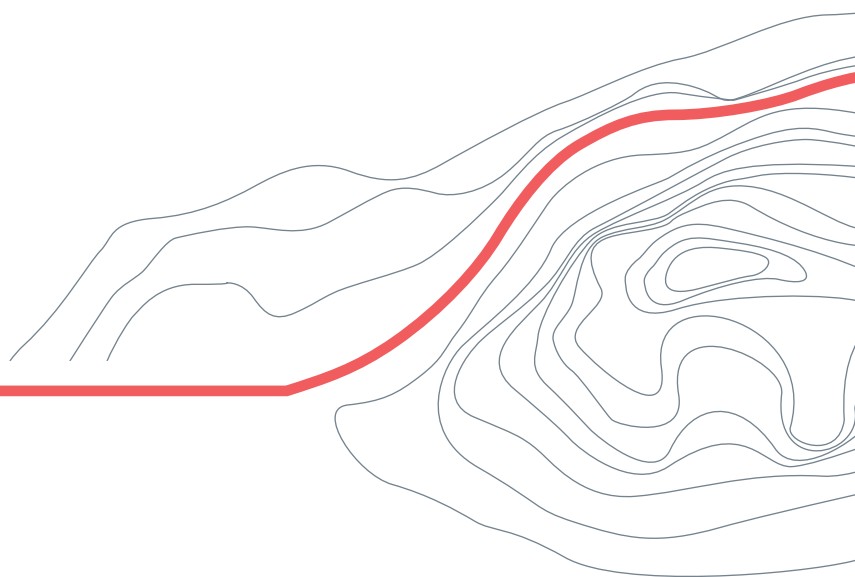
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Overview of results

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 year-end 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 period.

Currency per £1.00	31 March 2008		31 March 2007	
	Period end	Average	Period end	Average
South African Rand	16.17	14.31	14.20	13.38
Australian Dollar	2.18	2.32	2.42	2.47
Euro	1.25	1.42	1.47	1.47
US Dollar	1.99	2.01	1.96	1.90

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pounds Sterling exchange rate over the year has depreciated by 7.0% and the closing rate has depreciated by 13.9% since 31 March 2007.

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

	Results as reported at 31 March 2008	Currency neutral results at 31 March 2008**
Southern African operating profit (£'000)*	339 970	363 942
Southern African profit after tax (£'000)*	249 681	267 780
Total group operating profit before tax (£'000)*	537 671	555 770
Total group adjusted earnings attributable to ordinary shareholders (£'000)*	344 695	361 039
Adjusted EPS (pence)*	56.9	59.6
Total assets (£'million)	34 104	36 189
Total shareholders funds (£'million)	2 210	2 307

* 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 2007. For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 13.38.

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 87) 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 2008		31 March 2007	
	Period end	Average	Period end	Average
UK Clearing Banks Base Rate	5.25%	5.54%	5.25%	4.82%
LIBOR - 3 month	6.01%	6.05%	5.62%	5.08%
South Africa Prime Overdraft Rate	14.50%	13.61%	12.50%	11.62%
JIBAR - 3 month	11.38%	10.38%	9.18%	8.30%
Reserve Bank of Australia cash target rate	7.25%	6.57%	6.25%	5.99%
FTSE All Share Index	2 927.1	3 245.0	3 283.2	3 094.2
JSE All Share Index	29 587.5	28 977.8	27 267.2	22 813.1
Australian All Ordinaries Index	5 409.7	6 189.8	5 978.8	5 315.9

Source: Datastream

Overview of results

	31 March 2008	31 March 2007	% Change
Income statement and selected returns			
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items (£'000) ¹	344 695	300 704	14.6%
Operating profit before goodwill, non-operating items and taxation (£'000)	537 671	466 585	15.2%
Operating profit before goodwill, non-operating items and taxation:SA (% of total)	63.2%	57.6%	
Operating profit before goodwill, non-operating items and taxation:Non-SA (% of total)	36.8%	42.4%	
Cost to income ratio	56.1%	59.0%	
Staff compensation to operating income ratio	37.2%	40.9%	
Return on average adjusted shareholders' equity ² (post tax)	23.6%	26.1%	
Return on average adjusted tangible shareholders' equity ² (post tax)	28.6%	31.7%	
Operating profit per employee (£'000) ³	89.3	92.3	
Net interest income as a percentage of operating income net of insurance claims	39.3%	29.2%	
Non-interest income as a percentage of operating income net of insurance claims	60.7%	70.8%	
Effective operational tax rate	22.6%	26.3%	
Balance sheet			
Total capital resources (including subordinated liabilities) (£'million)	3 275	2 665	22.9%
Total shareholders' equity (including preference shares and minority interests) (£'million)	2 210	1 820	21.4%
Shareholders' equity (excluding minority interests) (£'million)	1 911	1 542	23.9%
Total assets (£'million)	34 104	26 300	29.7%
Core loans and advances to customers (£'million)	12 828	10 095	27.1%
Core loans and advances to customers as a percentage of total assets	37.6%	38.4%	
Third party assets under management (£'million)	54 209	56 121	(3.4%)
Capital adequacy ratio: Investec plc ⁴	15.3%	nc	
Capital adequacy ratio: Investec Limited ⁴	13.9%	nc	
Salient financial features and key statistics			
Adjusted earnings per share before goodwill and non-operating items (pence) ¹	56.9	53.3	6.8%
Basic earnings per share (pence) ¹	57.7	54.7	5.5%
Diluted earnings per share (pence) ¹	54.0	50.4	7.1%
Dividends per share (pence)	25.0	23.0	8.7%
Dividend cover (times)	2.28	2.32	(1.7%)
Net tangible asset value per share (pence) ⁵	215.0	178.6	20.4%
Weighted number of ordinary shares in issue (million) ¹	606.2	563.8	7.5%
Total number of shares in issue (million)	657.6	609.3	7.9%
Closing share price (pence)	339	658	(48.5%)
Market capitalisation (£'million) ⁶	2 229	4 009	(44.4%)
Number of employees in the group	6 333	5 430	16.6%
Closing ZAR/£ exchange rate	16.17	14.20	13.9%
Ave ZAR/£ exchange rate	14.31	13.38	7.0%

Notes:

1. Refer to definitions and calculations on page 87.
2. Refer to calculations on page 89.
3. Refer to calculations on page 97.
4. Refer to calculations on page 92. 2008 information is presented in terms of Basel II, 2007 information is thus not comparable.
5. Refer to calculations on page 93.
6. Refer to calculations on page 101.

Overall performance

The Investec group has delivered good growth in operational earnings for the year ended 31 March 2008. The group's strategy of maintaining a diversified business model both operationally and geographically has stood it in good stead over the period, resulting in adjusted earnings per share (EPS) before goodwill and non-operating items increasing by 6.8% to 56.9 pence (2007: 53.3 pence).

The group assesses its performance against five key growth and financial return objectives (namely EPS growth, ROE, dividend cover, cost to income and capital adequacy ratios). The group has met all these targets in the current financial year other than its stated earnings per share objective (i.e. growth in adjusted EPS of 10% in excess of the UK retail price index).

The main features of the year under review are:

- Operating profit before goodwill, non-operating items and taxation ("operating profit") increased 15.2% to £537.7 million (2007: £466.6 million).
- Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items increased 14.6% to £344.7 million (2007: £300.7 million).
- Earnings attributable to ordinary shareholders after goodwill and non-operating items increased 15.1% to £391.6 million (2007: £340.3 million).
- The South African and Australian operations posted increases in operating profit of 26.5% and 9.7%, respectively. The UK operations recorded operating profit marginally behind the prior period; their results were negatively impacted by write downs in the Capital Markets Principal Finance division. The group remains geographically diversified with the UK and Australian operations contributing 36.8% of total operating profit.
- Return on adjusted average shareholders' equity (inclusive of compulsorily convertible instruments) decreased from 26.1% to 23.6% against a target of greater than 20%.
- The ratio of total operating expenses to total operating income improved from 59.0% to 56.1% against a target of below 65%.
- Net core loans and advances to customers increased 27.1% to £12.8 billion (2007: £10.1 billion).
- Third party assets under management decreased 3.4% from to £54.2 billion (2007: £56.1 billion) largely as a result of the depreciation of the Rand against Pounds Sterling.
- Customer accounts (deposits) increased by 13.9% to £12.1 billion (2007: £10.7 billion).
- The board proposes an increased final dividend of 13.5 pence per ordinary share equating to a full year dividend of 25.0 pence (2007: 23.0 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 2.3 times (2007: 2.3 times), consistent with the group's dividend policy.

Business unit review

Private Client Activities

Private Client Activities, comprising Private Bank and Private Client Portfolio Management and Stockbroking divisions, reported growth in operating profit of 9.8% to £193.7 million (2007: £176.5 million).

- **Private Banking**
Operating profit from the Private Banking division increased by 7.8% to £166.4 million. (2007: £154.4 million). Earnings from lending continued to drive momentum across all geographies. The Private Bank benefited from increased distribution capacity and greater penetration across all areas of specialisation, notably Wealth Management and Growth and Acquisition Finance. In a weaker credit cycle, impairments and defaults increased in all geographies (refer to impairment losses on loans and advances on page 81). The private client core lending book grew by 29.9% to £8.9 billion (2007: £6.9 billion) and the division increased its retail deposit book by 18.8% to £6.6 billion (2007: £5.6 billion). Funds under advice grew 45.4% to £3.7 billion (2007: £2.5 billion).
- **Private Client Portfolio Management and Stockbroking**
Private Client Portfolio Management and Stockbroking reported growth in operating profit of 23.8% to £27.3 million (2007: £22.1 million). The Private Client business in South Africa benefited from the launch of new products, increased volumes and asset swap activity. Funds under management, expressed in Rands, increased by 6.8% to R112.7 billion (2007: R105.6 billion). The results of the UK operations include Investec's 47.3% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc.

Commentary

Capital Markets

Capital Markets posted a decrease in operating profit of 1.3% to £115.8 million (2007: £117.3 million). The division's advisory, structuring and asset creation activities continued to perform well with a number of mandates successfully closed in Project Finance, Structured Finance, Equity Finance and Resource Finance. The division's treasury and trading activities delivered a good performance benefiting from increased market volatility. Core loans and advances increased 22.6% from £3.1 billion to £3.8 billion. The current year's figures include £24.3 million pre-tax operating profit for Kensington Group plc ("Kensington") for the period 8 August 2007 to 31 March 2008.

The performance of the Capital Markets division was however, negatively impacted by write downs of £48.9 million on US structured credit investments held within the Principal Finance business. The on-balance sheet value of the US portfolio is £71 million of which £16 million is dependent on the performance of the US sub-prime market.

Investment Banking

The Investment Banking division reported a decrease of 15.2% in operating profit to £77.3 million (2007: £91.2 million) reflecting a mixed performance across geographies. The South African operations posted good results supported by a stable deal pipeline, dividends received, realisations and an increase in value of underlying investments held. The UK operations were impacted by a lower level of IPO activity and a weaker performance from some of the investments held within the Private Equity and Direct Investments division.

Asset Management

Asset Management posted an increase in operating profit of 12.8% to £76.8 million (2007: £68.1 million) underpinned by a significantly widened distribution reach, strong retail inflows particularly in the first nine months of the year and solid long term investment performance. Assets under management in Pounds Sterling decreased by 3.8% to £28.8 billion (2007: £29.9 billion) (assuming a neutral Rand/Pounds Sterling exchange rate would have resulted in an increase of 3.1% to £30.8 billion).

Property Activities

Property Activities generated operating profit of £36.3 million (2007: £14.1 million), representing growth of 156.8%. The division, based mainly in South Africa, continued to perform well benefiting from realisations and a solid contribution from the investment property portfolio.

Group Services and Other Activities

Group Services and Other Activities reported an operating profit of £37.7 million (2007: a loss of £0.7 million). The Central Funding division performed well benefiting from a strong increase in net interest income.

Further information on key developments within each of the business units is provided in a detailed report published on the group's website www.investec.com/grouplinks/investorrelations.

Financial statement analysis

Please refer to pages 78 to 86 for a detailed financial statement analysis.

Outlook

The group has a well diversified and resilient business, seasoned management, a sound balance sheet and strong risk control. This gives us confidence that the group will be successful in meeting the challenges, and taking advantage of any opportunities which may arise in the current difficult trading conditions.

On behalf of the boards of Investec plc and Investec Limited



Hugh Herman
Chairman



Stephen Koseff
Chief Executive Officer



Bernard Kantor
Managing Director

Commentary

Notes to the commentary section above

Accounting policies

The year end results are prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards. The accounting policies applied in the preparation of the results for the year ended 31 March 2008 are consistent with those adopted in the financial statements for the year ended 31 March 2007.

Reclassifications and corrections to prior year financial statements

Comparative figures have been reclassified to conform to changes in presentation in the current year. These are further described below:

- Securitised assets and related liabilities, which continue to be recognised on balance sheet, are now disclosed as separate line items on the face of the balance sheet. In prior periods, securitised assets were included within loans and advances to customers and trading securities and securitised liabilities were included in debt securities in issue. This change in disclosure follows the acquisition of Kensington which resulted in a significant increase in these assets and liabilities, rendering it more appropriate to disclose these financial instruments on separate lines to provide information more relevant and useful to users.
- Following the implementation and adoption of IFRS 7, the classification of certain financial instruments into balance sheet classes were refined to achieve more appropriate disclosure. Reclassification to the prior year balance sheet includes:
 - £131.3 million reclassified from cash equivalent advances to customers to reverse repurchase agreements and cash collateral on securities borrowed.
 - £1 265.3 million reclassified from debt securities in issue to customer accounts

Total assets, total liabilities and amounts recognised in the income statement were not affected by these reclassifications

Corrections

- In the prior year £13.7 million of funding raised by certain consolidated private equity entities was incorrectly classified as minority interest on the balance sheet. The correct classification was subordinated debt. The impact of this correction is a reduction to minority interest (equity) from £291.7 million to £277.9 million at 31 March 2007. There was no effect on reported earnings or financial reporting periods prior to 31 March 2007.

Acquisition of Kensington

Please refer to pages 35 to 37.

Proviso

- Please note that matters included in this report may contain forward looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:
 - the further development of standards and interpretations under International Financial Reporting Standards (IFRS) applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS.
 - domestic and global economic and business conditions.
 - market related risks.
- A number of these factors are beyond the group's control.
- These factors may cause the group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed or implied.
- Any forward looking statements made are based on the knowledge of the group at 15 May 2008.

Dividend announcements

Investec plc ordinary dividend announcement

Registration number 3633621

Share code: INP

ISIN: GB00BI7BBQ50

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. 12) has been proposed by the board in respect of the financial year ended 31 March 2008.

Shareholders in Investec plc will receive a distribution of 13.5 pence (2007: 13.0 pence) per ordinary share, which will be paid as follows:

- for non-South African resident Investec plc shareholders, through a dividend paid by Investec plc of 13.5 pence per ordinary share.
- for South African resident shareholders of Investec plc, through a dividend payment by Investec plc of 4.5 pence per ordinary share and through a dividend paid, on the SA DAS share equivalent to 9.0 pence per ordinary share.

The relevant dates for the payment of the dividends are:

Last day to trade cum-dividend

- | | |
|--|-----------------------|
| - On the London Stock Exchange (LSE) | Tuesday, 22 July 2008 |
| - On the Johannesburg Stock Exchange (JSE) | Friday, 18 July 2008 |

Shares commence trading ex-dividend

- | | |
|--|-------------------------|
| - On the London Stock Exchange (LSE) | Wednesday, 23 July 2008 |
| - On the Johannesburg Stock Exchange (JSE) | Monday, 21 July 2008 |

Record date (on the LSE and JSE)	Friday, 25 July 2008
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Payment date (on the LSE and JSE)	Tuesday, 12 August 2008
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Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 21 July 2008 and Friday, 25 July 2008, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 21 July 2008 and Friday, 25 July 2008, both dates inclusive.

Shareholders registered on the South African register are advised that the total distribution of 13.5 pence, equivalent to 202 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday, 14 May 2008.

By order of the board



D Miller

Company Secretary

15 May 2008

Dividend announcements

Investec plc preference dividend announcement

Share code: INPP
ISIN: GB00B19RX541

Non-redeemable non-cumulative non-participating preference shares Declaration of dividend number 4

Notice is hereby given that preference dividend number 4 has been declared for the period 1 October 2007 to 31 March 2008 amounting to 32.67 pence per share 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 Friday, 20 June 2008.

For shares trading on the JSE, the dividend of 32.67 pence per share is equivalent to 485.87 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA Time) on Wednesday, 14 May 2008.

The relevant dates relating to the payment of dividend number 4 are as follows:

Last day to trade cum dividend:	
On the Johannesburg Stock Exchange	Thursday, 12 June 2008
On the Channel Island Stock Exchange	Tuesday, 17 June 2008
Shares commence trading ex dividend:	
On the Johannesburg Stock Exchange	Friday, 13 June 2008
On the Channel Island Stock Exchange	Wednesday, 18 June 2008
Record date (on the JSE and CISX)	Friday, 20 June 2008
Payment date (on the JSE and CISX)	Thursday, 3 July 2008

Share certificates may not be dematerialised or rematerialised between Friday, 13 June 2008 and Friday, 20 June 2008, both dates inclusive, nor may transfers between the UK and SA registers take place between Friday, 13 June 2008 and Friday, 20 June 2008, both dates inclusive.

By order of the board



D Miller
Company Secretary
15 May 2008

Dividend announcements

Investec Limited ordinary dividend announcement

Registration number: 1925/002833/06

Share code: INL

ISIN: ZAE000081949

Notice is hereby given that a final dividend (No. 105) of 202 cents (2007: 180 cents) per ordinary share has been proposed by the board in respect of the financial year ended 31 March 2008.

The dividend is payable to shareholders recorded in the members' register of the company at the close of business on Friday, 25 July 2008.

The relevant dates for the payment of the dividend are:

Last day to trade cum-dividend	Friday, 18 July 2008
Shares commence trading ex-dividend	Monday, 21 July 2008
Record date	Friday, 25 July 2008
Payment date	Tuesday, 12 August 2008

The final dividend of 202 cents per ordinary share has been determined by converting the Investec plc distribution of 13.5 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 11h00 (SA time) on 14 May 2008.

Share certificates may not be dematerialised or rematerialised between Monday, 21 July 2008 and Friday, 25 July 2008, both dates inclusive.

By order of the board



B Coetsee

Company Secretary
15 May 2008

Dividend announcements

Investec Limited preference dividend announcement

Registration number: 1925/002833/06

Share code: INPR

ISIN: ZAE000063814

Non-redeemable non-cumulative non-participating preference shares

Declaration of dividend number 7

Notice is hereby given that preference dividend number 7 has been declared for the period 1 October 2007 to 31 March 2008 amounting to 501.41 cents per share. 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 Friday, 20 June 2008.

The relevant dates for the payment of dividend number 7 are:

Last day to trade cum-dividend	Thursday, 12 June 2008
Shares commence trading ex-dividend	Friday, 13 June 2008
Record date	Friday, 20 June 2008
Payment date	Thursday, 3 July 2008

Share certificates may not be dematerialised or rematerialised between Friday, 13 June 2008 and Friday, 20 June 2008, both dates inclusive.

By order of the board



B Coetsee
Company Secretary
15 May 2008

Dividend announcements

Investec Bank Limited preference dividend announcement

Registration number: 1969/004763/06

Share code: INLP

ISIN: ZAE000048393

Non-redeemable non-cumulative non-participating preference shares

Declaration of dividend number 10

Notice is hereby given that preference dividend number 10 amounting to 537.23 cents per share has been declared for the period 1 October 2007 to 31 March 2008. 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 Friday 20 June 2008.

The relevant dates for the payment of dividend number 10 are:

Last day to trade cum-dividend	Friday, 13 June 2008
Shares trade ex-dividend	Friday, 13 June 2008
Record date	Friday, 20 June 2008
Payment date	Thursday, 3 July 2008

Share certificates may not be dematerialised or rematerialised between Friday, 13 June 2008 and Friday, 20 June 2008, both dates inclusive.

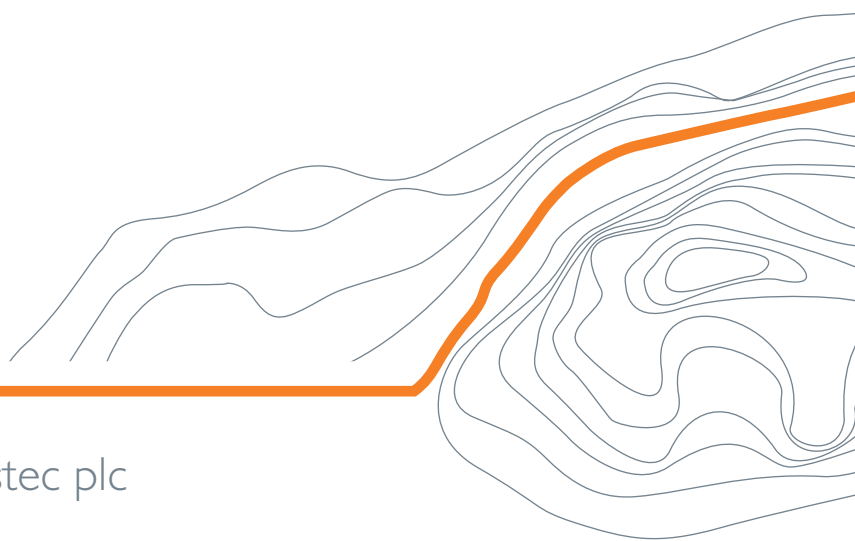
By order of the board



B Coetsee

Company Secretary

15 May 2008



Financial results (Investec plc
and Investec Limited)

Combined consolidated income statement

£'000	Year to 31 March 2008	Year to 31 March 2007
Interest income	2 083 380	1 233 226
Interest expense	(1 499 960)	(889 311)
Net interest income	583 420	343 915
Fee and commission income	614 357	577 773
Fee and commission expense	(63 061)	(56 275)
Principal transactions	276 705	245 463
Operating income from associates	12 138	10 685
Investment income on assurance activities	89 593	36 821
Premiums and reinsurance recoveries on insurance contracts	40 849	80 542
Other operating income	50 043	49 685
Other income	1 020 624	944 694
Claims and reinsurance premiums on insurance business	(120 358)	(111 492)
Total operating income net of insurance claims	1 483 686	1 177 117
Impairment losses on loans and advances	(114 185)	(16 530)
Operating income	1 369 501	1 160 587
Administrative expenses	(807 500)	(680 687)
Depreciation and amortisation of property, equipment and intangibles	(24 330)	(13 315)
Operating profit before goodwill	537 671	466 585
Goodwill	(62 765)	2 569
Operating profit	474 906	469 154
Profit on disposal of group operations	72 855	-
Profit before taxation	547 761	469 154
Taxation	(127 249)	(119 781)
Profit after taxation	420 512	349 373
Earnings attributable to minority interests	28 954	9 054
Earnings attributable to shareholders	391 558	340 319
	420 512	349 373
Earnings per share (pence)		
- basic	57.7	54.7
- diluted	54.0	50.4
Adjusted earnings per share (pence)		
- basic	56.9	53.3
- diluted	53.2	49.2
Dividends per share (pence)	25.0	23.0

Combined consolidated balance sheet

£'000	31 March 2008	31 March 2007
Assets		
Cash and balances at central banks	788 472	102 751
Loans and advances to banks	2 153 773	2 431 769
Cash equivalent advances to customers	504 382	548 602
Reverse repurchase agreements and cash collateral on securities borrowed	794 153	2 324 638
Trading securities	1 984 580	2 015 144
Derivative financial instruments	1 305 264	724 492
Investment securities	1 130 872	1 776 601
Loans and advances to customers	14 046 135	9 527 080
Securitised assets	6 082 975	831 742
Interests in associated undertakings	82 576	70 332
Deferred taxation assets	84 493	59 394
Other assets	882 209	1 420 681
Property and equipment	141 352	131 505
Investment properties	134 975	85 424
Goodwill	271 932	195 883
Intangible assets	31 506	35 829
	30 419 649	22 281 867
Other financial instruments at fair value through income in respect of		
- liabilities to customers	2 878 894	3 024 997
- assets related to reinsurance contracts	805 009	992 824
	34 103 552	26 299 688
Liabilities		
Deposits by banks	3 489 032	2 347 095
Deposits by banks - Kensington warehouse funding	1 778 438	-
Derivative financial instruments	881 577	509 919
Other trading liabilities	450 580	321 863
Repurchase agreements and cash collateral on securities lent	382 384	1 765 671
Customer accounts	12 133 120	10 650 102
Debt securities in issue	777 769	1 253 752
Liabilities arising on securitisation	5 760 208	826 627
Current taxation liabilities	132 656	113 967
Deferred taxation liabilities	79 172	48 048
Other liabilities	1 279 373	1 778 488
Pension fund liabilities	-	1 467
	27 144 309	19 616 999
Liabilities to customers under investment contracts	2 862 916	3 004 254
Insurance liabilities, including unit-linked liabilities	15 978	20 743
Reinsured liabilities	805 009	992 824
	30 828 212	23 634 820
Subordinated liabilities (including convertible debt)	1 065 321	844 452
	31 893 533	24 479 272
Equity		
Called up share capital	177	169
Share premium	1 360 450	1 129 859
Treasury shares	(114 904)	(109 279)
Equity portion of convertible instruments	2 191	2 191
Perpetual preference shares	272 335	292 173
Other reserves	(42 057)	40 545
Profit and loss account	433 012	186 827
Shareholders' equity excluding minority interests	1 911 204	1 542 485
Minority interests	298 815	277 931
- Perpetual preferred securities issued by subsidiaries	251 637	241 081
- Minority interests in partially held subsidiaries	47 178	36 850
Total shareholders' equity	2 210 019	1 820 416
Total liabilities and equity	34 103 552	26 299 688

Combined consolidated reconciliation of equity

£'000	Share capital Investec Limited	Share premium account Investec Limited	Treasury shares	Capital reserve account	Share capital Investec plc
At 1 April 2006	46	635 418	(96 300)	13 243	119
Movement in reserves 1 April 2006 - 31 March 2007					
Foreign currency adjustments	-	-	-	-	-
Retained profit for the year	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Pension fund actuarial losses	-	-	-	-	-
Total recognised gains and losses for the year	-	-	-	-	-
Share based payments adjustments	-	-	1 112	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	-	18 873	-	-	4
Issue of perpetual preference shares by the holding company	-	-	-	-	-
Issue of equity by subsidiaries	-	-	-	-	-
Minorities arising on acquisition of subsidiaries	-	-	-	-	-
Share issue expenses	-	(36)	-	-	-
Movement of treasury shares	-	20 660	(8 513)	-	-
Transfer from capital reserves	-	-	-	(701)	-
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)	12 542	123
Movement in reserves 1 April 2007 - 31 March 2008					
Foreign currency adjustments	-	-	-	-	-
Retained profit for the year	-	-	-	-	-
Pension fund actuarial gains	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Total recognised gains and losses for the year	-	-	-	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Dividends paid to minorities	-	-	-	-	-
Issue of ordinary shares	-	13 889	-	-	8
Issue of equity by subsidiaries	-	-	-	-	-
Minorities arising on acquisition of subsidiaries	-	-	-	-	-
Share issue expenses	-	-	-	-	-
Movement of treasury shares	-	-	(5 625)	-	-
Transfer to capital reserves	-	-	-	(5 609)	-
Transfer to regulatory general risk reserve	-	-	-	-	-
At 31 March 2008	46	688 804	(114 904)	6 933	131

Share premium account Investec plc	Equity portion of convertible instruments	Perpetual preference shares	Available for sale reserve	Regulatory general risk reserve	Foreign currency reserves	Profit and loss account	Shareholder's equity excluding minority interests	Minority interests	Total
393 319	2 191	215 305	18 355	50 307	18 593	(24 104)	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
-	-	-	12 287	-	-	-	12 287	-	12 287
-	-	-	-	-	-	(2 470)	(2 470)	-	(2 470)
-	-	(52 690)	12 287	-	(93 172)	337 849	204 274	(29 931)	174 343
-	-	-	-	-	-	32 878	33 990	-	33 990
-	-	-	-	-	-	(112 592)	(112 592)	-	(112 592)
-	-	-	-	-	-	(31 850)	(31 850)	-	(31 850)
28 984	-	-	-	-	-	-	47 861	-	47 861
-	-	131 187	-	-	-	-	131 187	-	131 187
-	-	-	-	-	-	-	-	20 949	20 949
-	-	-	-	-	-	-	-	8 111	8 111
(23)	-	(1 629)	-	-	-	-	(1 688)	-	(1 688)
32 664	-	-	-	-	-	-	44 811	-	44 811
-	-	-	-	-	-	701	-	-	-
-	-	-	-	21 633	-	(21 633)	-	-	-
-	-	-	-	-	-	5 578	-	-	-
-	-	-	-	-	-	-	-	(528)	(528)
-	-	-	-	-	-	-	-	(6 271)	(6 271)
454 944	2 191	292 173	30 642	71 940	(74 579)	186 827	1 542 485	277 931	1 820 416
-	-	(19 838)	-	-	(48 164)	-	(68 002)	(11 589)	(79 591)
-	-	-	-	-	-	391 558	391 558	28 954	420 512
-	-	-	-	-	-	7 619	7 619	-	7 619
-	-	-	(38 907)	-	-	-	(38 907)	-	(38 907)
-	-	(19 838)	(38 907)	-	(48 164)	399 177	292 268	17 365	309 633
-	-	-	-	-	-	39 182	39 182	-	39 182
-	-	-	-	-	-	(145 926)	(145 926)	-	(145 926)
-	-	-	-	-	-	(41 779)	(41 779)	-	(41 779)
-	-	-	-	-	-	-	-	(3 923)	(3 923)
216 767	-	-	-	-	-	-	230 664	-	230 664
-	-	-	-	-	-	-	-	6 777	6 777
-	-	-	-	-	-	-	-	665	665
(65)	-	-	-	-	-	-	(65)	-	(65)
-	-	-	-	-	-	-	(5 625)	-	(5 625)
-	-	-	-	-	-	5 609	-	-	-
-	-	-	-	10 078	-	(10 078)	-	-	-
671 646	2 191	272 335	(8 265)	82 018	(122 743)	433 012	1 911 204	298 815	2 210 019

Summarised combined consolidated cash flow statement

£'000	Year to 31 March 2008	Year to 31 March 2007
Cash flows from operations	610 449	401 553
Increase in operating assets	(654 754)	(6 265 563)
Increase in operating liabilities	1 080 435	5 858 320
Net cash inflow/(outflow) from operating activities	1 036 130	(5 690)
Net cash outflow from investing activities	(66 694)	(178 252)
Net cash (outflow)/inflow from financing activities	(54 893)	430 471
Effects of exchange rate changes on cash and cash equivalents	(97 791)	(301 588)
Net increase/(decrease) in cash and cash equivalents	816 752	(55 059)
Cash and cash equivalents at the beginning of the year	1 135 124	1 190 183
Cash and cash equivalents at the end of the year	1 951 876	1 135 124

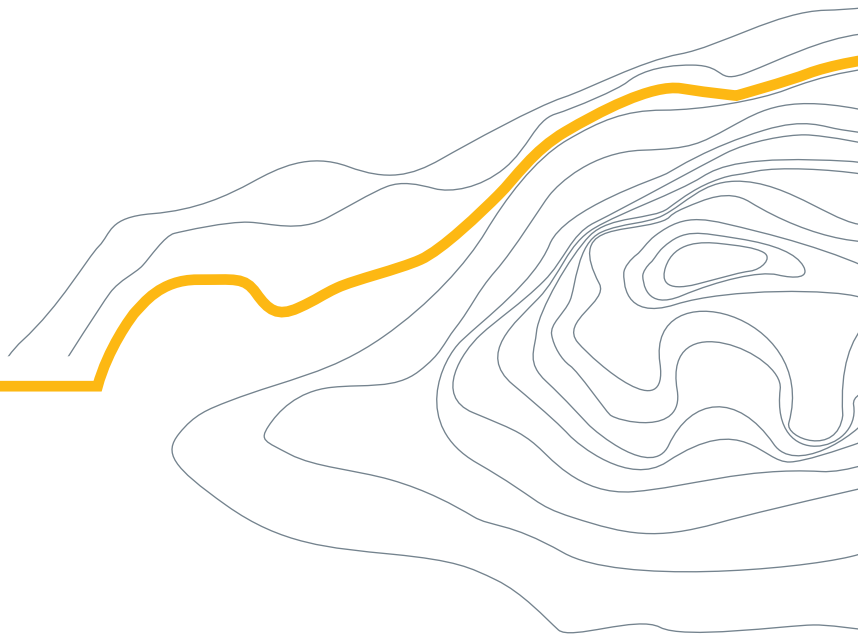
Cash and cash equivalents is defined as including: cash and balances at central banks, on demand loans and advances to banks and cash equivalent advances to customers (all of which have a maturity profile of less than three months).

Combined consolidated statement of total recognised income and expenses

£'000	Year to 31 March 2008	Year to 31 March 2007
Profit after taxation	420 512	349 373
Fair value movements on available for sale assets	(38 907)	12 287
Foreign currency movements	(79 591)	(184 847)
Pension fund actuarial gains/(losses)	7 619	(2 470)
Total recognised income and expenses	309 633	174 343
Total recognised income and expenses attributable to minority shareholders	17 365	(29 931)
Total recognised income and expenses attributable to ordinary shareholders	270 327	225 114
Total recognised income and expenses attributable to perpetual preferred securities	21 941	(20 840)
	309 633	174 343



Divisional and segmental
review



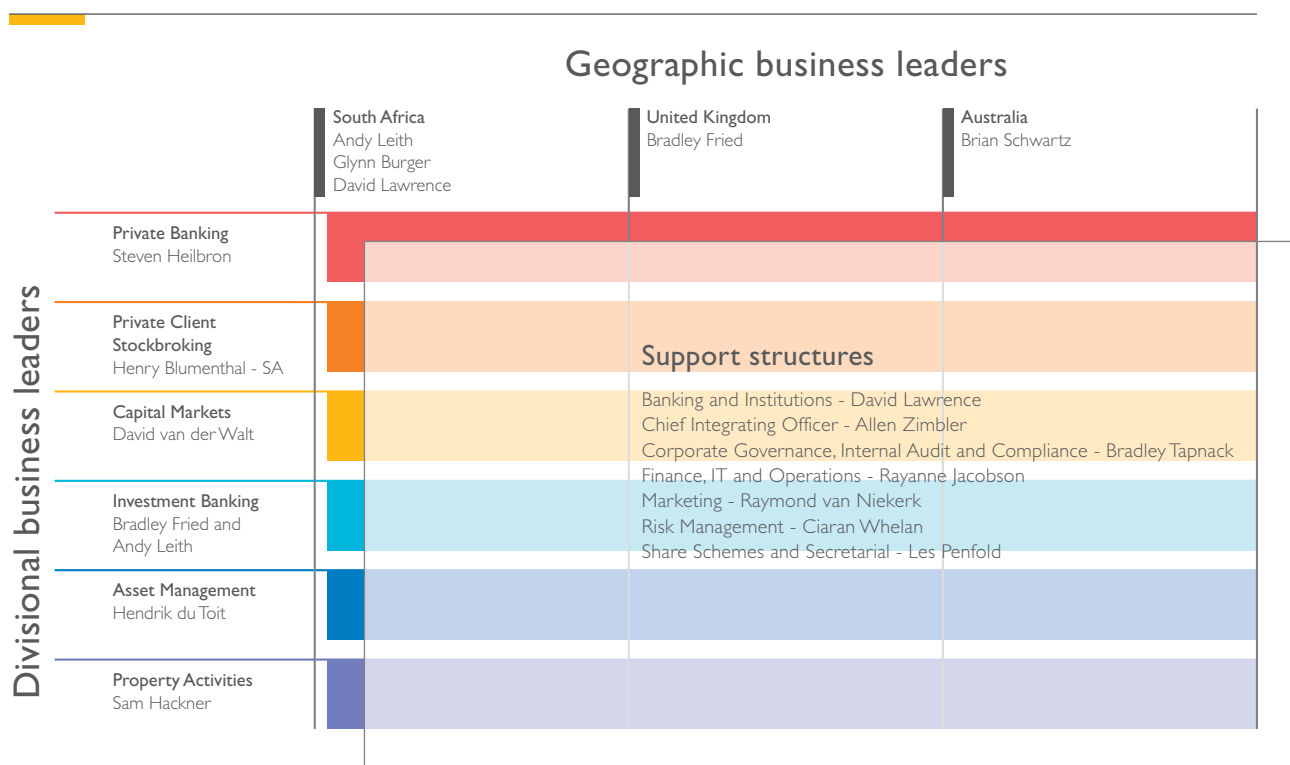
Divisional and segmental review

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



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	Capital Markets	Investment Banking	Asset Management	Property Activities
<ul style="list-style-type: none"> Private Banking Private Client Portfolio Management and Stockbroking 	<ul style="list-style-type: none"> Specialised Lending Structured Derivatives Securitisation and Principal Finance Specialist funds 	<ul style="list-style-type: none"> Corporate Finance Institutional Research, Sales and Trading Direct Investments Private Equity 	<ul style="list-style-type: none"> Institutional Retail 	<ul style="list-style-type: none"> Fund Management Listed Funds Trading and Development
<ul style="list-style-type: none"> Australia Southern Africa UK and Europe 	<ul style="list-style-type: none"> Australia Southern Africa UK and Europe 	<ul style="list-style-type: none"> Australia Hong Kong Southern Africa UK and Europe USA 	<ul style="list-style-type: none"> Australia Hong Kong and Taiwan Southern Africa UK and Europe 	<ul style="list-style-type: none"> Australia Southern Africa UK and Europe
Group Services and Other Activities <ul style="list-style-type: none"> Central Services Central Funding International Trade Finance 				

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	<ul style="list-style-type: none">- Banking Activities- Growth and Acquisition Finance- Private Wealth Management- Specialised Lending- Structured Property Finance- Trust and Fiduciary Services
Target market	<ul style="list-style-type: none">- Ultra high net worth individuals- Active wealthy entrepreneurs- High income professionals, property developers and investors, self-employed entrepreneurs, owner managers in mid-market companies and sophisticated investors

Private Client Portfolio Management and Stockbroking

Activities	<ul style="list-style-type: none">- Portfolio management- Stockbroking- Alternative investments- Investment advisory services- Electronic trading services
Target market	Private Client Securities, South Africa and Rensburg Sheppards plc, UK: High net worth individuals

Strategic focus

Private Banking

Investec Private Bank positions itself as the 'investment bank for private clients', offering both credit and investment services to our select clientele. Through strong partnerships, we have created a community of clients who thrive on being part of an entrepreneurial and innovative environment.

Private Client Portfolio Management and Stockbroking

South Africa

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

We differentiate ourselves through:

- The quality of investment professionals we employ and the relationships we build with our clients.
- A dynamic and focused investment process that provides consistent and superior returns.
- The provision of innovative investment products and services.
- Leveraging the outstanding opportunities available to our clients within the broader 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
Banking and Treasury
Growth and Acquisition Finance
Private Client Lending

Steven Heilbron
Linda McBain
Avron Epstein
Wayne Preston
Nicky Walden

Private Wealth Management

Robert Gottlieb
Kim Hillier

Specialised Lending
Structured Property Finance
Trust and Fiduciary
Investec Bank Channel Islands
Investec Bank Ireland
Investec Bank Switzerland
Finance
Marketing
Operating Officer
IT

David Drewienka
Paul Stevens
Robert Clifford
Mort Mirghavameddin
Michael Cullen
Oliver Betz
Liza Jacobs
Antonia Kerr
Chris Forsyth
Alan Bletcher

South Africa

Regional Head
Regional Head Cape Town
Regional Head Durban
Regional Head Johannesburg
Regional Head Pretoria
Regional Head Port Elizabeth
Banking
Private Wealth Management
Treasury
Compliance
Credit Risk
Finance
IT
Marketing
Risk Management

Paul Hanley
Rob Nicoletta
Colin Franks
Wessel Oosthuysen
Wouter de Vos
Andy Vogel
Carol-Ann van der Merwe
Warren King
Les Scott
Jason Howell
Michael Leisegang
Jodi Joseph
Denton Muil
Carla Fiford
Tim Till

Australia

Regional Head
Growth and Acquisition Finance

Paul Siviour
Mark Joffe
Michael Sack

Private Client Treasury and Investments
Private Wealth Management
Specialised Lending
Structured Property Finance
Experien Professional Lending
Finance
Marketing
Operations

Ivan Katz
Robert Lipman
Ashley Krongold
Tim Johansen
Barry Lanesman
Kelley-Ann Axiom
Ngaire Threlfall
Gavin Brandenburger

Private Client Portfolio Management and Stockbroking

Head of Private Client Securities

South Africa
Investment Process
Finance and Operations
Cape Town

Henry Blumenthal
Peter Armitage
Joubert Hay
Jonathan Bloch
Stephen Glanz
Craig Hudson
Paul Deuchar
Raymond Goss
Andrew Smythe
Andy Vogel
Len Olivier
Bernadette Ghenne
Ockert Olivier
Alex Harding

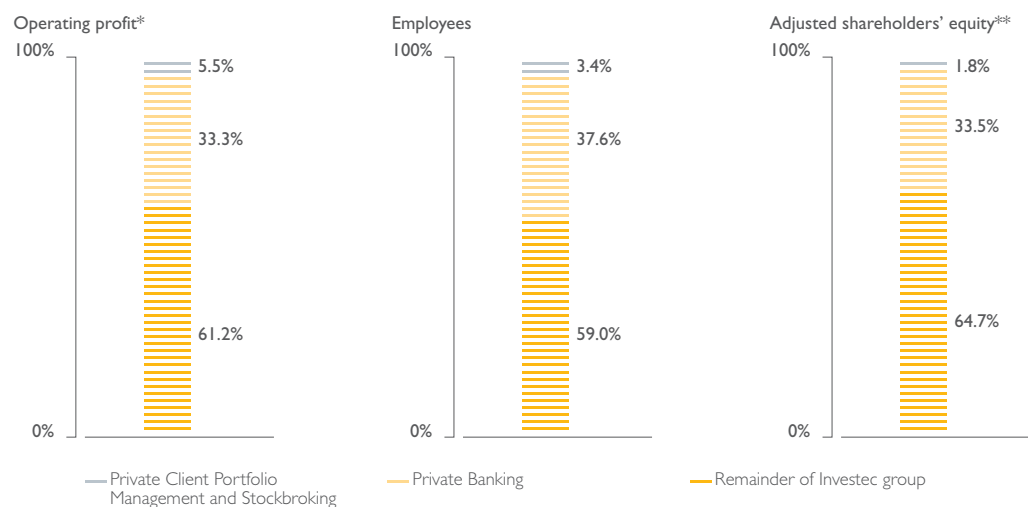
Durban
Johannesburg

Pietermaritzburg
Port Elizabeth
Pretoria
Compliance
Online Services
Risk Management

Private Client Activities

Partner of choice from wealth creation to wealth management

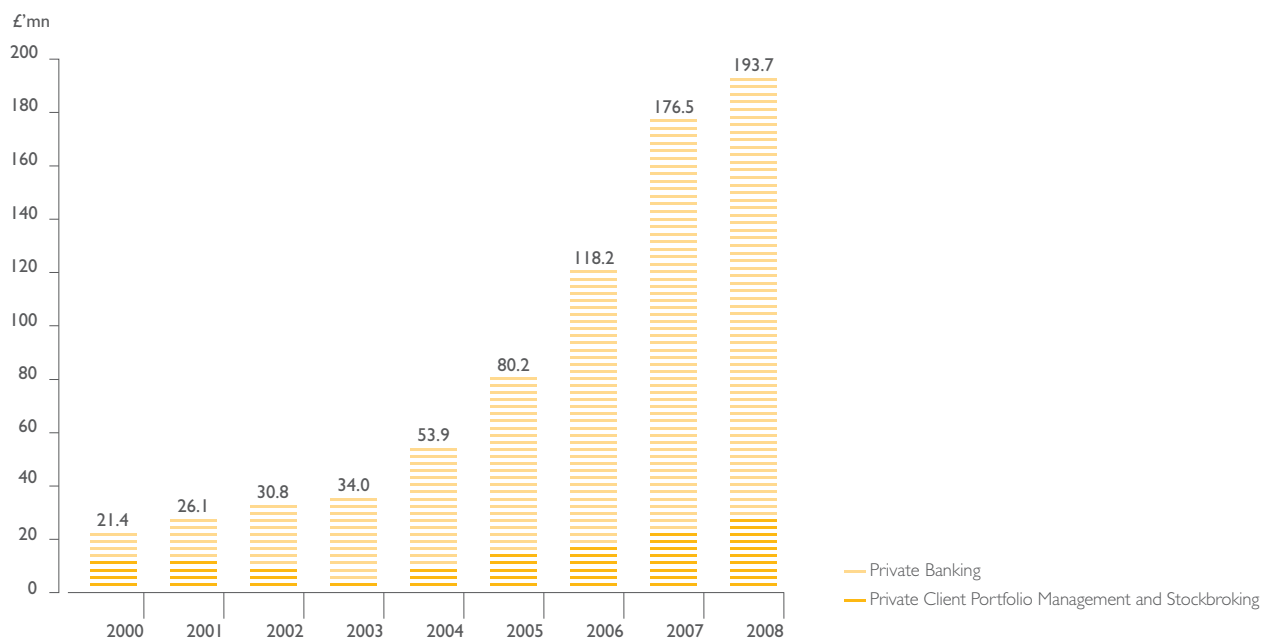
Contribution analysis



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

** As calculated on page 91.

Operating profit[^] - track record



[^] Trends reflects numbers as at the year ended 31 March. 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 7.8% to £166.4 million, contributing 33.3% to group profit.
- The division has benefited from increased distribution and greater penetration across all areas of specialisation.
- Key earnings drivers:
 - Core loans and advances increased by 29.9% to £8.9 billion.
 - The deposit book increased by 18.8% to £6.6 billion.
 - Funds under advice increased by 45.4% to £3.7 billion.

£'000	31 March 2008	31 March 2007	Variance	% Change
Net interest income	272 666	217 435	55 231	25.4%
Net fee and commission income	111 109	109 596	1 513	1.4%
Principal transactions	34 667	16 381	18 286	>100.0%
Other operating income and operating income from associates	24	288	(264)	(91.7%)
Impairment losses on loans and advances	(33 326)	(6 932)	(26 394)	>100.0%
Admin expenses and depreciation	(218 746)	(182 377)	(36 369)	19.9%
Operating profit before goodwill, non-operating items and taxation	166 394	154 391	12 003	7.8%
UK and Europe	91 619	96 734	(5 115)	(5.3%)
Southern Africa	56 760	41 413	15 347	37.1%
Australia	18 015	16 244	1 771	10.9%
Operating profit before goodwill, non-operating items and taxation	166 394	154 391	12 003	7.8%
Adjusted shareholders' equity*	552 908	478 947	73 961	15.4%
ROE (pre-tax)*	33.2%	38.1%		
Cost to income ratio	52.3%	53.1%		
Operating profit per employee (£'000)*	77.0	87.2		(11.7%)

* As calculated on pages 91 and 97.

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 (see below).
 - A strong increase in arrangement and exit fees associated with an increase in lending turnover of 30.9%.
- The impact of IAS 18 has resulted in a cumulative R640 million (2007: R506 million) of lending fees in the South African business being deferred for future recognition.
- Net fees and commissions receivable reflects moderate growth in the South African Structured Property Finance specialisation offset by a reduced contribution from the Australian and European businesses. The Private Wealth Management and General Banking businesses showed strong growth in all three geographies.
- 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 growing maturity of the Growth and Acquisition Finance business in all three geographies.
- Impairment losses on loans and advances have increased in all three geographies as a result of the weakened credit environment.
- The increase in expenses is mainly as a result of an increase in average headcount, investment in infrastructure and the acquisition of Experien in Australia.

Private Banking

Partner of choice from wealth creation to wealth management

Loans, deposits and funds under advice

£'million As at Loans secured by:	UK and 31 March 2008	Europe 31 March 2007	Southern Africa 31 March 2008	31 March 2007	Australia 31 March 2008	31 March 2007	Total 31 March 2008	31 March 2007	% Change
Residential mortgages	746	491	1 592	1 400	27	14	2 365	1 905	24.1%
Residential developments	823	592	357	372	257	203	1 437	1 167	23.1%
Commercial property investment	910	732	1 574	1 235	88	4	2 572	1 971	30.5%
Commercial property development	274	113	219	198	255	213	748	524	42.7%
Cash and securities backed lending	220	173	358	237	-	-	578	410	41.0%
Asset backed lending	273	257	225	304	266	52	764	613	24.6%
Unlisted shares and general corporate lending	57	43	145	110	62	43	264	196	34.7%
Unsecured lending	43	-	100	88	84	-	227	88	>100.0%
Total gross core loans and advances	3 346	2 401	4 570	3 944	1 039	529	8 955	6 874	30.3%
Specific impairments	17	1	16	11	9	2	42	14	>100.0%
Portfolio impairments	2	1	3	3	-	-	5	4	25.0%
Net core loans and advances	3 327	2 399	4 551	3 930	1 030	527	8 908	6 856	29.9%
Asset quality									
Gross defaults	105	23	58	45	17	9	180	77	>100.0%
Collateral value	84	21	42	34	8	7	134	62	>100.0%
Specific impairments	17	2	16	11	9	2	42	15	>100.0%
Net defaults (limited to zero)	4	-	-	-	-	-	4	-	>100.0%
Gross defaults as a % of gross loans and advances	3.1%	1.0%	1.3%	1.1%	1.6%	1.7%	2.0%	1.1%	

Net core loans and advances as at	31 March 2008	31 March 2007 £'million	% Change	31 March 2008	31 March 2007 Home currency ' million	% Change
UK and Europe	3 327	2 399	38.7%	£3 327	£2 399	38.7%
Southern Africa	4 551	3 930	15.8%	R73 562	R55 786	31.9%
Australia	1 030	527	95.4%	A\$2 249*	A\$1 279	75.8%
Net core loans and advances	8 908	6 856	29.9%			

* Includes A\$ 700 million acquired from Experien.

Total deposits as at	31 March 2008	31 March 2007 £'million	% Change	31 March 2008	31 March 2007 Home currency ' million	% Change
UK and Europe	3 961	3 439	15.2%	£3 961	£3 439	15.2%
Southern Africa	2 220	1 851	19.9%	R 35 887	R 26 277	36.6%
Australia	423	270	56.7%	A\$931	A\$655	42.1%
Total deposits	6 604	5 560	18.8%			

Total funds under advice as at	31 March 2008	31 March 2007 £'million	% Change	31 March 2008	31 March 2007 Home currency ' million	% Change
UK and Europe	1 770	951	86.1%	£1 770	£951	86.1%
Southern Africa	1 598	1 275	25.3%	R25 835	R18 111	42.6%
Australia	313	306	2.3%	A\$689	A\$740	(6.9%)
Total funds under advice	3 681	2 532	45.4%			

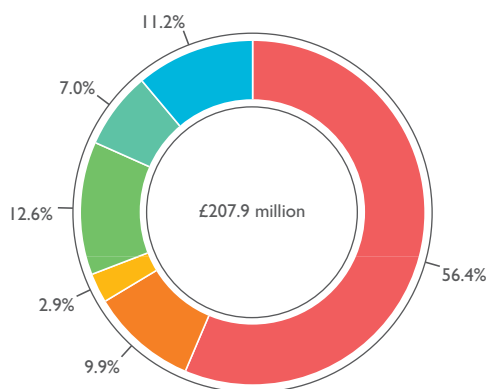
Private Banking

Partner of choice from wealth creation to wealth management

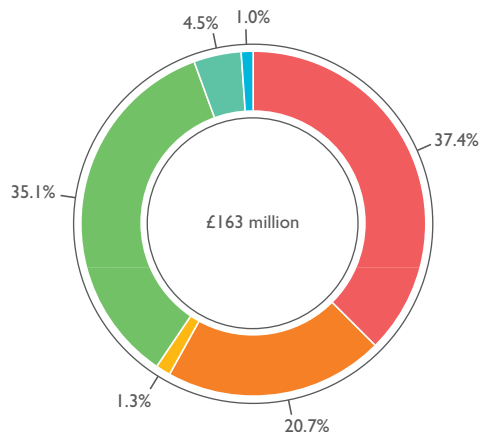
Analysis of total income by geography and area of specialisation

31 March 2008

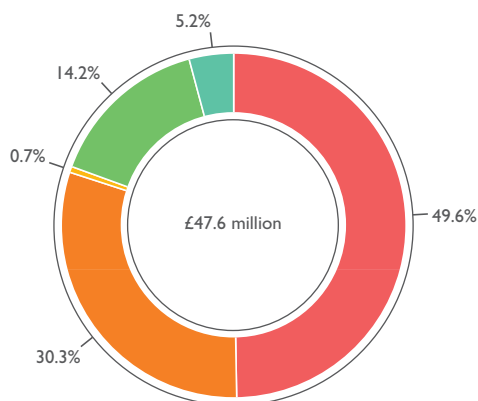
UK and Europe



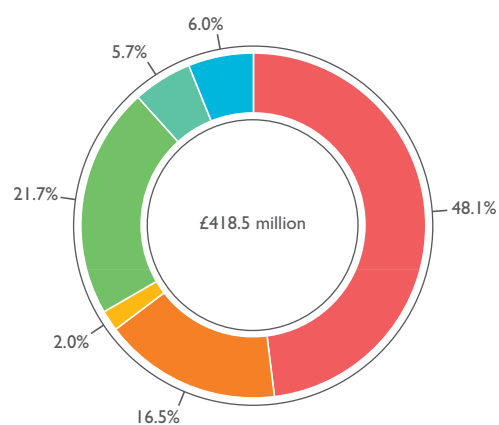
Southern Africa



Australia



Total



Structured Property Finance Growth and Acquisition Finance Specialised Lending
Banking Activities Investment Management and Advisory Services Trust and Fiduciary Services

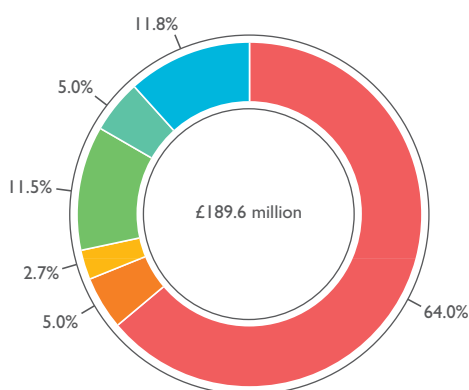
Private Banking

Partner of choice from wealth creation to wealth management

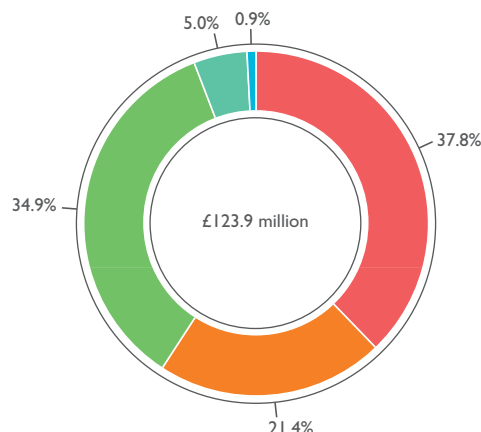
Analysis of total income by geography and area of specialisation

31 March 2007

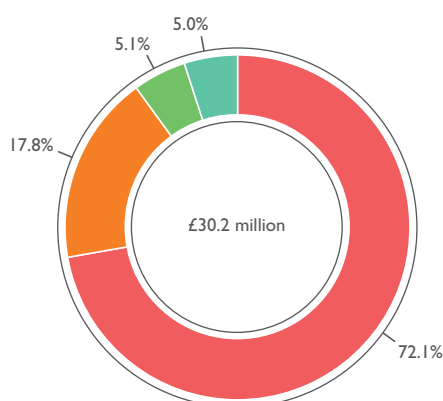
UK and Europe



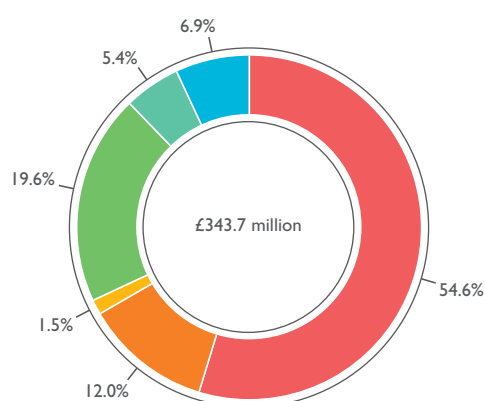
Southern Africa



Australia



Total



Structured Property Finance Growth and Acquisition and Finance Specialised Lending
Banking Activities Investment Management and Advisory Services Trust and Fiduciary Services

Developments

UK and Europe

- Following on from the market dislocation that occurred during the middle of 2007, the Structured Property Finance business faces a market where liquidity is tight, activity levels are falling and asset values have come under pressure. In response to this we have adjusted our appetite for credit risk to be defensive but at the same time nimble and agile in relation to opportunities.
- The Growth and Acquisition Finance business has performed strongly, realising substantial profits through the exit of existing investments. The portfolio of new deals grew during the year. The skills, brand and market positioning of the team are poised to extract value from current conditions.
- The Private Wealth Management business has achieved a healthy degree of scale and made a meaningful contribution to net profit. Both the advisory and special opportunities units made significant gains throughout the year. Funds under advice grew well ahead of target and the size of new portfolios taken on continues to increase.
- In the General Banking space, progress was made in a number of initiatives:
 - The Private Client Lending business made good progress into the high net worth mortgage arena. Product innovation through multi-currency lending and design features aimed at big city earners received good coverage.
 - The deposit raising teams performed extraordinarily in tough market conditions. We expanded our activities into Jersey and bolstered distribution capacity and product development in all jurisdictions.

Private Banking

Partner of choice from wealth creation to wealth management

- The Specialised Lending team has successfully deepened its penetration in the current year in the strategic shareholder and funds finance space. The sports finance business is now well positioned in the market with an established client base and good repeat business.
- The Trust company has established itself as one of the premier independent but bank owned players in the fiduciary world. The business was recognised by the industry body, STEP, as the institutional trust company of the year in 2007.

Southern Africa

- Structured Property Finance has benefited from improved distribution capacity, together with a continued focus on client-led initiatives. These have shifted strongly from residential to retail, commercial and industrial.
- Growth and Acquisition Finance activities continue with a strong emphasis on black economic empowerment. New investments continue to exceed exits and realisations, which should underpin continuing momentum.
- Private Wealth Management continues to grow funds under advice. Differentiating features are our international reach and delivery of special opportunities.
- The General Banking area has significantly increased its client qualifying criteria, allowing a much stronger client focus, and continued success in liability raising.

Australia

- On 1 October 2007 we concluded the acquisition of Experien (Pty) Ltd, a professional lending business, which adds strategic diversification, increased distribution capability and an expanded client network to the current platform. The acquisition provided an increase in the loan book of approximately A\$700 million.
- Structured Property Finance has experienced flat growth year on year impacted by a slowing of property markets in the second half. The core focus has been on strong portfolio management, attracting and maintaining quality clients and building a stronger brand in regional locations.
- We enhanced our revenue capability and lending diversification with the establishment of Specialised Lending, which focuses on providing sophisticated lending solutions to a target client base of high net worth individuals, families and high income earning executives.
- We continue to build the private client treasury book through strategic focus and team expansion within identified markets which resulted in a significant increase in both client numbers and book growth.
- During the early part of the financial year, the Growth and Acquisition Finance team exited several deals as the environment was conducive to realisations at optimum values. The existing portfolio continues to maintain a steady growth in value.

Outlook, risks and uncertainties

- The outlook for the forthcoming twelve months is tempered as the markets navigate through the credit crunch and its impact on the broader economy. This could have a meaningful impact on pipelines and exits across all jurisdictions.
- These conditions could present opportunities which the business and its clients are well placed to take advantage of.
- This, combined with the well diversified earnings stream will mitigate, to some extent, the effects of the broader market environment.

Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

Overview and financial analysis

- Operating profit increased by 23.8% to £27.3 million, contributing 5.4% to group profit.
- Private client funds under management in South Africa grew by 6.8% from R105.6 billion to R112.7 billion.

£'000	31 March 2008	31 March 2007	Variance	% Change
Net interest income	76	6	70	>100.0%
Net fee and commission income	36 564	28 053	8 511	30.3%
Principal transactions	1 205	3 137	(1 932)	(61.6%)
Other operating income and operating income from associates	11 929	10 065	1 864	18.5%
Admin expenses and depreciation	(22 432)	(19 180)	(3 252)	17.0%
Operating profit before goodwill, non-operating items and taxation	27 342	22 081	5 261	23.8%
UK and Europe	11 929	10 065	1 864	18.5%
South Africa	15 413	12 016	3 397	28.3%
Operating profit before goodwill, non-operating items and taxation	27 342	22 081	5 261	23.8%
Adjusted shareholders' equity*	29 609	42 932	(13 323)	(31.0%)
ROE (pre-tax)*	65.5%	44.2%		
Cost to income ratio	45.1%	46.5%		
Operating profit per employee (£'000)*	73.4	64.6		13.6%

* As calculated on pages 91 and 97.

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

- The South African Private Client Portfolio Management and Stockbroking business has benefited from higher asset levels and increased volumes. Alternative products launched in the previous financial year also gained traction and asset swap activity increased as local market volatility led clients to diversify portfolios.
- Investec's UK Private Client Stockbroking business, Carr Sheppards Crosthwaite, was sold to Rensburg plc on 6 May 2005. We retain a 47.3% interest in the combined entity, Rensburg Sheppards plc. Post 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 £11.9 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 2008 in June 2008.

South Africa

- Revenue increased substantially over the prior period, assisted by the increase in assets under management.

Funds under management as at	31 March 2008	31 March 2007 R'million	% Change	31 March 2008	31 March 2007 £'million	% Change
Discretionary	21 406	18 419	16.2%	1 323	1 297	2.0%
Non-discretionary	91 338	87 177	4.8%	5 649	6 139	(8.0%)
Total	112 744	105 596	6.8%	6 972	7 436	(6.2%)

R'million	31 March 2008	31 March 2007
Net inflows at cost over period		
Discretionary	1 865	1 065
Non-discretionary	5 431	2 316
Total	7 296	3 381

Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

Outlook, risks and uncertainties

South Africa

- Notwithstanding a material correction in broad market prices and valuations, there remains a high level of uncertainty among private client investors and traders given ongoing global financial market instability. In addition to tight credit market conditions, consumers and investors alike are facing various new and ongoing challenges in the form of a weak Rand, power outages, high interest and inflation rates and weakening house prices. These factors have, and will most likely continue to erode investor confidence going forward. As a result, we expect trading, particularly speculative related revenues, to soften in the near term.
- We are relatively confident that, as a result of the diverse business mix and strong annuity income from discretionary funds under management, the negative impact on trading related activity should be partially offset.
- Newly implemented client service strategy initiatives are showing early signs of increased market penetration which is expected to gain momentum as the implementation phase matures. This strategy is also designed to improve overall yield on assets under management with an increased focus on clients' broader investment requirements and the ability of the business to provide specialised and sophisticated solutions around those requirements.
- Overall the macroeconomic environment is expected to remain challenging and this will impact on general investor confidence. The business has however, become more resilient to volatility over time through its annuity based specialist portfolio management and alternative investment services and is also ideally placed to capitalise on current asset allocation/investment rotation trends.

Capital Markets

Specialist structuring and advisory business

Scope of activities

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.
- Through a strong disciplined approach centred on clients and delivery of structured products, we seek:
 - Asset creation opportunities;
 - Product structuring and distribution opportunities;
 - Trading, hedging and proprietary market opportunities;
 - Advisory mandates.
- Creating platforms for the origination and distribution 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	James Arnold
Fixed Income	David Kantor
Foreign Exchange	Phillip Wells
Principal Finance	Andy Clapham
Project Finance	
(UK and international)	Maurice Hochschild
Structured and Asset Finance	Alistair Crowther
Structured Equities	Andrew Brogden
Operations (UK and international)	Kevin McKenna

Regional Head: Ireland	Michael Cullen
Equity Finance: Ireland	Loman Gallagher
Treasury Activities: Ireland	Aisling Dodgson

Southern Africa

Regional Head	Richard Wainwright
Commodities and Resource	
Finance	Dharmesh Kalyan

Equity Derivatives (SA and international) and Foreign Exchange

Milton Samios

Financial Products and Corporate Treasury
Structured, Project and Asset Finance

Mark Currie

David Kuming
Michael Meeser

Balance Sheet Management and Interest Rates
Operations

Clive Sindelman
Stuart Spencer

Regional Head: Mauritius

Craig McKenzie

Australia

Regional Head
Commodities and Resource Finance (International)
Commodities and Resource Finance (Australia)
Financial Products
Project Finance

José de Nobrega

José de Nobrega

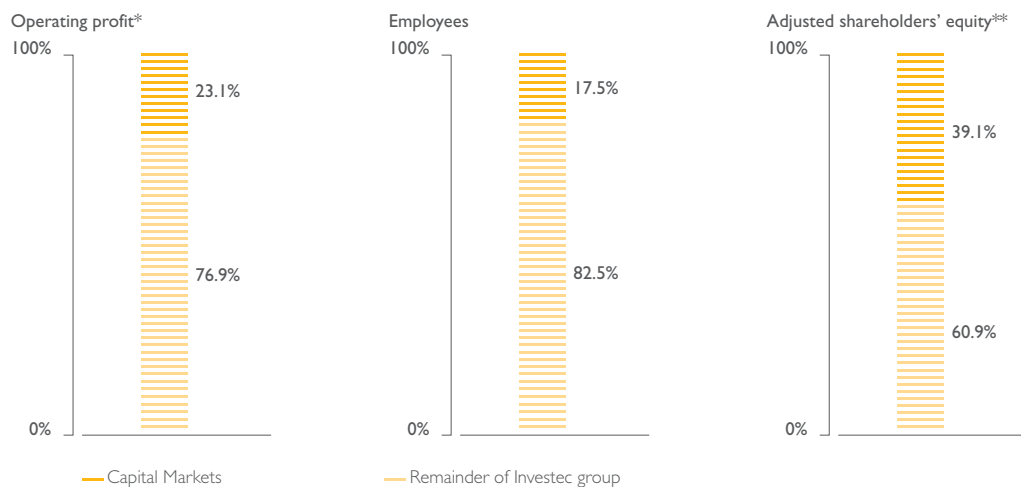
Anthony Hawke
Dean You-Lee
Peter Mansfield
Mark Schneider
David Phillips
Jeff Duncan-Nagy
Carl Dennis

Structured Finance
Treasury
Operations

Capital Markets

Specialist structuring and advisory business

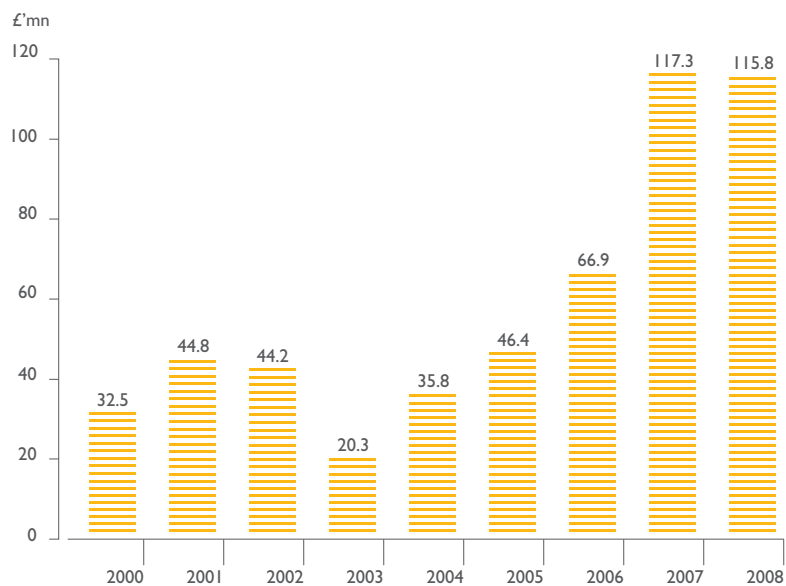
Contribution analysis



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

** As calculated on page 91.

Operating profit[^] - track record



[^] Trends reflects numbers as at the year ended 31 March. 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

- Operating profit decreased 1.3% to £115.8 million, contributing 23.1% to group profit.
- Our advisory, structuring and asset creation activities continued to perform well.
- The Australian business continued to build on the Rothschild's platform and introduced a number of new initiatives.
- Core loans and advances grew by 22.6% to £3.8 billion.
- The results of the division were adversely affected by a poor performance from the US Principal Finance division which has been negatively affected by the credit crisis (refer below).
- Investec plc acquired Kensington with effect from 8 August 2007. The businesses of Kensington now form part of the Capital Markets business in the UK. Salient information with respect to Kensington is provided below and should be taken into account when assessing the variance analysis provided.

£'000	31 March 2008	31 March 2007	Variance	% Change
Net interest income	227 174	89 078	138 096	>100.0%
Net fee and commission income	86 831	80 190	6 641	8.3%
Principal transactions	97 998	102 700	(4 702)	(4.6%)
Other operating income and operating income from associates	(266)	(11)	(255)	(>100.0%)
Impairment losses on loans and advances	(79 336)	(9 925)	(69 411)	(>100.0%)
Admin expenses and depreciation	(216 651)	(144 741)	(71 910)	49.7%
Operating profit before goodwill, non-operating items and taxation	115 750	117 291	(1 541)	(1.3%)
UK and Europe	39 306	51 409	(12 103)	(23.5%)
Southern Africa	68 118	56 145	11 973	21.3%
Australia	8 326	9 737	(1 411)	(14.5%)
Operating profit before goodwill, non-operating items and taxation	115 750	117 291	(1 541)	(1.3%)
Adjusted shareholders' equity*	646 998	358 724	288 274	80.4%
ROE (pre-tax)*	23.4%	37.7%		
Cost to income ratio	52.6%	53.2%		
Operating profit per employee (£'000)*	127.4	188.3		(32.3%)

* As calculated on pages 91 and 97.

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

- Net interest income has benefited from an increase in average advances across all three geographies, a strong performance from the treasury businesses in South Africa and the acquisition of Kensington.
- Net fees and commissions reflect a good performance from the advisory and structuring businesses with a number of mandates successfully closed.
- The decrease in principal transactions primarily reflects losses made in the US Principal Finance division as a result of write downs of £48.9 million on US structured credit investments largely as a result of rating agency downgrades and US house price performance related to these portfolios. If we had to adjust for these write downs, principal transaction revenue would have increased by 40% largely as a result of revaluations and realisations of investments in the Structured Finance and Resource Finance businesses and a solid performance from the trading businesses off the back of volatile markets. Further analysis is provided below.
- Excluding the impact from the acquisition of Kensington (£55.4 million), impairment losses on loans and advances increased primarily as a result of additional write offs in the South African business.
- Expenses have increased largely due to the acquisition of Kensington, an increase in average headcount to support new initiatives (notably UK and Australia), the investment in product development and IT infrastructure and costs associated with complying with regulatory requirements.

Capital Markets

Specialist structuring and advisory business

Analysis of total income by geography

£'000	31 March 2008	31 March 2007	Variance
UK and Europe	240 794	142 004	98 790
Trading activities	48 790	26 438	22 352
Principal Finance	(13 507)	30 224	(43 731)
Commodities and Resource Finance	15 706	12 588	3 118
Structured and Asset Finance	70 196	72 754	(2 558)
Kensington	119 609	-	119 609
Southern Africa	150 096	111 362	38 734
Trading activities	34 838	15 674	19 164
Treasury/Balance Sheet Management	42 507	32 490	10 017
Financial Products	17 921	14 493	3 428
Lending activities	54 830	48 705	6 125
Australia	20 847	18 591	2 256
Trading activities	1 829	4 408	(2 579)
Treasury/Balance Sheet Management	4 014	3 504	510
Financial Products	2 845	2 146	699
Lending activities	11 144	7 764	3 380
Structured Finance	1 015	769	246
Total	411 737	271 957	139 780

Core loans and advances (excluding Kensington)

£'million As at	UK and Europe		Southern Africa		Australia		Total		% Change
	31 March 2008	31 March 2007	31 March 2008	31 March 2007	31 March 2008	31 March 2007	31 March 2008	31 March 2007	
Total gross core loans and advances	2 000	1 541	1 658	1 434	141	141	3 799	3 116	21.9%
Specific impairments	3	5	-	5	-	8	3	18	(83.3%)
Portfolio impairments	-	-	-	1	-	-	-	1	100.0%
Net core loans and advances	1 997	1 536	1 658	1 428	141	133	3 796	3 097	22.6%
Asset quality									
Gross defaults	34	18	-	24	-	8	34	50	(32.0%)
Collateral value	30	11	-	24	-	-	30	35	(14.3%)
Specific impairments	3	5	-	5	-	8	3	18	(83.3%)
Net defaults (limited to zero)	1	2	-	-	-	-	1	2	(50.0%)
Gross defaults as a % of gross loans and advances	1.7%	1.2%	-	1.7%	-	5.7%	0.9%	1.3%	-
Net core loans and advances as at	31 March 2008	31 March 2007	% Change		31 March 2008	31 March 2007	% Change		
		£'million				Home currency ' million			
UK and Europe	1 997	1 536	30.0%		£1 997	£1 536	30.0%		
Southern Africa	1 658	1 428	16.1%		R26 811	R20 275	32.2%		
Australia	141	133	6.5%		A\$310	A\$323	(4.0%)		
Net core loans and advances	3 796	3 097	22.6%						

Kensington Group plc - salient financial information

Purchase consideration

Investec plc acquired the entire issued share capital of Kensington with effect from 8 August 2007. In terms of the offer each Kensington shareholder has received 0.7 Investec plc shares plus a special dividend of 26 pence (paid by Kensington) for each Kensington share held. The acquisition was satisfied by the issue of 36 824 432 Investec plc shares at 587.5 pence per share. Net assets at the date of acquisition, total consideration paid and goodwill arising on the transaction are disclosed in the table below.

£'million

Value of Investec plc shares issued (36 824 432 shares at 587.5 pence)		216.3
Acquisition costs		5.0
Kensington net assets at acquisition	147.7	
Less: special dividend	(13.7)	
Less: fair value adjustments	(33.8)	
		100.2
Goodwill arising on acquisition		121.1
Impairment of goodwill (refer to page 86)		(59.9)
Net goodwill at 31 March 2008		61.2

Strategy and developments

- Challenging credit market conditions have resulted in a significant restructuring of the business in order to maintain a robust business model that can respond quickly when market conditions change.
- Restructuring efforts include:
 - Managed reduction in new business volumes. We are not writing any business within the adverse product range.
 - Reduction of overheads.
 - Tightening of lending criteria.
 - Appropriate pricing for current market conditions.
- Further efficiencies to be gained through increased automation across the operating model.
- Forward flow agreements are still operative and warehouse facilities of £2.0 billion were renewed towards the end of 2007 for a period of 2 to 3 years to support the current strategy.
- Investec retains a net equity investment in the securitised mortgage portfolio of £101 million and exposures in third party warehouse structures of £128 million. These investments would only be impaired if the excess spread earned and retained by the portfolio structure is not sufficient to cover costs and bad debts. In addition we retain an on balance sheet provision of £105 million.

Summary income statement for period 8 August 2007 to 31 March 2008

	£'000
Net interest income	109 200
Net fee and commission income	5 100
Principal transactions	5 500
Other income	(191)
Impairment losses on loans and advances	(55 400)
Admin expenses and depreciation	(39 938)
Operating profit before goodwill, non-operating items and taxation	24 271

Capital Markets

Specialist structuring and advisory business

Key statistics

As at 31 March 2008

	Warehouse book	Securitised portfolio	Total	% of total
Assets and business activity statistics				
Mortgage assets under management (£'million)	2 035	4 062	6 097	
IFRS adjustments	69	(59)	10	
Mortgage assets under management	1 966	4 121	6 087	
First charge % of total mortgage assets under management	91.5%	94.2%	93.3%	
Second charge % of total mortgage assets under management	8.5%	5.8%	6.7%	
Fixed rate loans % of total mortgage assets under management	60.9%	44.2%	49.6%	
Number of accounts	19 443	45 407	64 850	
Average loan balance (first charge)	135 369	109 793	116 782	
Largest loan balance	1 001 672	1 075 835	1 075 835	
Weighted average loan mature margin %	3.5%	3.7%	3.6%	
Ave early redemption charge income received % - March month	N/A	N/A	1.1%	
Product mix (pre-IFRS adjustments) (£'million)				
	1 966	4 121	6 088	100.0%
Prime	67	-	67	1.1%
Near prime	690	694	1 384	22.7%
Prime Buy to Let	12	-	12	0.2%
Adverse	551	2 842	3 393	55.7%
Adverse Buy to Let and Right to Buy	87	212	299	4.9%
Start - Irish operations	559	374	933	15.3%
Geographic distribution (£'million)				
	1 966	4 121	6 088	100.0%
UK - North	437	1 216	1 653	27.1%
UK - South West	108	259	367	6.0%
UK - South East	317	781	1 098	18.0%
Outer London	207	464	671	11.0%
Inner London	106	277	383	6.3%
Midlands	231	751	982	16.1%
Ireland	559	374	933	15.3%
Spread of value of properties (%)				
	100.0%	100.0%	100.0%	
>£500 000	3.0%	1.3%	1.8%	
>£250 000 - <£500 000	21.3%	11.7%	14.5%	
>£200 000 - <£250 000	16.1%	11.6%	13.0%	
>£150 000 - <£200 000	21.3%	20.0%	20.4%	
>£100 000 - <£150 000	24.7%	29.0%	27.7%	
>£70 000 - <£100 000	12.1%	19.8%	17.5%	
>£50 000 - <£70 000	1.4%	5.4%	4.2%	
<£50 000	0.1%	1.2%	0.9%	

Capital Markets

Specialist structuring and advisory business

Key statistics

As at 31 March 2008

	Warehouse book	Securitised portfolio	Total	% of total
Asset quality statistics				
Weighted average current LTV of active portfolio (adjusted for house price inflation)	73.7%	68.1%	69.9%	
LTV spread - % of book	100.0%	100.0%	100.0%	
<= 65%	29.3%	24.7%	26.2%	
>65% - <70%	7.3%	6.8%	7.0%	
>70% - <75%	8.7%	10.5%	9.9%	
>75% - <80%	9.9%	13.4%	12.2%	
>80% - <85%	15.8%	17.8%	17.2%	
>85% - <90%	27.2%	24.3%	25.3%	
>90% - <95%	1.1%	2.4%	1.9%	
>95% - <100%	0.2%	0.1%	0.1%	
> 100%	0.5%	0.0%	0.2%	
% of accounts > 90 days in arrears	5.4%	13.9%	11.3%	
Number of accounts > 90 in arrears	1 041	6 303	7 344	
Total capital lent in arrears (£'million)	269	1 267	1 536	100.0%
Arrears 0 - 60 days	98	377	475	30.9%
Arrears 61 - 90 days	50	215	265	17.3%
Arrears > 90 days	113	551	664	43.2%
Possession	8	124	132	8.6%
Debt to income ratio of clients (%)	23.4%	26.0%	25.1%	
Investec investment/exposure to assets reflected above	162	172	334	
On balance sheet provision	34	71	105	
Investec net investment/exposure to assets reflected above (£'million)	128	101	229	

Developments

UK and Europe

- The Project Finance team continues to be a leader in the UK PFI (project finance investment) advisory business, and we have recently established an office in Canada to service the North American PFI market.
- The Asset Finance business continues to grow its franchise and is considered a top tier player in its market.
- We are considered one of the top 10 European banks in aircraft finance, with particular success in the origination of transactions in India where we have completed the first ever sale and leaseback transactions for the two Indian State owned airlines.
- The trading desks showed an improved performance benefiting from market volatility, the introduction of new products and increased staff in certain areas. The Corporate Foreign Exchange and Structured Equity desks are now fully operational.
- The Resources Fund initiative has been established and we have started to attract third party money to the fund.
- The Commodities and Resource Finance business continues to grow and we are now considered a top name in the mid and junior mining project finance sector and are growing our name in the commodities arena.
- The US Principal Finance activities were negatively impacted by the credit issues and subsequently by the liquidity crisis that arose off the back of the US sub-prime issues. We have taken a mark to market write down of £48.9 million against the US positions largely as a result of rating agency downgrades and US house price performance related to these portfolios. As at 31 March 2008 the on balance sheet value of the US portfolio is £71 million of which £16 million is dependent on the performance of the US sub-prime market.

Capital Markets

Specialist structuring and advisory business

Southern Africa

- We experienced very strong growth in our core advances across all sectors, with particularly strong activity in resource finance and acquisition related finance.
- We launched a number of new initiatives and products during the year, including JSE listed Currency Futures, and Exchange Traded Funds platform. We continued to enjoy significant market share across listed equity warrants and single stock futures.
- We managed the group's asset and liability profile during a period that saw a number of interest rate increases. The resultant interest rate risk on the South African balance sheet was managed in a profitable manner.
- Treasury and derivative deal flow continued to grow resulting in excellent results across all our trading areas, including commodities, foreign exchange, interest rates and equity derivatives.
- Activity in debt capital markets, including securitisations, declined rapidly in the last quarter of the year as the effects of global markets forces were felt in the local market. We continue to develop our investments in retail funding platforms, but at a slower pace while markets normalise.

Australia

- We issued our first medium term note programme in June 2007 and raised a total of A\$250 million.
- The Structured Finance team launched the Investec Global Aircraft Fund for institutional investors, raising on a standalone basis, equity of A\$73 million. The pipeline of aircraft finance transactions remains strong.
- The Project Finance business continues to exploit both lending and growth opportunities in the infrastructure and energy sectors, with a particular focus on clean, alternative and renewable energy.
- Trading Activities had a profitable year, across interest rates, forex and commodities.
- Our Resource Finance division continued to perform well despite difficult market conditions and strong loan book prepayments.

Outlook, risks and uncertainties

- The strategy has not changed. We remain a focused business targeting markets where we can be distinctive and competitive.
- In the UK and South Africa we will continue to strive for depth and greater penetration. In Australia we continue to look for opportunities to broaden our franchise.
- Our strategy around specialist funds remains a key focus.
- We will continue to invest in the business to ensure continued growth in the medium term.
- The liquidity issues have affected all our markets although opportunities continue to present themselves.
- Deal volume has slowed in line with market conditions, and the growth of the business is dependent on liquidity and stability returning to the financial markets, including the return of securitisation in some form.
- These factors will have an impact on some of our businesses in the coming year, but we have a diversified portfolio of businesses within Capital Markets and the pipeline remains good in many of our specialised lending areas, including Project Finance, Resource Finance and Structured Finance.
- There is a lag between assets re-pricing and the increased cost of borrowing which will have a negative effect on net interest income.

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">- Listed and unlisted companies- Fund managers- Government- Parastatals

Strategic focus

Mission: To be an integrated entrepreneurial investment banking business.

Our primary objectives are to secure our current positionings and to continue building our operations, with a strong focus on generating a higher level of core sustainable earnings.

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.
- Increase the use of capital to reinforce our mid-market offering.

South Africa

Corporate Finance

Our strategy is to:

- Take advantage of our leading position in the South African market.
- 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.
- Ensure appropriate research coverage to underpin our South African distinctiveness.
- Further leverage our research product into the UK and US and selectively target key European clients.
- Entrench our position as a leading prime broking player in the South African market.
- Continue to diversify the income stream through 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 opportunities with BEE platform investee companies.

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.

Management structure

Joint Global Heads of Investment Banking

Bradley Fried
Andy Leith

UK and Europe

Regional Head
Investment Banking and Securities

Bradley Fried
David Currie
Craig Tate

Ireland
Finance
IT and Operations

Michael Cullen
Ray Milner
Trevor Gatfield

South Africa

Regional Head
Corporate Finance

Andy Leith
Kevin Kerr
Hugo Steyn

Institutional Research, Sales and
Trading

Craig Tate
Kevin Brady

Direct Investments and Private Equity
Finance: Corporate Finance, Direct
Investments and Private Equity

Thomas Prins
Caroline Thomson
Robert Slater

Finance: Institutional Research, Sales
and Trading

Joubert Hay

Australia

Corporate Advisory
Private Equity and Direct Investments

Ben Smith
John Murphy

Hong Kong

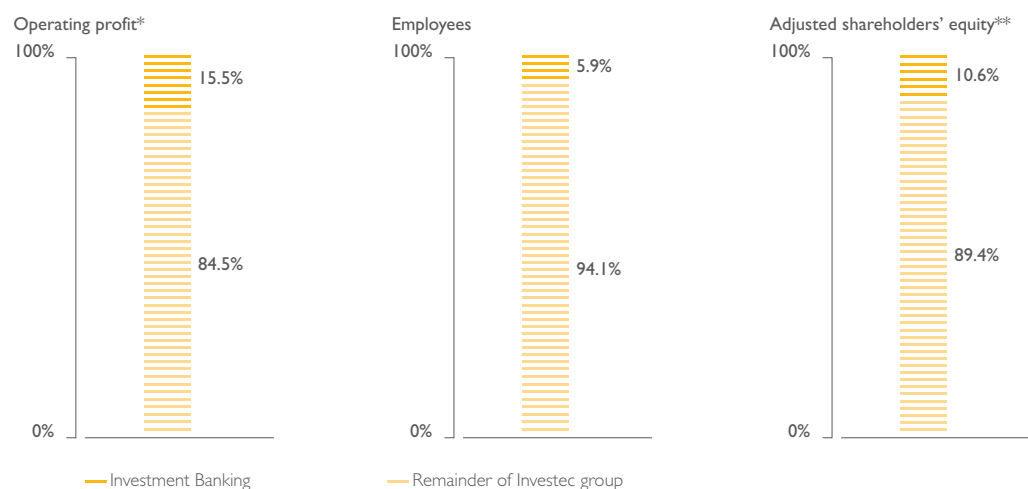
Regional Head

Richard Forlee

Investment Banking

Integrated business focused on local client delivery with international access

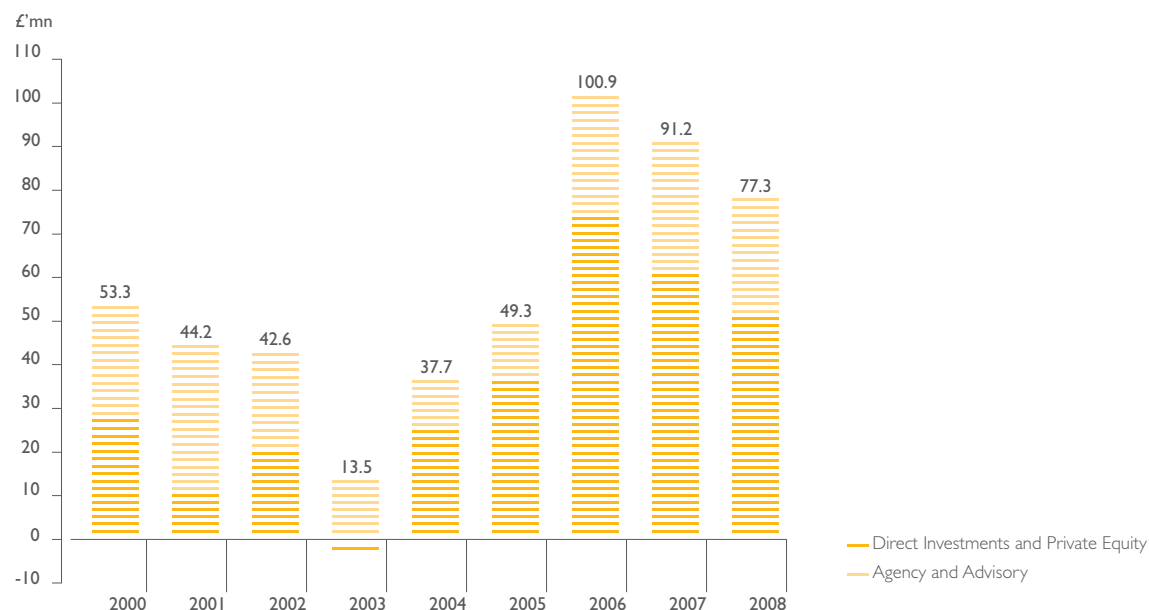
Contribution analysis



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

** As calculated on page 91.

Operating profit[^] - track record



[^] Trends reflects numbers as at the year ended 31 March. 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 15.2% to £77.3 million, contributing 15.5% to group profit.

£'000	31 March 2008	31 March 2007	Variance	% Change
Net interest income	(8 463)	(2 457)	(6 006)	>100.0%
Net fee and commission income	88 603	91 904	(3 301)	(3.6%)
Principal transactions	79 583	73 719	5 864	8.0%
Other operating income and operating income from associates	45 016	45 629	(613)	(1.3%)
Impairment losses on loans and advances	(1 356)	(1)	(1 355)	>100.0%
Admin expenses and depreciation	(126 053)	(117 559)	(8 494)	7.2%
Operating profit before goodwill, non-operating items and taxation	77 330	91 235	(13 905)	(15.2%)
Corporate Finance	14 277	15 890	(1 613)	(10.2%)
Institutional Research, Sales and Trading	12 422	14 394	(1 972)	(13.7%)
Direct Investments	15 990	18 148	(2 158)	(11.9%)
Private Equity	34 641	42 803	(8 162)	(19.1%)
Operating profit before goodwill, non-operating items and taxation	77 330	91 235	(13 905)	(15.2%)
UK and Europe	7 607	23 294	(15 687)	(67.3%)
South Africa	64 775	60 632	4 143	6.8%
Australia	4 948	7 309	(2 361)	(32.3%)
Operating profit before goodwill, non-operating items and taxation	77 330	91 235	(13 905)	(15.2%)
Adjusted shareholders' equity*	175 913	130 816	45 097	34.5%
ROE (pre-tax)*	34.3%	68.6%		
Cost to income ratio	61.6%	56.3%		
Cost to income ratio excluding investments that are consolidated	55.7%	55.2%		
Operating profit per employee (£'000)*	216.6	291.9		(25.8%)

* As calculated on pages 91 and 97.

Corporate Finance and Institutional Research, Sales and Trading

£'000	31 March 2008	31 March 2007	Variance	% Change
Net interest income	817	(1 147)	1 964	(>100.0%)
Net fee and commission income	84 174	91 544	(7 370)	(8.1%)
Principal transactions	15 875	12 774	3 101	24.3%
Other operating income and operating income from associates	-	(15)	15	100.0%
Impairment losses on loans and advances	(4)	(1)	(3)	>100.0%
Admin expenses and depreciation	(74 163)	(72 871)	(1 292)	1.8%
Operating profit before goodwill and non-operating items	26 699	30 284	(3 585)	(11.8%)

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

- The Corporate Finance operations results reflect a stable deal pipeline across all geographies, with a number of mandates successfully closed. The division earned large fees on a few transactions in the prior year which were not repeated in the current year.
- The Institutional Stockbroking operations in South Africa delivered a healthy performance. Strong growth from the Prime Broking operation and International Broking activities was partially offset by a weaker performance from the Dual Listed Arbitrage and trading businesses. The results of the UK Institutional Stockbroking operations were negatively impacted by a decline in IPO fees, although the division's market making and trading operations performed well.

Investment Banking

Integrated business focused on local client delivery with international access

Direct Investments and Private Equity

£'000	31 March 2008	31 March 2007	Variance	% Change
Net interest income	(9 280)	(1 310)	(7 970)	>100.0%
Net fee and commission income	4 429	360	4 069	>100.0%
Principal transactions	63 708	60 945	2 763	4.5%
Other operating income and operating income from associates	45 016	45 644	(628)	(1.4%)
Impairment losses on loans and advances	(1 352)	-	(1 352)	(>100.0%)
Admin expenses and depreciation	(51 890)	(44 688)	(7 202)	16.1%
Operating profit before goodwill and non-operating items	50 631	60 951	(10 320)	(16.9%)

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

- Net interest income reflects increased funding costs.
- 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 provided below).
- Other operating income largely relates to our investment in Global Ethanol and Idatech in which we hold 68.4% and 73%, respectively. The results of these investments have been consolidated with the respective income and expenses largely reflected in other operating income and administration expenses. These investments generated a net loss after tax and minority interest of £4.1 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 Global Ethanol and Idatech (expenses amounted to £35 million).

Value of trading investments on balance sheet at 31 March 2008

£'million	Listed	Unlisted	Advances	Total
UK Private Equity and Direct Investments	26	25	-	51
SA Direct Investments	12	42	12	66
SA Private Equity	-	106	16	122
Australia	1	10	-	11
Hong Kong Direct Investments	1	13	-	14
	40	196	28	264

Note:

The combined book value of Global Ethanol and Idatech of £65 million is not included in table above.

Value of trading investments on balance sheet at 31 March 2007

£'million	Listed	Unlisted	Advances	Total
UK Private Equity and Direct Investments	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

Investment Banking

Integrated business focused on local client delivery with international access

Analysis of operating profit for the year to 31 March 2008

£'million	Realised	Un-realised	Dividends	Interest and other	Income	Funding costs	Net income	Expenses	Net profit
UK Private Equity and Direct Investments	0.1	4.1	1.6	34.6	40.4	(2.3)	38.1	(37.2)	0.9
SA Direct Investments	15.4	12.2	0.4	(0.7)	27.3	(6.6)	20.7	(3.4)	17.3
SA Private Equity	1.0	29.1	11.1	0.9	42.1	(2.9)	39.2	(7.5)	31.7
Australia	1.6	-	-	4.0	5.6	-	5.6	(2.3)	3.3
Hong Kong Direct Investments	0.6	(1.6)	-	(0.1)	(1.1)	-	(1.1)	(1.5)	(2.6)
Total	18.7	43.8	13.1	38.7	114.3	11.8	102.5	(51.9)	50.6

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 and Direct Investments	1.3	(1.9)	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	11.5	44.5	11.3	44.6	111.9	(6.3)	105.6	(44.7)	60.9

Developments

Corporate Finance

UK and Europe

- The year was characterised by good levels of M&A activity while difficult market conditions resulted in fewer IPOs and fundraisings.
- We completed 26 M&A transactions with a value of £2.3 billion (2007: 24 transactions with a value of £2.5 billion).
- We completed 18 fundraisings during the year raising in aggregate £299 million (2007: 21 fundraisings raising £597 million).
- We continue to build the quality and size of the corporate client list, gaining 12 new brokerships during the year. We have 90 quoted clients with an average market capitalisation of £222 million.

South Africa

- We maintained our strong positioning with a good level of activity.
- Our focus was on M&A, IPOs and black economic empowerment transactions.
- We retained all our major clients (other than a few clients that were de-listed following public offers) and gained several new mandates during the period, particularly for IPOs.
- The total value of Corporate Finance transactions increased to R113 billion (2007: R52 billion) during the period although the number decreased to 109 (2007: 140).
- Sponsor broker deals completed during the period increased to 165 (2007: 161) with the value increasing to R149 billion (2007: R70 billion).
- The Corporate Finance division was ranked first in volume of listed M&A transactions and unlisted deals and second in general corporate finance by volume in the Dealmakers Magazine Survey for Corporate Finance (2007 calendar year). This is the fourth year out of five that we have been awarded the M&A Gold Medal.
- The Sponsor division was ranked first in volume of M&A transactions and in general corporate finance in the Dealmakers Magazine Survey for Sponsors (2007 calendar year). This is the fifth year running that we have won the M&A award.
- The Corporate Finance and Sponsor divisions were also both ranked first in volume of M&A transactions in the Ernst & Young review for M&A (2007 calendar year).

Australia

- There is increasing awareness and recognition of the Investec brand within the Australian market.
- We advised on 12 transactions (2007: 15) valued at approximately A\$1.8 billion (2007: A\$8.7 billion) during the period.
- We focused on building our capabilities in Brisbane and strengthening our presence in Melbourne.
- We continue to expand our sector specialisation, particularly in the resources sector.
- Despite the challenging market outlook, we remain focused on targeted headcount increases in Sydney, Brisbane and Melbourne in order to strengthen our market position.

Investment Banking

Integrated business focused on local client delivery with international access

Institutional Research, Sales and Trading

UK and Europe

- While volatile markets and unbundling have restricted secondary commission growth, net trading revenues have showed considerable improvement.
- We have strengthened our UK sales team over the last six months with the addition of a number of experienced sales people, including two hedge fund specialists.
- We now have a sales team in New York and continue to expand our US distribution capability.

South Africa

- A solid performance was achieved for the year, driven by healthy growth in the prime broking operations and international broking activities.
- The prime broking activity has developed into one of the leading players in the local hedge fund market.
- The international operation gained market share with a solid base being established in the US and select targeting of continental European clients.
- A leading position was established in the small and mid cap research space while further gains were achieved in broadening our research coverage to reflect a distinctively South African offering.

Direct Investments and Private Equity

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 resources in this area.

South Africa

- The Direct Investments portfolio increased to R 1 051 million at 31 March 2008 (March 2007: R 1 012 million). This was driven by a good performance from the underlying investments and a few acquisitions and realisations.
- We continued to expand the capacity of our Private Equity investments through acquisitions and capital expenditure. The Private Equity portfolio was approximately R1 976 million at 31 March 2008 (March 2007: R1 266 million).

Australia

- We completed the equity raising of A\$40 million for Investec Wentworth Private Equity Fund 3A which will co-invest with the A\$200 million Investec Wentworth Private Equity Fund 3.
- The total size of the Private Equity Funds is A\$460 million.
- We successfully completed five new investments.
- The investment portfolio continues to perform satisfactorily.

Outlook, risks and uncertainties

Corporate Finance

- While market conditions are currently uncertain, the pipeline is positive and we continue to invest in building our Trusted Adviser capability and client base in the UK.
- Black economic empowerment and M&A transactions are expected to continue to drive activity in South Africa.
- We continue to invest in building the Australian team and this, together with increased brand awareness and national reach, provides a solid platform for future growth opportunities.

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 outlook for the South African business looks challenging. Ongoing global market uncertainty is likely to dampen activity while the growing local acceptance of the practice of unbundling research and execution will continue to exert downward pressure on margins. Nevertheless, any downside is set to be cushioned by growth in the prime broking business, continued international expansion and the push into related business activities.

Direct Investments and Private Equity

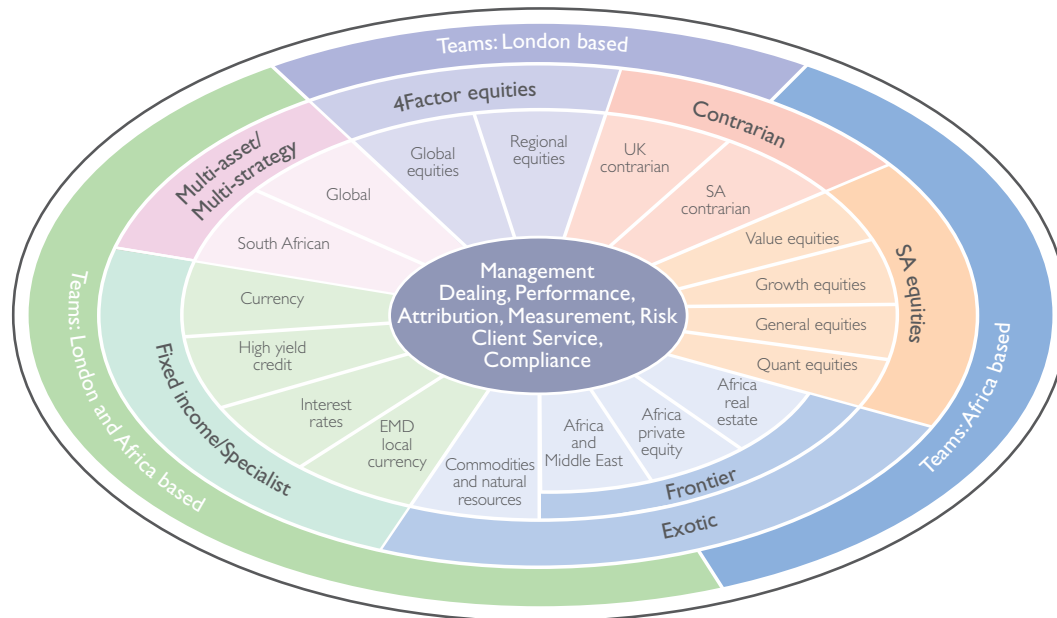
- We remain active in seeking direct investment opportunities, while continuing to unlock further value from the portfolio and the building of black economic empowerment platforms.
- The companies in our Private Equity portfolio are all trading in line with expectations and the outlook remains positive.
- The Australian business continues to add value to existing investments and is well placed to take advantage of new investment opportunities.

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 retail fund clients. Our range of investment propositions is shown below.



- We sell our investment products in the following regions: UK, Africa, Europe, Americas, Australia, US, Asia and Cross Border.
- We have a broad client range including sovereign wealth funds, pension funds, banks, private banks, family offices, IFA's, and individual investors.

Strategic focus

We are totally focused on managing our clients' money to the highest standard possible.

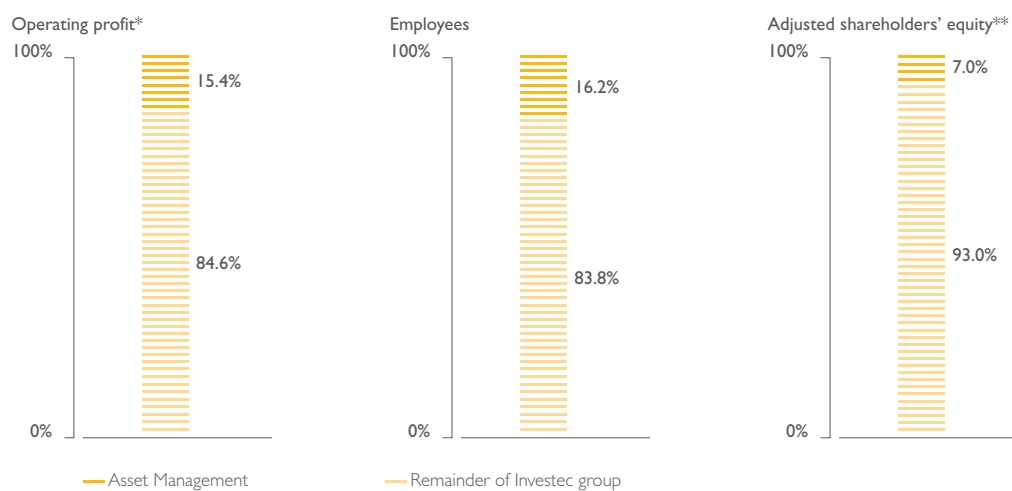
Management structure

Global Head of Asset Management

Chief Operating Officer
Business Development Director
Co-chief Investment Officer
Co-chief Investment Officer

Hendrik du Toit
Kim McFarland
John Green
Domenico Ferrini
John McNab

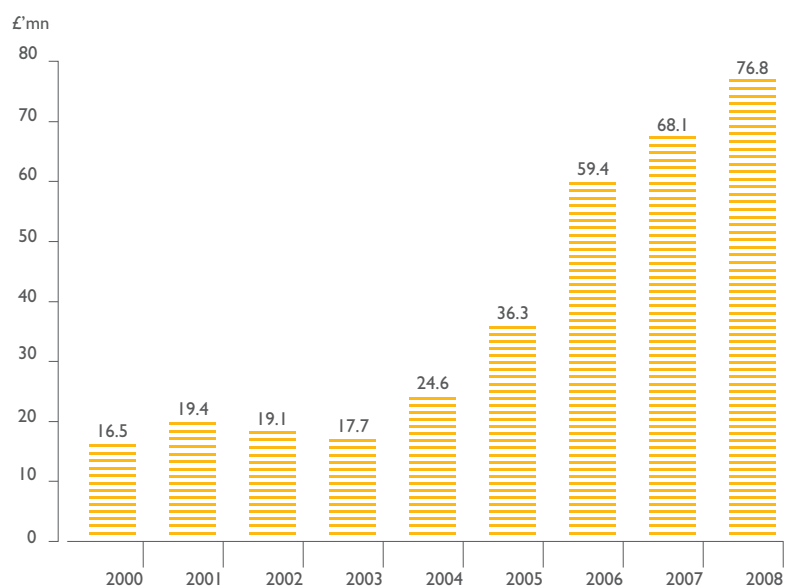
Contribution analysis



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

** As calculated on page 91.

Operating profit[^] - track record



[^] Trends reflects numbers as at the year ended 31 March. 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 12.8% to £76.8 million, contributing 15.4% to group profit.
- Assets under management decreased by 3.8% to £28.8 billion.

£'000	31 March 2008	31 March 2007	Variance	% Change
Net interest income	7 558	5 242	2 316	44.2%
Net fee and commission income	207 483	180 539	26 944	14.9%
Other income	3 659	2 775	884	31.9%
Admin expenses and depreciation	(141 879)	(120 444)	(21 435)	17.8%
Operating profit before goodwill, non-operating items and taxation	76 821	68 112	8 709	12.8%
UK and international	24 940	17 555	7 385	42.1%
Southern Africa	51 881	50 557	1 324	2.6%
Operating profit before goodwill, non-operating items and taxation	76 821	68 112	8 709	12.8%
Adjusted shareholders' equity*	116 459	123 211	(6 752)	(5.5%)
ROE (pre-tax)*	55.0%	44.9%		
Cost to income ratio	64.9%	63.9%		
Operating profit per employee (£'000)*	78.7	79.5		(1.0%)

* As calculated on pages 91 and 97.

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

UK and international

- Operating profit growth of 42.1% to £24.9 million.
- Growth in net fees and commissions was underpinned by increased assets under management during the year particularly in the first nine months. The continued change in the mix of institutional assets further contributed to the growth.
- Assets under management increased with net flows of £1.2 billion coming from outside of Africa.

Southern Africa

- Operating profit of the Southern Africa operations in Rands of R744.2 million is 10.0% higher than the prior year period of R676.8 million.
- Investment performance generally remained positive and performance fee revenue was slightly lower at R253 million (2007: R263 million).
- Assets under management increased to R241.2 billion (£14.9 billion). On the retail side, assets under management increased with net inflows of R5.7 billion. There was R14.0 billion of institutional outflows including outflows of R1.8 billion from the ex-Fedsure book.

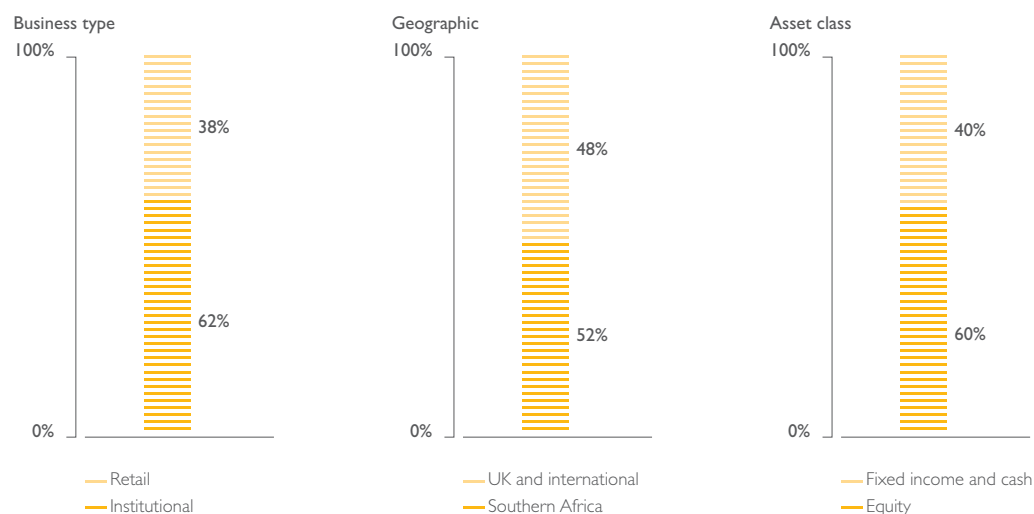
Costs

The increase in expenses is largely due to an increase in variable remuneration in line with the strong growth in profitability and an increase in average headcount to drive future growth opportunities of the business.

Asset Management

Investment specialist focused on performance and client needs

Assets under management*



Movements in assets under management*

	Total £'million	UK and International £'million	Southern Africa	
			£'million	R'million
31 March 2007	29 891	13 039	16 852	239 250
New clients/funds	1 758	1 239	519	7 378
Existing client/fund net flows	(1 138)	(58)	(1 080)	(15 679)
Net flows	620	1 181	(561)	(8 301)
Market movement	(1 760)	(386)	(1 374)	10 240
31 March 2008	28 751	13 834	14 917	241 189
Institutional	17 698	7 428	10 270	166 049
Retail	11 053	6 406	4 647	75 140

£'million	Total	Institutional	Retail
31 March 2007	29 891	18 536	11 355
New clients/funds	1 758	1 723	35
Existing client/fund net flows	(1 138)	(1 700)	562
Net flows	620	23	597
Market movement	(1 760)	(861)	(899)
31 March 2008	28 751	17 698	11 053
UK and international	13 834	7 428	6 406
Southern Africa	14 917	10 270	4 647

Sales (gross inflows)

£'million	2008	2007	£'million	2008	2007
Institutional	3 570	3 789	Fixed interest and cash	4 097	4 104
Retail	7 052	6 276	Equity	5 430	5 114
	10 622	10 065	Balanced	1 095	847
				10 622	10 065

* Managed basis.

Asset Management

Investment specialist focused on performance and client needs

Developments

- We continue to develop our portfolio of investment propositions. The past year was particularly successful in certain highly specialised areas.
- Our wider distribution footprint is facilitating sales momentum and, outside of Southern Africa, there was £1.2 billion of net flows for the financial year.
- With our breadth of investment products and good performance across the range, we are achieving good traction:
 - 75% by value and 71% by number of our mutual fund based outside of Southern Africa are in the first or second quartile over three years.
 - 79% by value and 88% by number of our mutual funds based in Southern Africa are in the first or second quartile.
- 91% of institutional propositions outperformed their benchmarks since inception outside of Southern Africa and in Southern Africa 80% of institutional propositions outperformed their benchmarks since GIPS (Global Investment Performance Standards) inception (eight and a quarter years).

Investec Asset Management in the UK mutual fund industry

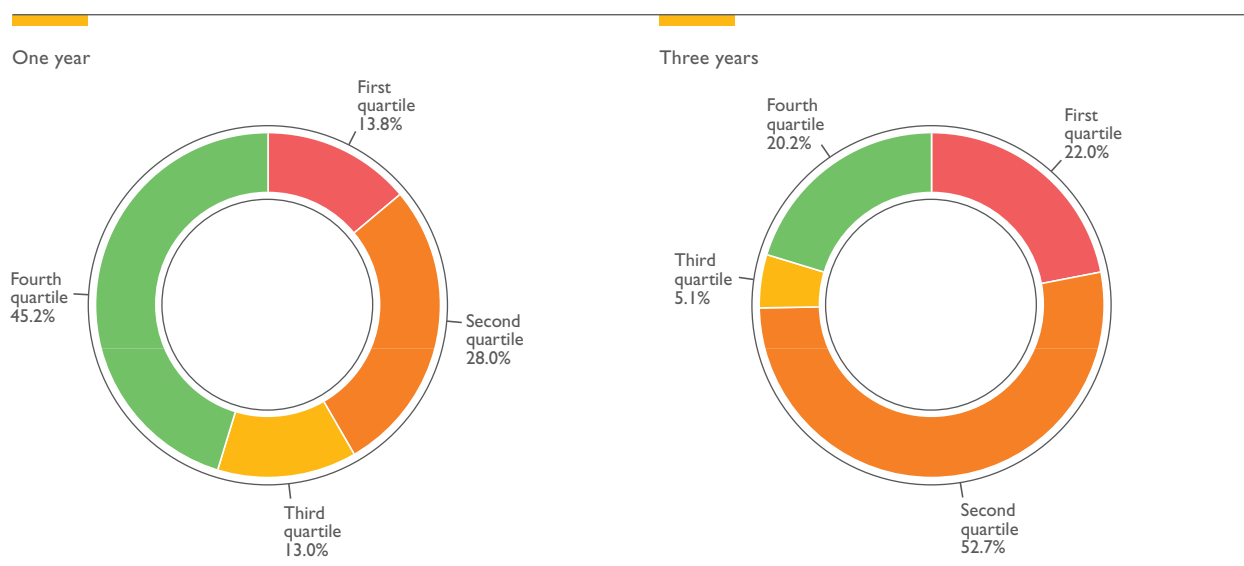
£'million	2008	2007	2006
IAM assets under management	4 322	4 230	3 231
Total industry size	432 672	447 888	382 670
Market share	1.0%	0.9%	0.8%
Size ranking in industry	33rd of 108	33rd of 113	37th of 118
Industry net retail sales	6 705	13 805	11 818
IAM % of industry net retail sales	5.9%	5.1%	6.8%
Industry gross retail sales	66 060	59 973	45 693
IAM % of industry gross retail sales	2.9%	2.2%	2.9%

Sourced from data from the Investment Management Association.

Statistics as at 31 March, sales for the twelve month period.

UK and global retail investment performance

By value of funds



Calculated from Lipper data.

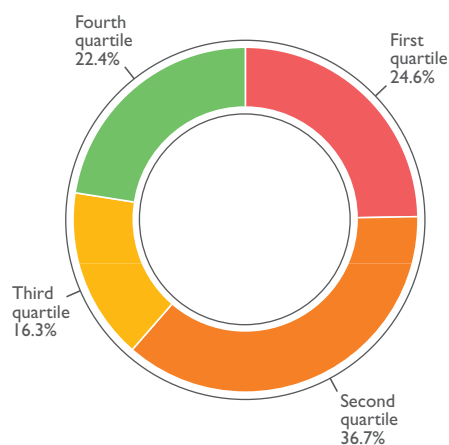
Excludes cash, cash plus and liquidity funds.

Asset Management

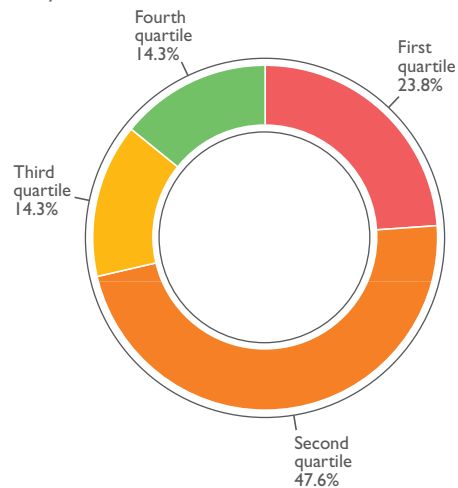
Investment specialist focused on performance and client needs

By number of funds

One year



Three years

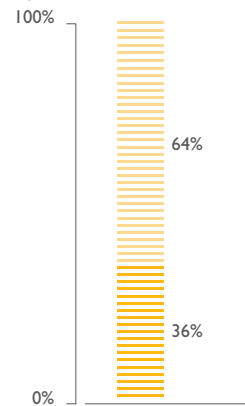


Calculated from Lipper data.

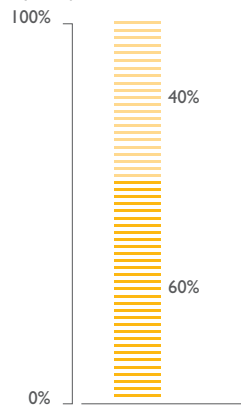
Excludes cash, cash plus and liquidity funds.

UK and global institutional investment performance

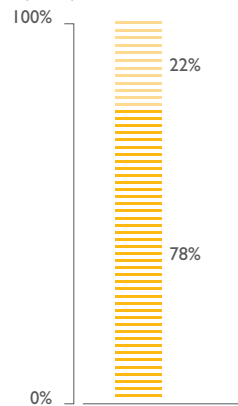
1 year



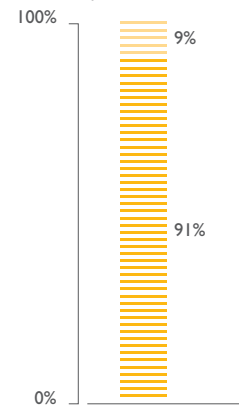
3 years p.a.



5 years p.a.



Since inception



Above benchmark

Below benchmark

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

Asset Management

Investment specialist focused on performance and client needs

Investec Asset Management in the South African unit trust industry

R'million	2008	2007	2006
IAM assets under management	63 809	55 910	40 867
Total industry size	658 073	596 072	485 410
Market share	9.7%	9.4%	8.4%
Size ranking in industry	4th of 39	4th of 34	3rd of 28
Industry gross sales	552 118	480 032	393 186
IAM % of industry gross sales	7.3%	8.7%	9.0%

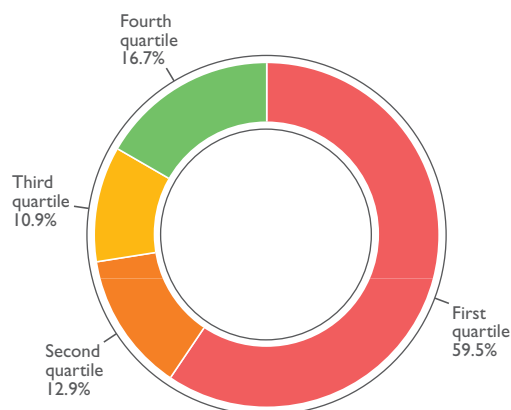
Sourced from data from the Association of Collective Investments.

Statistics as at 31 March, sales for the twelve month period.

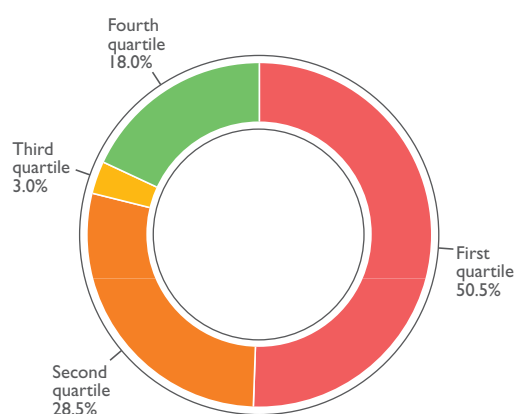
South African mutual fund investment performance

By value of funds

One year

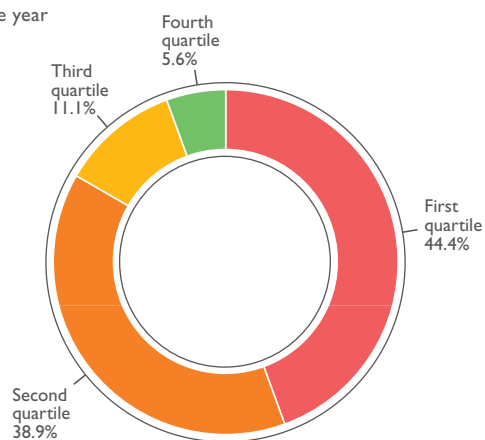


Three years

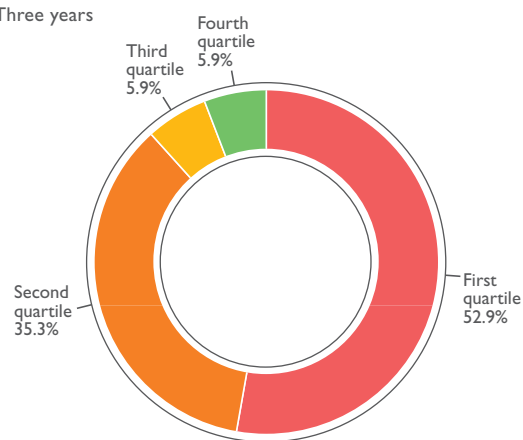


By number of funds

One year



Three years

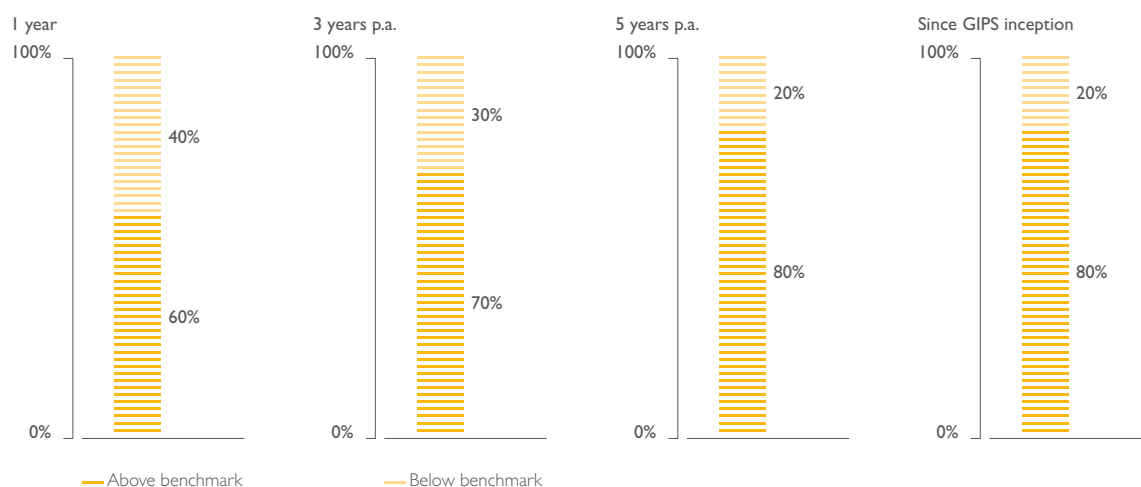


Calculated from Standard and Poor's Datastream data.

Asset Management

Investment specialist focused on performance and client needs

South African institutional investment performance



Calculated from Alexander Forbes data.

Outlook, risks and uncertainties

- Momentum across the business remains solid.
- A solid long-term track record and a growing demand for specialist high performance products support the fundamentals of the business.
- Markets are uncertain. The liquidity crisis has impacted markets across the globe and there is continued uncertainty as to the impact this will have on the market in the short to medium term.

Property Activities

Leading fund and asset manager, seeking selective trading opportunities

Scope of activities

- Property Projects (trading and development)
- Property Investments
- Property Fund Management
- Property Services

Note:

For most of the period under review our Property business in South Africa included the above activities. With effect from October 2007, the South African fund management and services businesses were sold to Growthpoint Properties Limited ("Growthpoint") (refer to page 56) and the core focus of our South Africa Property business for the remainder of the year included on balance sheet trading and development activities and third party asset management and investment.

Strategic focus

UK and Europe

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

South Africa

Property Fund Management

Our strategy has been to:

- Grow assets under management.
- Pursue the strategic acquisition and development of individual properties and portfolios.

Property Services

Prior to the sale of these businesses to Growthpoint, the strategic objective was to grow in line with the fund management business.

Property Projects

Our strategy is to:

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

Property Investments

Our strategic objectives are to:

- Substantially increase our assets under management.
- Attract foreign investment into South African listed property equities.
- Develop international property capabilities and products.

Australia

Property Fund Management and Property Projects

Our strategic objectives are to:

- Take advantage of opportunities, including the acquisition of development properties, short-term property trading, specialised properties and long-term investment properties.
- Acquire properties with value-add potential through redevelopment and/or property repositioning.
- Align with appropriate partners to leverage their expertise.

Capital raisings and Investments

Our strategy is to:

- Engage in capital raisings to enable us to invest in further property opportunities within our Opportunity Fund and through the creation of other funds.
- Create investment opportunities for our wholesale clients whilst growing assets under management.

Property Activities

Leading fund and asset manager, seeking selective trading opportunities

Management structure

Global Head of Property Activities

Sam Hackner

UK and Europe

Regional Head

Angelique de Rauville

South Africa

Regional Head
Property Projects
Property Investments
Finance

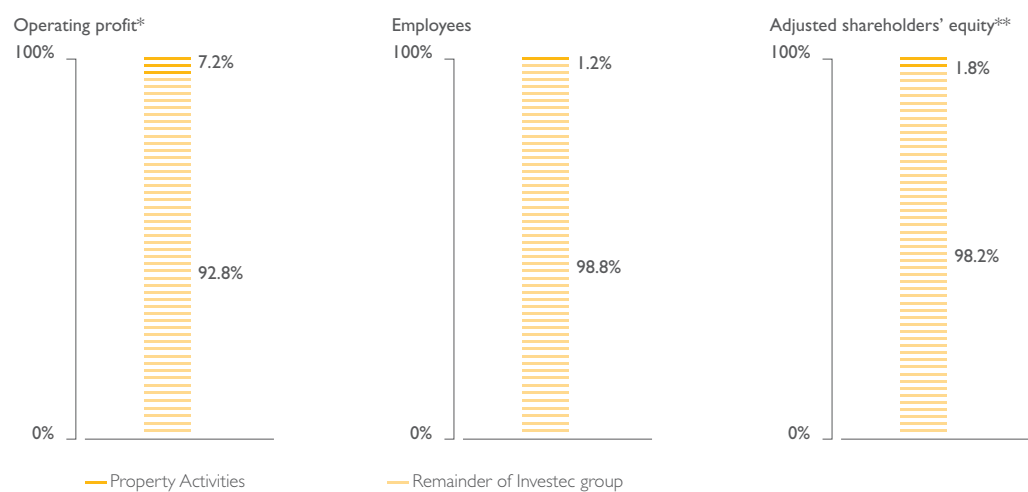
Sam Leon
Robin Magid
Angelique de Rauville
Dave Donald

Australia

Regional Heads

Graeme Katz
Tamara Williams

Contribution analysis



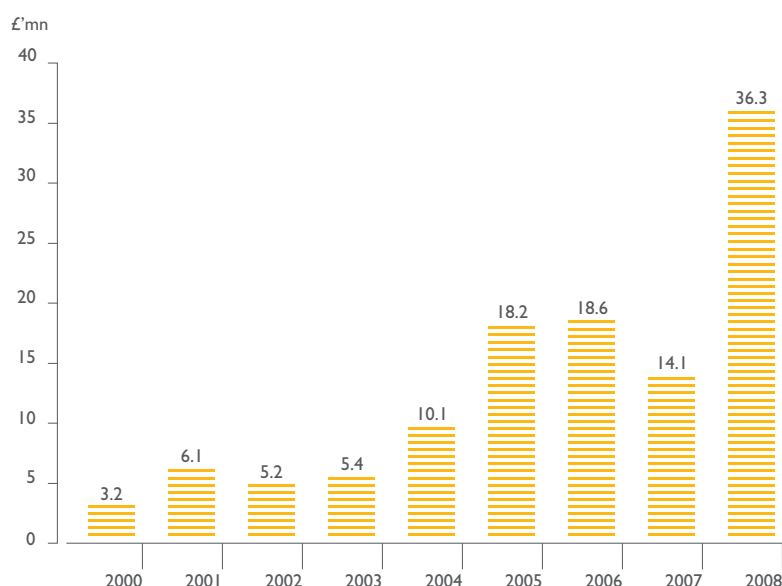
* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 91.

Property Activities

Leading fund and asset manager, seeking selective trading opportunities

Operating profit[^] - track record



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

Overview and financial analysis

- Operating profit increased significantly to £36.3 million, contributing 7.2% to group profit.
- During the year we disposed of our South African property fund management and property administration business to Growthpoint. This transaction was approved by the Competition Tribunal of South Africa on 18 October 2007. A non-operating pre-tax exceptional gain of £72.9 million was made on the sale of these businesses. The purchase consideration was satisfied by the issue of new Growthpoint linked units. These linked units were sold on 6 November 2007 to monetise the proceeds from the sale.
- Funds under management have decreased mainly as a result of the sale to Growthpoint.
- Funds under advice have increased by 42.9% to R6.7 billion.

£'000	31 March 2008	31 March 2007	Variance	% Change
Net interest income	(10 513)	(5 801)	(4 712)	81.2%
Net fee and commission income	20 764	28 354	(7 590)	(26.8%)
Other income	45 275	11 847	33 428	>100.0%
Admin expenses and depreciation	(19 205)	(20 256)	1 051	(5.2%)
Operating profit before goodwill, non-operating items and taxation	36 321	14 144	22 177	>100.0%
UK	144	1 292	(1 148)	(88.9%)
Southern Africa	36 078	12 852	23 226	>100.0%
Australia	99	-	99	100.0%
Operating profit before goodwill, non-operating items and taxation	36 321	14 144	22 177	>100.0%
Adjusted shareholders' equity*	29 773	19 975	9 798	49.1%
ROE (pre-tax)*	122.8%	50.0%		
Cost to income ratio	34.6%	58.9%		
Operating profit per employee (£'000)*	209.9	53.2		>100.0%

* As calculated on pages 91 and 97.

Property Activities

Leading fund and asset manager, seeking selective trading opportunities

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

- The South African division showed an improvement in operating profit largely due to realised gains on the sale of properties and a strong performance from the investment property portfolio. The revaluation of investment properties net of funding costs amounted to £35.3 million (2007: £1.1 million).
- UK and Australia reflect newly created businesses.

Developments

UK and Europe

- A Property Investments business is being formed in pursuit of opportunities that are expected to arise from a softening global property market. A fund has been established in a joint venture with global property operators in order to invest raised and committed capital.

South Africa

- Pipeline developments are secured and the business is underpinned by the Property Investments business which provides an annuity of income. Global property products under development are expected to provide a broader range of investment products for local investors.

Australia

- The Opportunity Fund has completed a successful capital raising and is now positioned to pursue further opportunities and to increase assets under management.

Outlook, risks and uncertainties

UK and Europe

Refer to strategic focus on page 54.

South Africa

- Vacancies are low in all commercial sectors.
- Opportunities to enhance value to existing portfolios remains positive, however, there are continued concerns around skills availability and the increased cost and shortage of building materials and power shortages are likely to result in a slowdown in developments.
- A shortage of prime zoned land has become evident, driving prices to unprecedented levels, particularly industrial land.
- The volatility in global markets and property values has resulted in a sharp sell-off in South African property equities. Assets under management are likely to reflect a reduction as a direct consequence of this.
- Markets are expected to start reflecting value and therefore opportunities on the back of weakening prices.

Australia

- The Australian property market is presenting many interesting development and investment opportunities that reflect good value given the current environment.

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- Finance and Operations- Head Office- Human Resources- Information and Business Intelligence Centre- Information Technology- International Financial Institutions- Investor Relations- Legal and Tax- Marketing- Organisation Development- Regulatory, Internal Audit and Compliance- Risk Management- Secretarial- Staff Share Schemes
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 and Sustainability	Carole Mason (SA)
Corporate Governance, Internal Audit and Compliance	Bradley Tapnack
Finance, IT and Operations	Rayanne Jacobson
Human Resources	Allen Zimbler (UK)
	Tracey Rowe (SA)
International Financial Institutions	Helmut Bahrs
Investor Relations	Ursula Nobrega
Legal	David Nurek
Marketing	Raymond van Niekerk
Organisation Development	Caryn Solomon (UK)
	Marc Kahn (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 2008	31 March 2007	Variance	% Change
International Trade Finance	7 258	5 462	1 796	32.9%
UK Traded Endowments	652	(109)	761	(>100.0%)
Assurance Activities	4 116	1 646	2 470	>100.0%
	12 026	6 999	5 027	71.8%
Central Funding	99 075	66 981	32 094	47.9%
Central Services	(73 388)	(74 649)	1 261	(1.7%)
Operating profit before goodwill, non-operating items and taxation	37 713	(669)	38 382	(>100.0%)

£'000 - 31 March 2008	UK & Europe	Southern Africa	Australia	Other	Total group
International Trade Finance	3 229	4 029	-	-	7 258
UK Traded Endowments	-	652	-	-	652
Assurance Activities	-	4 116	-	-	4 116
Central Funding	19 992	67 806	11 277	-	99 075
Central Services	(34 138)	(29 658)	(9 592)	-	(73 388)
Operating profit before goodwill, non-operating items and taxation	(10 917)	46 945	1 685	-	37 713

£'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 profit before goodwill, non-operating items and taxation	(32 967)	35 058	(3 141)	381	(669)

Developments

International Trade Finance

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

Central Costs

- We have a policy of allocating costs 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 £73.4 million (2007: £74.6 million). However, a portion thereof (£71.4 million) is allocated to the operating divisions for purposes of determining return on adjusted capital per business segment. Refer to page 91 for further details.
- Central costs are in line with the prior year.

Group Services and Other Activities

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 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 2008	31 March 2007	Variance	% Change
Net interest income (excluding interest on sub debt and debentures)	157 524	86 040	71 484	83.1%
Other income	20 224	40 235	(20 011)	(49.7%)
	177 748	126 275	51 473	40.8%
Interest paid on sub-debt and debentures	(74 516)	(54 963)	(19 553)	35.6%
Impairment losses on loans and advances	382	794	(412)	(51.9%)
Admin expenses and depreciation	(4 539)	(5 125)	586	(11.4%)
Operating profit before goodwill, non-operating items and taxation	99 075	66 981	32 094	47.9%

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

- Net interest income was positively impacted by:
 - Increased cash holdings
 - A profit of £23.4 million (2007: 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.
- The increase in interest paid on sub-debt is as a result of new debt being issued in the UK in January 2007 and in South Africa in December 2007 and February 2008.
- The decline in principal transaction and other income reflects a lower return on certain of the assets in the South African portfolio.

Segmental geographical analysis - income statement

For the year to 31 March 2008

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Interest income	855 365	1 093 453	134 562	-	2 083 380
Interest expense	(559 003)	(862 873)	(78 084)	-	(1 499 960)
Net interest income	296 362	230 580	56 478	-	583 420
Fee and commission income	324 375	265 183	24 799	-	614 357
Fee and commission expense	(51 916)	(10 084)	(1 061)	-	(63 061)
Principal transactions	60 855	201 182	14 668	-	276 705
Operating income from associates	*12 200	(11)	(51)	-	12 138
Investment income on assurance activities	-	89 593	-	-	89 593
Premiums and reinsurance recoveries on insurance contracts	-	40 849	-	-	40 849
Other operating income	44 954	3 589	1 500	-	50 043
Other income	390 468	590 301	39 855	-	1 020 624
Claims and reinsurance premiums on insurance business	-	(120 358)	-	-	(120 358)
Total operating income net of insurance claims	686 830	700 523	96 333	-	1 483 686
Impairment losses on loans and advances	(76 989)	(30 844)	(6 352)	-	(114 185)
Operating income	609 841	669 679	89 981	-	1 369 501
Administrative expenses	(427 688)	(323 618)	(56 194)	-	(807 500)
Depreciation and amortisation of property, equipment and intangibles	(17 525)	(6 091)	(714)	-	(24 330)
Operating profit before goodwill	164 628	339 970	33 073	-	537 671
Goodwill	(59 900)	(2 865)	-	-	(62 765)
Operating profit	104 728	337 105	33 073	-	474 906
Profit on disposal of group operations	-	72 855	-	-	72 855
Profit before taxation	104 728	409 960	33 073	-	547 761
Taxation	(30 964)	(90 289)	(5 996)	-	(127 249)
Profit after taxation	73 764	319 671	27 077	-	420 512
Earnings attributable to minority interests	(27 019)	(743)	(1 192)	-	(28 954)
Earnings attributable to shareholders	46 745	318 928	25 885	-	391 558
Selected returns and key statistics					
ROE (post-tax)	11.8%	41.9%	15.0%	-	23.6%
Cost to income ratio	64.8%	47.1%	59.1%	-	56.1%
Staff compensation to operating income	41.7%	32.1%	42.0%	-	37.2%
Operating profit per employee (£'000)	91.3	87.8	100.7	-	89.3
Effective operational tax rate	20.3%	24.1%	18.1%	-	22.6%
Total assets (£'million)	17 304	15 027	1 772	1	34 104

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

Segmental geographical analysis - income statement

For the year to 31 March 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Interest income	377 484	761 140	94 588	14	1 233 226
Interest expense	(244 428)	(589 319)	(55 564)	-	(889 311)
Net interest income	133 056	171 821	39 024	14	343 915
Fee and commission income	299 027	253 388	24 673	685	577 773
Fee and commission expense	(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 intangibles	(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
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%	(6 350%)	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/(loss) per employee (£'000)	121.7	78.0	148.5	76.2	92.3
Effective operational tax rate	23.8%	27.1%	31.6%	-	26.3%
Total assets (£'million)	10 239	14 770	1 290	1	26 300

* The number is net of tax of £5 million.

Segmental business analysis - income statement

For the year to 31 March 2008

£'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total Group
Net interest income	272 742	227 174	(8 463)	7 558	(10 513)	94 922	583 420
Fee and commission income	160 181	80 983	97 885	253 385	20 764	1 159	614 357
Fee and commission expense	(12 508)	5 848	(9 282)	(45 902)	-	(1 217)	(63 061)
Principal transactions	35 872	97 998	79 583	56	45 275	17 921	276 705
Operating income from associates	**11 953	(266)	215	-	-	236	12 138
Investment income on assurance activities	-	-	-	-	-	89 593	89 593
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	40 849	40 849
Other operating income	-	-	44 801	3 603	-	1 639	50 043
Other income	195 498	184 563	213 202	211 142	66 039	150 180	1 020 624
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(120 358)	(120 358)
Total operating income net of insurance claims	468 240	411 737	204 739	218 700	55 526	124 744	1 483 686
Impairment losses on loans and advances	(33 326)	(79 336)	(1 356)	-	-	(167)	(114 185)
Operating income	434 914	332 401	203 383	218 700	55 526	124 577	1 369 501
Administrative expenses	(238 331)	(209 911)	(118 106)	(140 970)	(18 895)	(81 287)	(807 500)
Depreciation and amortisation of property, equipment and intangibles	(2 847)	(6 740)	(7 947)	(909)	(310)	(5 577)	(24 330)
Operating profit before goodwill	193 736	115 750	77 330	76 821	36 321	37 713	537 671
Goodwill	-	(59 900)	-	(2 865)	-	-	(62 765)
Operating profit	193 736	55 850	77 330	73 956	36 321	37 713	474 906
Profit on disposal of group operations	-	-	-	-	72 855	-	72 855
Profit before taxation	193 736	55 850	77 330	73 956	109 176	37 713	547 761
Selected returns and key statistics							
ROE (pre-tax)	35.3%	23.4%	34.3%	55.0%	122.8%	1.4%	31.7%
Cost to income ratio	51.5%	52.6%	61.6%	64.9%	34.6%	69.6%	56.1%
Staff compensation to operating income	32.6%	31.6%	34.3%	43.0%	25.1%	73.3%	37.2%
Operating profit per employee (£'000)	76.7	127.4	216.6	78.7	209.9	34.2	89.3
Total assets (£'million)	10 011	18 384	823	460	203	4 223	34 104

* 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 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
Fee and commission income	148 951	82 741	96 438	219 029	28 354	2 260	577 773
Fee and commission expense	(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 intangibles	(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
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 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

** The number is net of tax of £5 million

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

£'000	1st half 2008	2nd half 2008	Year to 31 March 2008	1st half 2007	2nd half 2007	Year to 31 March 2007	% Change
Private Client Activities							
Private Banking	85 694	80 700	166 394	73 620	80 771	154 391	7.8%
Private Client Portfolio Management and Stockbroking	14 367	12 975	27 342	9 738	12 343	22 081	23.8%
	100 061	93 675	193 736	83 358	93 114	176 472	9.8%
Capital Markets	43 199	72 551	115 750	57 065	60 226	117 291	(1.3%)
Investment Banking							
Corporate Finance	8 230	6 047	14 277	9 604	6 286	15 890	(10.2%)
Institutional Research, Sales and Trading	7 223	5 199	12 422	7 314	7 080	14 394	(13.7%)
Direct Investments	9 724	6 266	15 990	5 185	12 963	18 148	(11.9%)
Private Equity	26 733	7 908	34 641	13 675	29 128	42 803	(19.1%)
	51 910	25 420	77 330	35 778	55 457	91 235	(15.2%)
Asset Management	36 203	40 618	76 821	31 896	36 216	68 112	12.8%
Property Activities	11 486	24 835	36 321	6 319	7 825	14 144	>100.0%
Group Services and Other Activities							
International Trade Finance	3 132	4 126	7 258	2 195	3 267	5 462	32.9%
USA Continuing Activities	-	-	-	-	-	-	-
UK Traded Endowments	348	304	652	(19)	(90)	(109)	>100.0%
Assurance Activities	(112)	4 228	4 116	725	921	1 646	>100.0%
	3 368	8 658	12 026	2 901	4 098	6 999	71.8%
Central Funding	37 019	62 056	99 075	22 757	44 224	66 981	47.9%
Central Services Costs	(28 995)	(44 393)	(73 388)	(34 783)	(39 866)	(74 649)	(1.7%)
	11 392	26 321	37 713	(9 125)	8 456	(669)	>100.0%
Total group	254 251	283 420	537 671	205 291	261 294	466 585	15.2%

Segmental geographic analysis - balance sheet

For the year to 31 March 2008

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Cash and balances at central banks	608 439	173 844	6 189	-	788 472
Loans and advances to banks	991 798	1 024 225	137 750	-	2 153 773
Cash equivalent advances to customers	7 183	497 199	-	-	504 382
Reverse repurchase agreements and cash collateral on securities borrowed	350 616	443 537	-	-	794 153
Trading securities	441 749	1 526 490	16 341	-	1 984 580
Derivative financial instruments	639 030	598 021	68 213	-	1 305 264
Investment securities	809 113	13 711	307 316	732	1 130 872
Loans and advances to customers	7 487 413	5 731 424	827 298	-	14 046 135
Securitised assets	4 905 922	831 507	345 546	-	6 082 975
Interests in associated undertakings	79 794	9	2 773	-	82 576
Deferred taxation assets	44 649	29 017	10 827	-	84 493
Other assets	570 823	303 332	8 054	-	882 209
Property and equipment	127 586	10 226	3 540	-	141 352
Investment properties	-	134 975	-	-	134 975
Goodwill	215 068	20 789	36 075	-	271 932
Intangible assets	25 044	4 618	1 844	-	31 506
	17 304 227	11 342 924	1 771 766	732	30 419 649
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	2 878 894	-	-	2 878 894
- assets related to reinsurance contracts	-	805 009	-	-	805 009
Total assets	17 304 227	15 026 827	1 771 766	732	34 103 552
Liabilities					
Deposits by banks	2 856 335	583 079	49 618	-	3 489 032
Deposits by banks - Kensington warehouse funding	1 778 438	-	-	-	1 778 438
Derivative financial instruments	192 469	633 036	56 072	-	881 577
Other trading liabilities	192 987	257 593	-	-	450 580
Repurchase agreements and cash collateral on securities lent	287 585	94 799	-	-	382 384
Customer accounts	4 442 854	7 142 356	547 910	-	12 133 120
Debt securities in issue	222 963	156 097	398 709	-	777 769
Liabilities arising on securitisation	4 627 586	783 552	349 070	-	5 760 208
Current taxation liabilities	52 497	78 662	1 497	-	132 656
Deferred taxation liabilities	41 856	37 316	-	-	79 172
Other liabilities	661 067	586 488	31 741	77	1 279 373
	15 356 637	10 352 978	1 434 617	77	27 144 309
Liabilities to customers under investment contracts	-	2 862 916	-	-	2 862 916
Insurance liabilities, including unit-linked liabilities	-	15 978	-	-	15 978
Reinsured liabilities	-	805 009	-	-	805 009
	15 356 637	14 036 881	1 434 617	77	30 828 212
Subordinated liabilities (including convertible debt)	737 212	292 162	35 947	-	1 065 321
Total liabilities	16 093 849	14 329 043	1 470 564	77	31 893 533

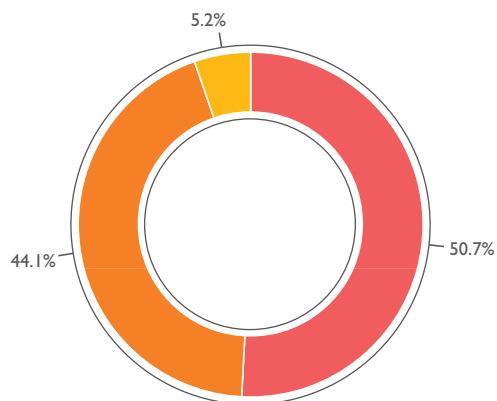
Segmental geographic analysis - balance sheet

For the year to 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	1 589 541	75 008	807	2 431 769
Cash equivalent advances to customers	23 210	525 392	-	-	548 602
Reverse repurchase agreements and cash collateral on securities borrowed	1 979 936	344 702	-	-	2 324 638
Trading securities	491 270	1 456 159	67 715	-	2 015 144
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	4 860 184	663 442	-	9 527 080
Securitised assets	-	831 742	-	-	831 742
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	481 288	7 440	126	1 420 681
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	6 412 782	451 003	-	10 650 102
Debt securities in issue	681 531	94 613	477 608	-	1 253 752
Liabilities arising on securitisation	-	826 627	-	-	826 627
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	684 730	22 955	98	1 778 488
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)	587 353	215 633	41 466	-	844 452
Total liabilities	9 375 200	14 067 307	1 036 667	98	24 479 272

Assets by geography

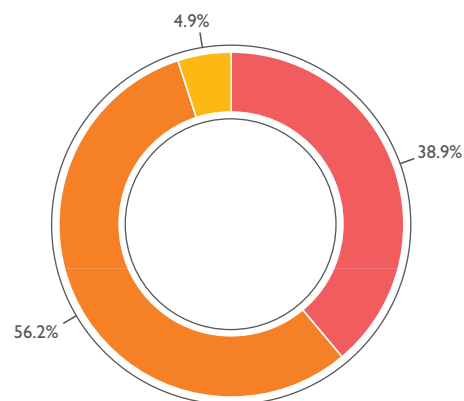
31 March 2008



UK and Europe
Australia

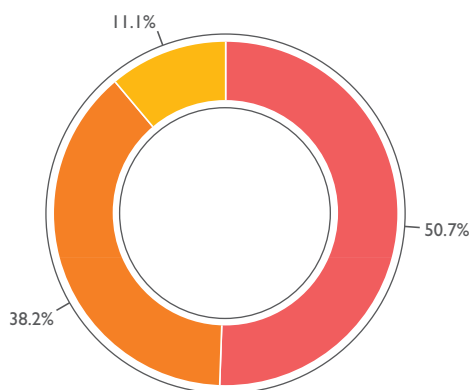
Southern Africa

31 March 2007



Adjusted shareholders' equity by geography

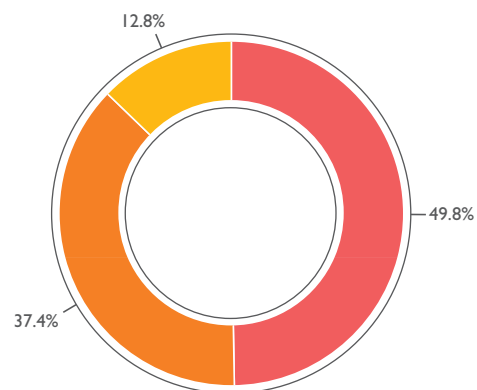
31 March 2008



UK and Europe
Australia

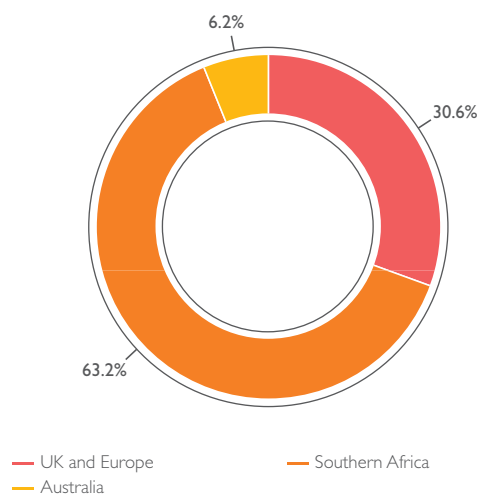
Southern Africa

31 March 2007

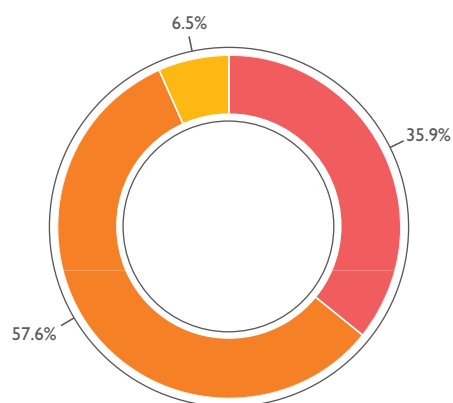


Operating profit before goodwill, non-operating items and taxation by geography

31 March 2008

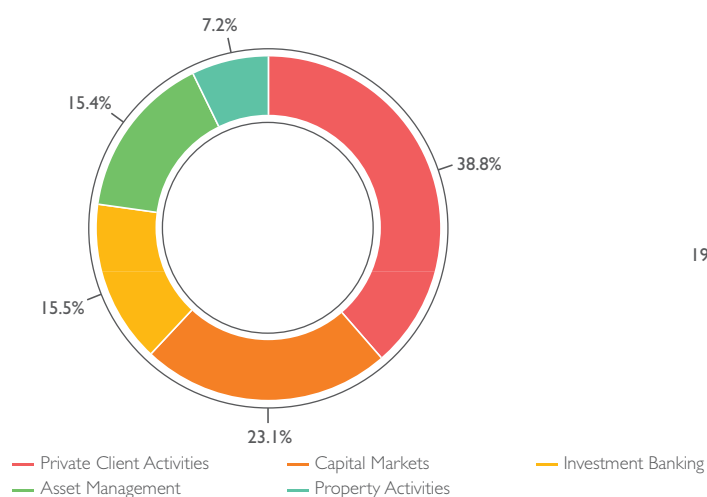


31 March 2007

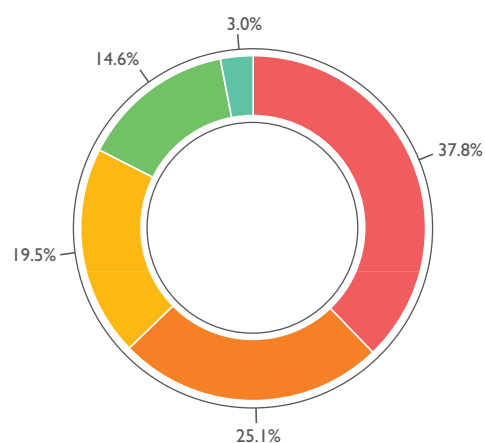


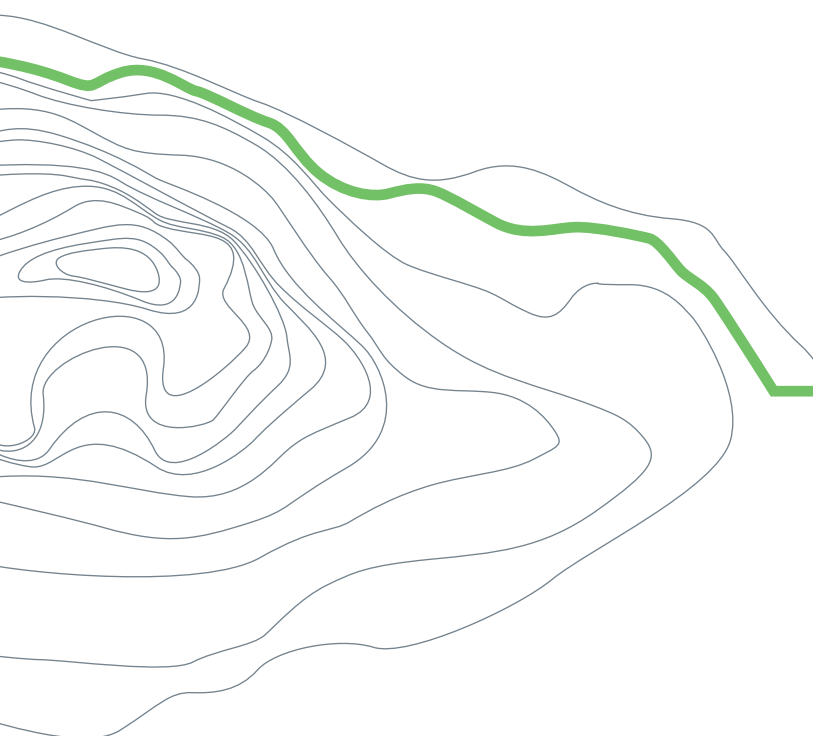
Operating profit before goodwill, non-operating items and taxation by line of business (excluding Group Services and Other Activities)

31 March 2008



31 March 2007





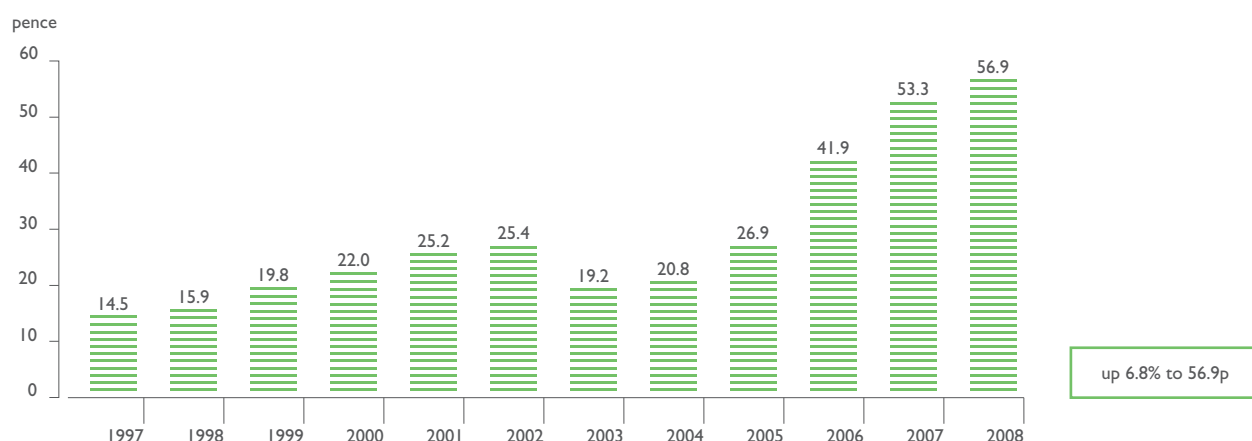
Financial objectives and
additional information

Financial review

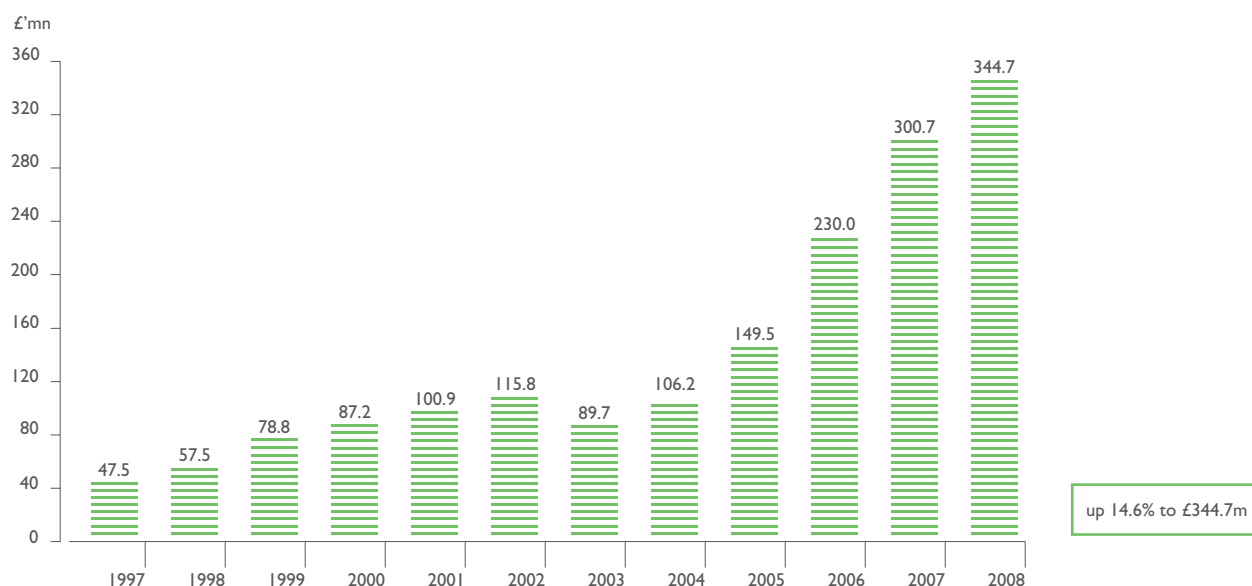
This commentary and analysis of our financial results for the year ended 31 March 2008 provides an overview of our financial performance relative to the group's results for the year ended 31 March 2007. Further detail on the performance of our business divisions is provided in the Divisional and Segmental Review section of this report. The commentary and analysis are based on our consolidated financial results presented in accordance with IFRS denominated in Pounds Sterling. The financial information discussed below is based on the period under review, and may not necessarily reflect the financial condition or results of the operations of the group going forward.

Solid growth record

Adjusted earnings per share before goodwill and non-operating items*



Adjusted attributable earnings before goodwill and non-operating items



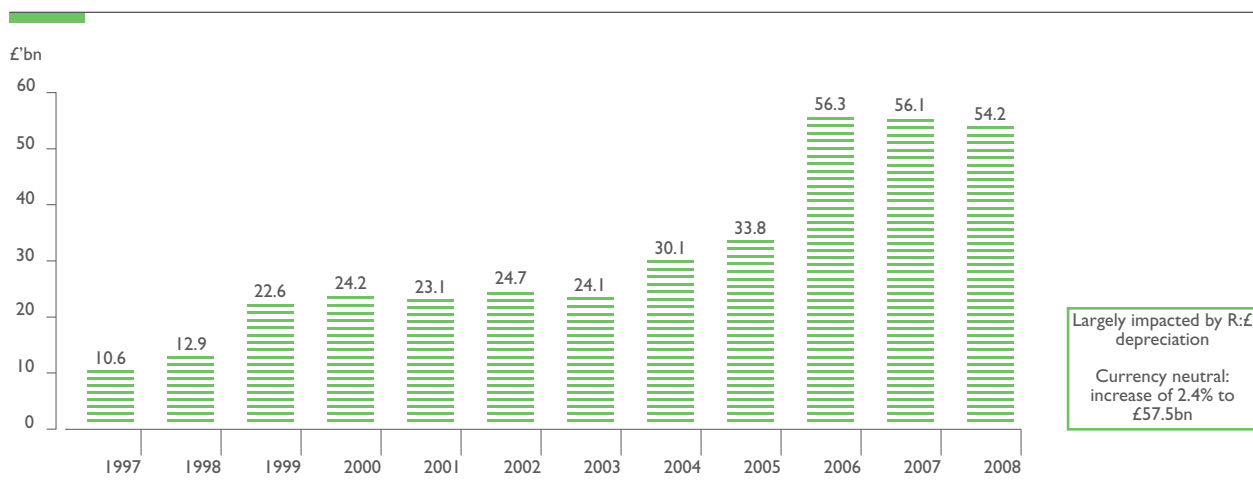
Note:

Results are shown for the year ended 31 March. Prior to 2005 the numbers are reported in terms of UK GAAP and thereafter in terms of IFRS.

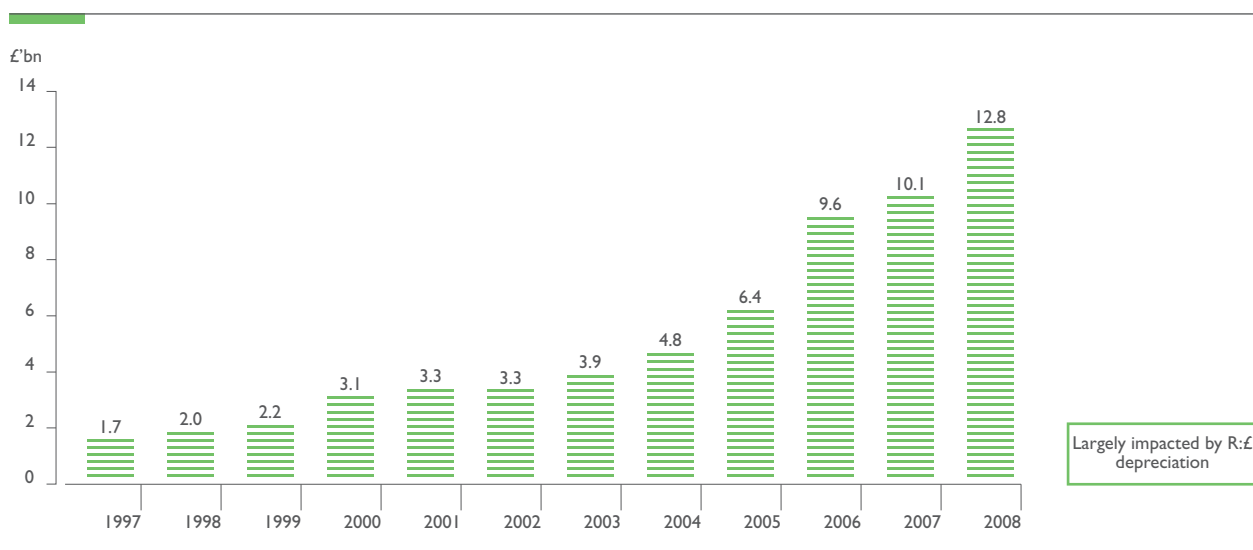
* Historical EPS numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.

Financial review

Third party assets under management



Core loans and advances



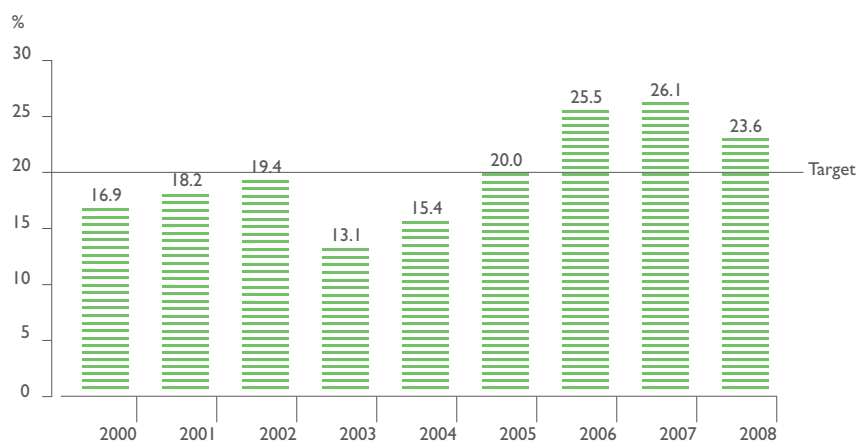
Note:

Results are shown for the year ended 31 March. Prior to 2005 the numbers are reported in terms of UK GAAP and thereafter in terms of IFRS.

Financial review

Financial objectives

ROE*



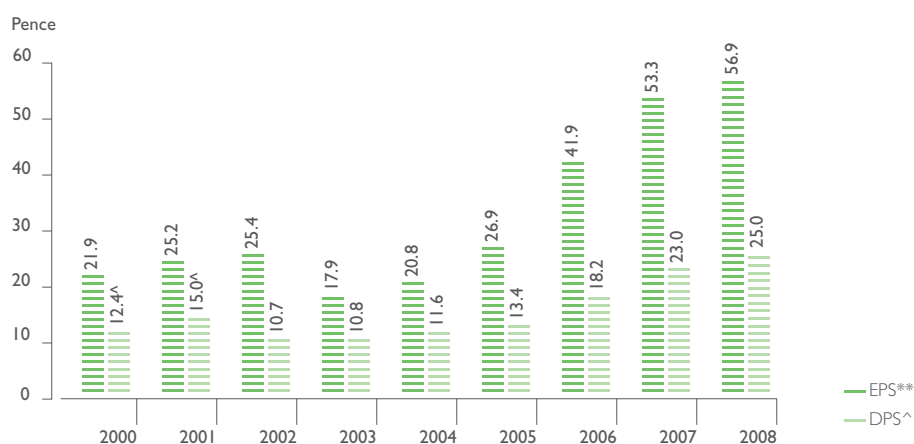
* ROE is post-tax return on adjusted average shareholder's equity (inclusive of compulsory convertible instruments) as calculated on page 89.

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 out 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 87.

^ 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.

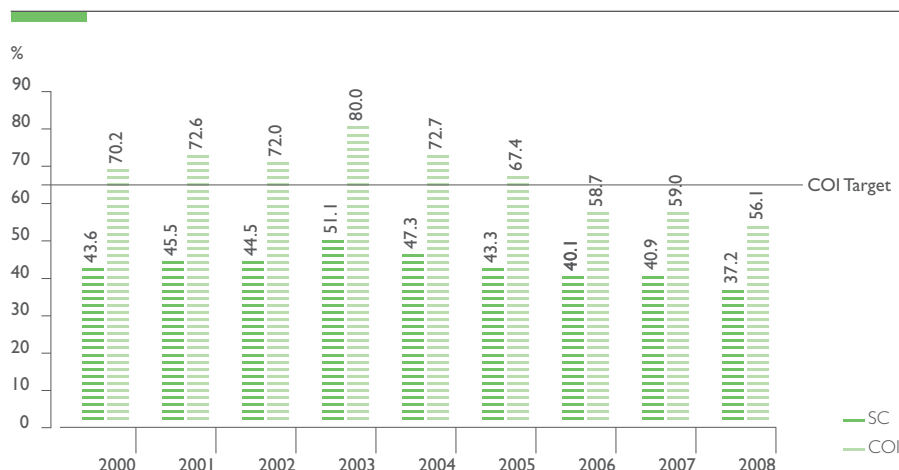
In the medium to long-term, we aim to achieve adjusted **EPS growth of 10% in excess of UK inflation (in Pounds Sterling)**. We continually strive to build and maintain a sustainable business model. We intend to maintain a dividend cover of between 1.7 and 2.3 times based on earnings per share as defined 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 74.

Financial review

Financial objectives

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

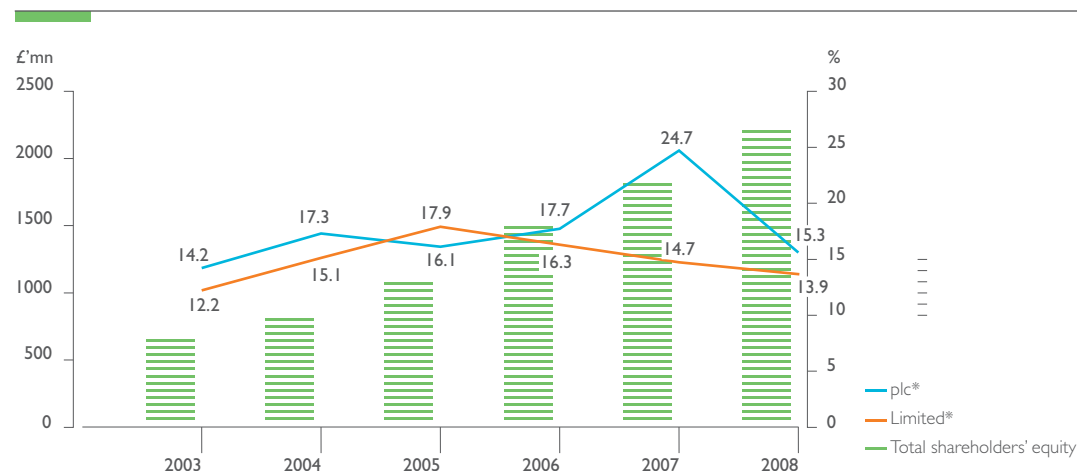


We have significantly rationalised and restructured our operations over the past couple of years in an effort to reduce our overall cost base. Increased emphasis continues to be placed on enhancing income growth while at the same time ensuring effective containment of costs.

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)



* Capital adequacy figures prior to 2008 are disclosed under Basel I and for 2008 under Basel II.

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. We target a capital adequacy ratio of between 12% - 15% on a consolidated basis for Investec plc and Investec Limited and we target a minimum tier I ratio of 9%.

Note:

- The numbers shown in the financial objectives graphs on pages 73 and 74 are for the years ended 31 March. The numbers prior to 2005 are reported in terms of UK GAAP.

Financial review

An overview of Investec's key income drivers

Investec provides a wide range of financial products and services to a niche client base in three principal markets, the UK, South Africa and Australia. Investec is organised as a network comprising five principal business divisions: Private Client Activities, Capital Markets, Investment Banking, Asset Management and Property Activities.

In addition, our head office provides certain group-wide integrating functions such as Risk Management, Information Technology, Finance, Investor Relations, Marketing, Human Resources and Organisational Development. It is also responsible for our central funding and other activities, such as our Trade Finance operations.

There are therefore a number of key income drivers for our business which are discussed below.

Business activity	Key income drivers	Income impacted primarily by	Income statement - reflected as
Private Client Activities			
Private Banking	<ul style="list-style-type: none"> • Interest earned in connection with the bank's lending activities • Fees earned for advisory, banking and lending services • Income earned in respect of growth and acquisition finance activities 	<ul style="list-style-type: none"> • Size of loan portfolio • Interest rate environment • Levels of activity • Quality of transactions and deal flow 	<ul style="list-style-type: none"> • Net interest income • Net interest income and fees and commissions • Fees and commissions and principal transactions
Private Client Portfolio Management and Stockbroking	<ul style="list-style-type: none"> • Fees levied as a percentage of assets under management • Commissions earned for executing transactions for clients • Performance fees paid for achieving outperformance against benchmark 	<ul style="list-style-type: none"> • Movement in the value of assets underlying client portfolios • The level of clients' investment activity, which, in turn, is affected by, among other things, the performance of the global stock markets, the equity investment risk appetite of our clients and market liquidity 	<ul style="list-style-type: none"> • Fees and commissions
Capital Markets			
	<ul style="list-style-type: none"> • Trading and hedging • Product structuring and distribution • Asset creation • Advisory 	<ul style="list-style-type: none"> • Client activity • Market opportunities • Market risk factors primarily volatility and liquidity • The level of clients' investment activity, which, in turn, is affected by, among other things, the performance of the global markets and the investment risk appetite of our clients • Distribution channels • Ability to create innovative products • Rate environment • Size of loan portfolio • Credit spreads • Clients capital and infrastructural investments • The demand for our specialised advisory services, which, in turn, is affected by applicable tax, regulatory and other economic factors e.g. project activity in the relevant markets 	<ul style="list-style-type: none"> • Principal transactions • Fees and commissions and principal transactions • Fees and commissions • Net interest income • Principal transactions (in certain cases) • Fees and commissions

Financial review

An overview of Investec's key income drivers

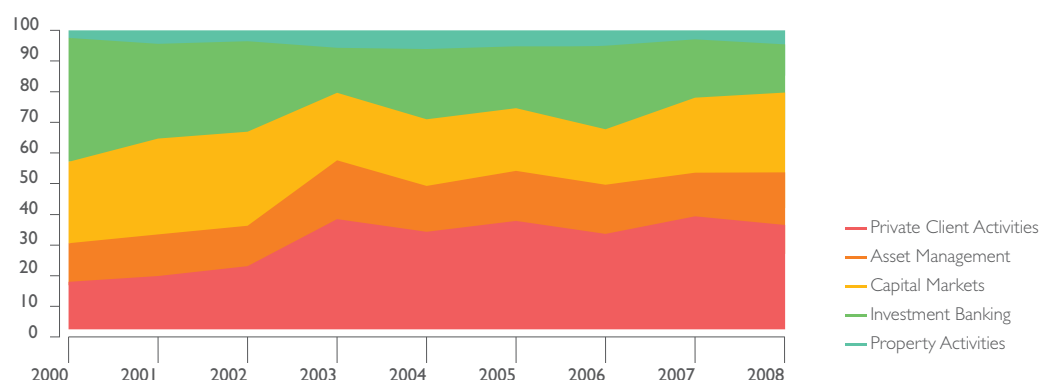
Business activity	Key income drivers	Income impacted primarily by	Income statement - reflected as
Investment Banking			
Corporate Finance	<ul style="list-style-type: none"> Fees resulting from the provision of capital raising and financial advisory work 	<ul style="list-style-type: none"> Macro- and micro- economic fundamentals Industry-specific trends Underlying stock market activity, particularly in our primary markets 	<ul style="list-style-type: none"> Fees and commissions
Institutional Research, Sales and Trading	<ul style="list-style-type: none"> Brokerage commissions Trading and market making activities 	<ul style="list-style-type: none"> Stock market trading volume and volatility Client allocation of broking transactions Our ability to source securities and execute trades on behalf of our clients 	<ul style="list-style-type: none"> Fees and commissions and principal transactions
Private Equity and Direct Investments	<ul style="list-style-type: none"> Sale of investments and revaluation of trading investments Dividends 	<ul style="list-style-type: none"> Macro- and micro- economic market conditions Availability of profitable exit routes Whether appropriate market conditions exist to maximise gains on sale Attractive investment opportunities 	<ul style="list-style-type: none"> Principal transactions
Asset Management			
	<ul style="list-style-type: none"> Fixed fees as a percentage of assets under management Variable performance fees 	<ul style="list-style-type: none"> Movements in the value of the assets underlying client portfolios Performance of portfolios against set benchmarks Net sales 	<ul style="list-style-type: none"> Fees and commissions
Property Activities			
	<ul style="list-style-type: none"> Fees levied as a percentage of assets under management Trading and development activities 	<ul style="list-style-type: none"> Movements in the value of assets underlying client portfolios Macro- and micro- economic market conditions Availability of profitable exit routes Whether appropriate market conditions exist to maximise gains on sale 	<ul style="list-style-type: none"> Fees and commissions Principal transactions
Group Services and Other Activities			
<ul style="list-style-type: none"> International Trade Finance Central Funding 	<ul style="list-style-type: none"> These businesses earn a variety of management and banking fees, brokerage, commissions As this division is responsible for the group's central funding requirements, this income is offset by the cost of group funding (net of return on the group's central capital) 	<p>A variety of factors including:</p> <ul style="list-style-type: none"> Interest rate environment Rand/Dollar exchange rate, in the case of the International Trade Finance operations Level of client activity 	<ul style="list-style-type: none"> All categories of income other than net operating income from associates and assurance activities

Financial review

A diversified portfolio of businesses

- We have a much more diversified portfolio of businesses than we did in 2000.
- We will continue to balance our operational risk businesses with financial risk businesses to build a sustainable business model.

% contribution to operating profit*



* Before goodwill, non-operating items and taxation, and excluding Group Services and Other Activities. Results are shown for the year ended 31 March.

Salient features of the group's results in the year under review

A number of significant corporate actions have been undertaken during the year under review and the previous financial year which have a bearing on our performance and these are highlighted below:

- The sale of the South African property fund management and property administration business to Growthpoint Properties Limited, as approved by the Competition Tribunal of South Africa on 18 October 2007. A non-operating exceptional gain of £72.9 million (pre-tax) was made on the sale of this business. The purchase consideration was satisfied by the issue of new Growthpoint linked units. Furthermore, as announced on 6 November 2007, Investec disposed of 152 473 544 Growthpoint linked units representing its entire shareholding in Growthpoint, inter alia, monetising the proceeds on the disposal of the property fund management and property administration business.
- Investec Bank Australia Limited acquired Experien (Pty) Ltd as of 1 October 2007.
- Investec plc acquired Kensington with effect from 8 August 2007. The business was acquired for £216.3 million, via the issue of 36.8 million Investec plc shares, with a net asset value at date of acquisition of £100.2 million (after a special dividend of £13.7 million). Kensington now forms part of the Capital Markets business in the UK.

Financial review

Income statement analysis

Further details on the key income drivers and significant variances in the various components of the group's operating income, expenses and profit can be found in the description of our principal businesses on pages xx to xx.

Total operating income

Operating income increased by 26.0% to £1 484 million (2007: £1 177 million). The various components of total operating income are analysed below.

£'000	31 March 2008	% of total income	31 March 2007	% of total income	% Change
Net interest income	583 420	39.3%	343 915	29.2%	69.6%
Other income	900 266	60.7%	833 202	70.8%	8.0%
Net fees and commissions receivable	551 296	37.2%	521 498	44.3%	5.7%
Principal transactions	276 705	18.6%	245 463	20.9%	12.7%
Operating income from associates	12 138	0.8%	10 685	0.9%	13.6%
Net income on Assurance Activities	10 084	0.7%	5 871	0.5%	77.4%
Other operating income	50 043	3.4%	49 685	4.2%	0.7%
Total operating income net of insurance claims	1 483 686	100.0%	1 177 117	100.0%	26.0%

The following table sets out information on total operating income by geography for the period under review.

£'000	31 March 2008	% of total income	31 March 2007	% of total income	% Change
UK and Europe	686 830	46.3%	520 979	44.3%	31.8%
Southern Africa	700 523	47.2%	581 441	49.4%	20.5%
Australia	96 333	6.5%	73 998	6.2%	30.2%
Other geographies	-	-	699	0.1%	100.0%
Total operating income net of insurance claims	1 483 686	100.0%	1 177 117	100.0%	26.0%

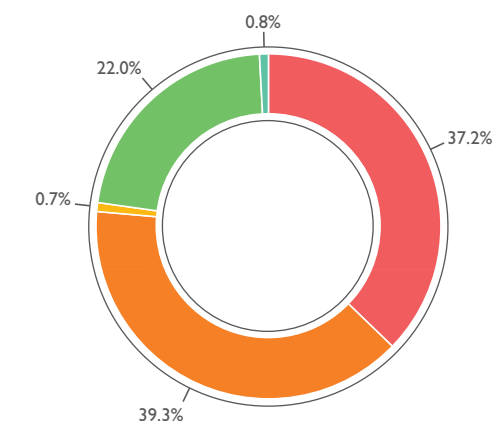
The following table sets out information on total operating income by division for the period under review.

£'000	31 March 2008	% of total income	31 March 2007	% of total income	% Change
Private Banking	418 466	28.2%	343 700	29.2%	21.8%
Private Client Portfolio Management and Stockbroking	49 774	3.4%	41 261	3.5%	20.6%
Capital Markets	411 737	27.8%	271 957	23.1%	51.4%
Investment Banking	204 739	13.8%	208 795	17.7%	(1.9%)
Asset Management	218 700	14.7%	188 556	16.0%	16.0%
Property Activities	55 526	3.7%	34 400	3.0%	61.4%
Group Services and Other Activities	124 744	8.4%	88 448	7.5%	41.0%
Total operating income net of insurance claims	1 483 686	100.0%	1 177 117	100.0%	26.0%

Financial review

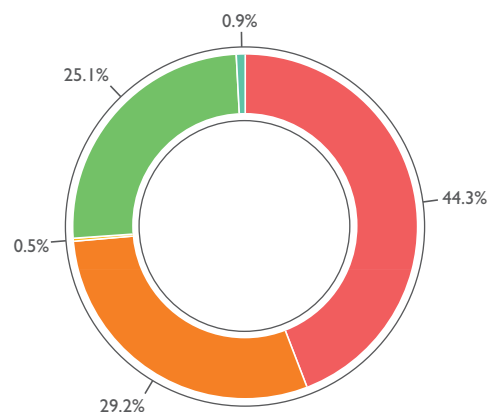
% of total income

31 March 2008



— Net fees and commissions income
 — Net interest income
 — Net income on assurance activities
— Principal transactions and other operating income
 — Operating income from associates

31 March 2007



Net interest income

Net interest income represents interest earned net of interest paid in connection with our portfolio of bank accounts, deposits, lending activity and financial structured products. Net interest income increased by 69.6% to £583.4 million (2007: £343.9 million) as a result of growth in advances, the acquisition of Kensington, and a solid performance from the Central Funding division.

£'000	31 March 2008	31 March 2007	Variance	% Change
Private Banking	272 666	217 435	55 231	25.4%
Private Client Portfolio Management and Stockbroking	76	6	70	>100.0%
Capital Markets	227 174	89 078	138 096	>100.0%
Investment Banking	(8 463)	(2 457)	(6 006)	>100.0%
Asset Management	7 558	5 242	2 316	44.2%
Property Activities	(10 513)	(5 801)	(4 712)	81.2%
Group Services and Other Activities	94 922	40 412	54 510	>100.0%
Net interest income	583 420	343 915	239 505	69.6%

Financial review

Net fee and commission income

Net fee and commission income consists of fees receivable for the provision of asset management, investment advice, banking services, retainers, institutional stockbroking commissions and brokerage and similar items that are likely to recur due to the repetitive nature of these activities. Also included are facility arrangement fees, corporate finance fees and similar items that are transactional in nature and therefore create more erratic income streams, offset by fees and commissions payable which predominantly comprise brokerage payable, banking fees and similar charges.

Net fee and commission income increased by 5.7% to £551.3 million (2007: £521.5 million) benefiting from increased transactional activity, particularly in the first half of the year, and higher average assets under management.

£'000	31 March 2008	31 March 2007	Variance	% Change
Private Banking	111 109	109 596	1 513	1.4%
Private Client Portfolio Management and Stockbroking	36 564	28 053	8 511	30.3%
Capital Markets	86 831	80 190	6 641	8.3%
Investment Banking	88 603	91 904	(3 301)	(3.6%)
Asset Management	207 483	180 539	26 944	14.9%
Property Activities	20 764	28 354	(7 590)	(26.8%)
Group Services and Other Activities	(58)	2 862	(2 920)	(>100.0%)
Net fee and commission income	551 296	521 498	29 798	5.7%

Principal transactions

Principal transactions comprise: trading income, the marking-to-market of interest rate instruments, equities and other securities such as foreign exchange instruments; profit on the disposal of dealing properties; dividends received and the profit/loss on realisation of the group's trading investments.

Income from principal transactions increased by 12.7% to £276.7 million (2007: £245.5 million). The Growth and Acquisition Finance, Property, Private Equity, Direct Investments and Capital Markets trading divisions delivered a strong performance. This result was negatively impacted by write downs of £48.9 million on US structured credit investments (as discussed on page 37)..

£'000	31 March 2008	31 March 2007	Variance	% Change
Private Banking	34 667	16 381	18 286	>100.0%
Private Client Portfolio Management and Stockbroking	1 205	3 137	(1 932)	(61.6%)
Capital Markets	97 998	102 700	(4 702)	(4.6%)
Investment Banking	79 583	73 719	5 864	8.0%
Asset Management	56	171	(115)	(67.3%)
Property Activities	45 275	11 847	33 428	>100.0%
Group Services and Other Activities	17 921	37 508	(19 587)	(52.2%)
Principal transactions	276 705	245 463	31 242	12.7%

Financial review

Operating income from associates

Operating income from associates increased by 13.6% to £12.1 million (2007: £10.7 million). The current year's figure includes Investec's 47.3% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc for the year ended 31 March 2008.

£'000	31 March 2008	31 March 2007	Variance	% Change
Operating income from associates	12 138	10 685	1 453	13.6%

Other operating income

Other operating income amounts to £50 million (2007: £49.7 million). The operating results of two investments held within the Private Equity portfolio have been consolidated largely into other operating income and administrative expenses.

Impairment losses on loans and advances

As a result of the weaker credit cycle the group has seen a decline in the performance of the loan portfolio resulting in an increase in impairment losses on loans and advances from £16.5 million to £58.8 million (excluding Kensington). The percentage of gross default loans to core loans and advances has increased from 1.3% to 1.7% since 31 March 2007. Total impairment coverage as a percentage of net default loans (gross default loans net of security) remains satisfactory at 104.9% (2007: 122.7%). Impairment losses on loans and advances relating to the Kensington business amount to £55.4 million.

£'000	31 March 2008	31 March 2007	Variance	% Change
Private Banking	(33 326)	(6 932)	(26 394)	>100.0%
Capital Markets	(79 336)	(9 925)	(69 411)	>100.0%
Investment Banking	(1 356)	(1)	(1 355)	>100.0%
Group Services and Other Activities	(167)	328	(495)	>100.0%
Impairment losses on loans and advances	(114 185)	(16 530)	(97 655)	>100.0%

Financial review

Administrative expenses

Total expenses increased by 18.6% to £807.5 million (2007: £680.7 million). Variable remuneration increased slightly from £205.8 million to £206.7 million. Other operating expenses (excluding variable remuneration) increased by 26.5% to £600.8 million largely as a result of an increase in headcount in certain of the businesses in line with growth initiatives, an increase in costs associated with complying with regulatory requirements and the acquisition of Kensington. Total expenses also includes £35.4 million from the consolidation of two private equity investments.

The group achieved the target of less than 65% for operating expenses to total operating income, with the ratio improving from 59.0% to 56.1%.

£'000	31 March 2008	% of total expenses	31 March 2007	% of total expenses	% Change
Staff costs (including directors' remuneration)	552 211	68.4%	482 020	70.8%	14.6%
- fixed	345 518	42.8%	276 177	40.6%	25.1%
- variable	206 693	25.6%	205 843	30.2%	0.4%
Business expenses	141 593	17.5%	105 943	15.6%	33.7%
Equipment (excluding depreciation)	37 087	4.6%	29 684	4.4%	24.9%
Premises (excluding depreciation)	45 737	5.7%	35 610	5.2%	28.4%
Marketing expenses	30 872	3.8%	27 430	4.0%	12.5%
Administrative expenses	807 500	100.0%	680 687	100.0%	18.6%

The following table sets out certain information on administrative expenses by geography for the period under review.

£'000	31 March 2008	% of total expenses	31 March 2007	% of total expenses	% Change
UK and Europe	427 688	53.0%	339 409	49.9%	26.0%
Southern Africa	323 618	40.1%	298 911	43.9%	8.3%
Australia	56 194	6.9%	42 049	6.2%	33.6%
Other geographies	-	-	318	-	100.0%
Administrative expenses	807 500	100.0%	680 687	100.0%	18.6%

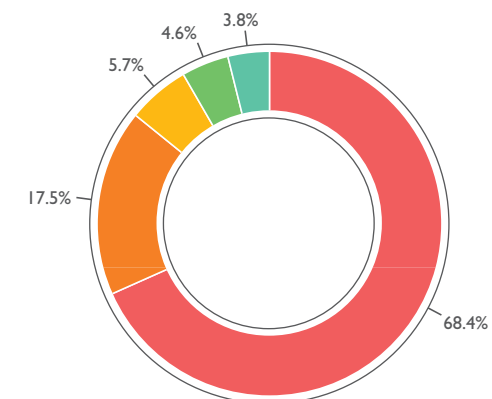
The following table sets out certain information on administrative expenses by division for the period under review.

£'000	31 March 2008	% of total expenses	31 March 2007	% of total expenses	% Change
Private Banking	215 971	26.7%	179 570	26.4%	20.3%
Private Client Portfolio Management and Stockbroking	22 360	2.8%	19 104	2.8%	17.0%
Capital Markets	209 911	26.0%	143 793	21.1%	46.0%
Investment Banking	118 106	14.6%	113 068	16.6%	4.5%
Asset Management	140 970	17.5%	119 542	17.6%	17.9%
Property Activities	18 895	2.3%	20 174	3.0%	(6.3%)
Group Services and Other Activities	81 287	10.1%	85 436	12.5%	(4.9%)
Administrative expenses	807 500	100.0%	680 687	100.0%	18.6%

Financial review

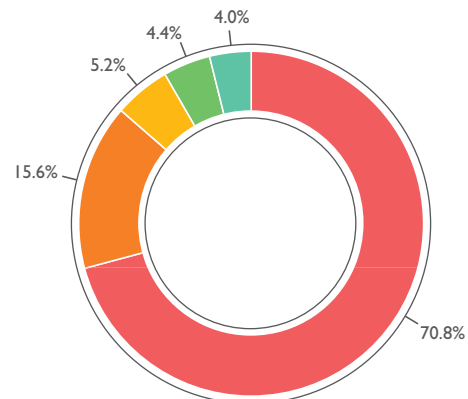
% of total expenses

31 March 2008



Staff costs Business expenses Premises
Equipment Marketing

31 March 2007



Financial review

Operating profit before goodwill, non-operating items and taxation

As a result of the foregoing factors, Investec's operating profit before goodwill, non-operating items and taxation increased by 15.2% from £466.6 million to £537.7 million.

The following tables set out information on operating profit before goodwill, non-operating items and taxation by geography and by division for the period under review.

For the year to 31 March 2008

£'000	UK & Europe	Southern Africa	Australia	Other geo-graphies	Total group	% Change	% of Total
Private Banking	91 619	56 760	18 015	-	166 394	7.8%	30.9%
Private Client Portfolio Management and Stockbroking	*11 929	15 413	-	-	27 342	23.8%	5.1%
Capital Markets	39 306	68 118	8 326	-	115 750	(1.3%)	21.5%
Investment Banking	7 607	64 775	4 948	-	77 330	(15.2%)	14.4%
Asset Management	24 940	51 881	-	-	76 821	12.8%	14.3%
Property Activities	144	36 078	99	-	36 321	>100.0%	6.8%
Group Services and Other Activities	(10 917)	46 945	1 685	-	37 713	>100.0%	7.0%
Total group	164 628	339 970	33 073	-	537 671	15.2%	100.0%
% Change	(1.6%)	26.5%	9.7%	100.0%	15.2%		
% of Total	30.6%	63.2%	6.2%	-	100.0%		

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

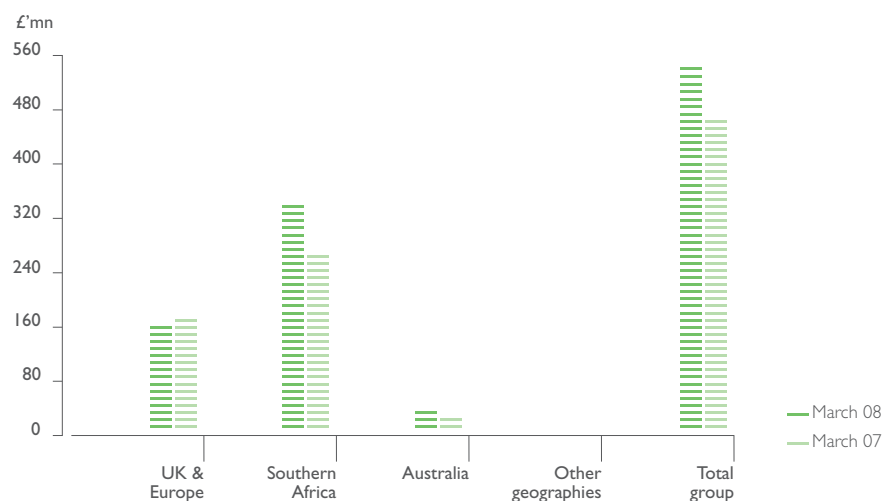
For the year to 31 March 2007

£'000	UK & Europe	Southern Africa	Australia	Other geo-graphies	Total group	% of Total
Private Banking	96 734	41 413	16 244	-	154 391	33.1%
Private Client Portfolio Management and Stockbroking	**10 065	12 016	-	-	22 081	4.7%
Capital Markets	51 409	56 145	9 737	-	117 291	25.1%
Investment Banking	23 294	60 632	7 309	-	91 235	19.6%
Asset Management	17 555	50 557	-	-	68 112	14.6%
Property Activities	1 292	12 852	-	-	14 144	3.0%
Group Services and Other Activities	(32 967)	35 058	(3 141)	381	(669)	(0.1%)
Total group	167 382	268 673	30 149	381	466 585	100.0%
% of Total	35.9%	57.6%	6.4%	0.1%	100.0%	

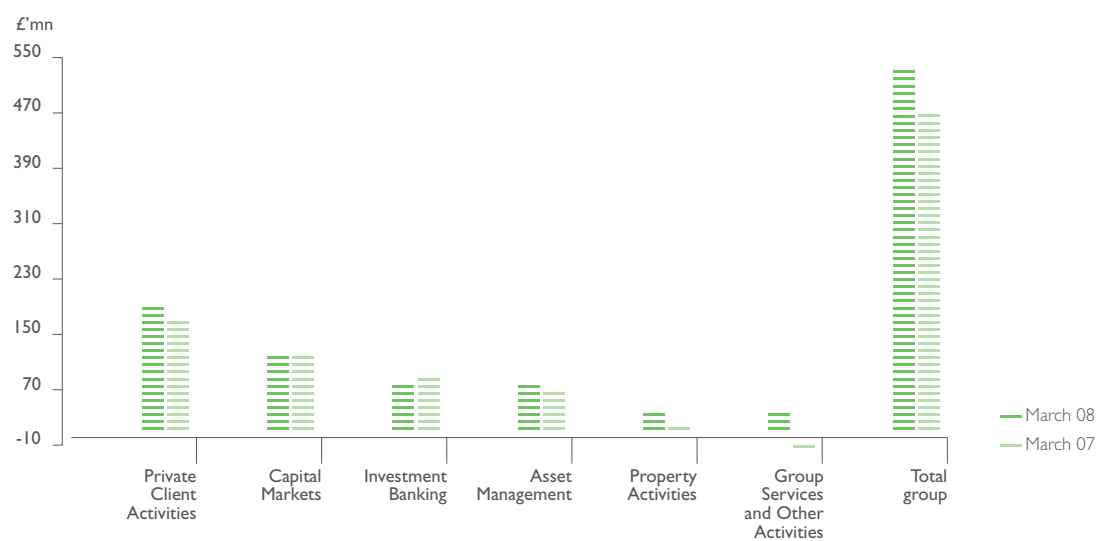
** This number is net of an estimate of tax of £5 million.

Financial review

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



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



Profit on disposal of group operations

The sale of the South African property fund management and property administration business to Growthpoint was approved by the Competition Tribunal of South Africa on 18 October 2007. A non-operating exceptional gain of £72.9 million (pre-tax) was made on the sale of this business.

Financial review

Goodwill

The current year goodwill impairment relates to:

- An impairment of £2.9 million in the South African Asset Management business relating to businesses acquired in prior years.
- An impairment of £59.9 million relating to the acquisition of Kensington taking into account the managed reduction in business volumes and the limited activity in the securitisation markets.

Goodwill and intangible assets analysis - balance sheet information

£'000	31 March 2008	31 March 2007
UK and Europe	232 146	163 034
Private Banking	18 031	17 435
Capital Markets	80 248	13 720
Investment Banking	45 822	43 834
Asset Management	88 045	88 045
South Africa	20 789	40 561
Private Client Portfolio Management and Stockbroking	2 240	2 550
Asset Management	18 277	24 067
Property Activities	272	13 944
Australia	36 608	16 259
Private Banking	18 536	-
Investment Banking	18 072	16 259
Software	13 895	11 858
Total group	303 438	231 712

Taxation

The operational effective tax rate of the group decreased from 26.3% to 22.6% as a result of certain income accruing in lower tax jurisdictions and income earned that is either non-taxable or subject to a lower tax rate.

	Effective tax rates 31 March 2008	Effective tax rates 31 March 2007	31 March 2008 £'000	31 March 2007 £'000	Variance £'000	% Change
UK and Europe	20.3%	23.8%	(30 964)	(37 370)	6 406	(17.1%)
Southern Africa	24.1%	27.1%	(90 289)	(72 938)	(17 351)	23.8%
Australia	18.1%	31.6%	(5 996)	(9 473)	3 477	(36.7%)
Taxation	22.6%	26.3%	(127 249)	(119 781)	(7 468)	6.2%

Earnings attributable to minority interests

Earnings attributable to minority interests of £28.9 million largely comprise:

- £4.8 million relating to investments held in the Private Equity division.
- £23.4 million relating to Euro denominated preferred securities issued by a subsidiary of Investec plc which are reflected on the balance sheet as part of minority interests. The transaction is hedged and a forex transaction gain arising on the hedge is reflected in operating profit before goodwill with the equal and opposite impact reflected in earnings attributable to minorities.

Earnings attributable to ordinary shareholders

As a result of the foregoing factors, earnings attributable to ordinary shareholders increased from £340.3 million to £391.6 million.

Financial review

Dividends and earnings per share

£'000	Year to 31 March 2008	Year to 31 March 2007
Ordinary dividends - pence per share		
Interim	11.5	10.0
Final	13.5	13.0
	25.0	23.0
Earnings	£'000	£'000
Earnings attributable to shareholders'	391 558	340 319
Preference dividends paid	(41 779)	(31 850)
Earnings attributable to ordinary shareholders	349 779	308 469
Earnings resulting from future dilutive convertible instruments	736	974
Diluted earnings attributable to ordinary shareholders	350 515	309 443
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	640 059 998	602 052 096
Weighted average number of treasury shares	(33 894 292)	(38 269 412)
Weighted average number of shares in issue during the year	606 165 706	563 782 684
Weighted average number of shares resulting from future dilutive potential shares	35 390 062	41 146 215
Weighted average number of shares resulting from future dilutive convertible instruments	7 489 820	8 787 292
Adjusted weighted number of shares potentially in issue	649 045 588	613 716 191
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.	57.7	54.7
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 period.	54.0	50.4
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 period.	56.9	53.3
	£'000	£'000
Earnings attributable to shareholders	391 558	340 319
Goodwill	62 765	(2 569)
Profit on disposal of group operations, net of taxation	(64 345)	-
Preference dividends paid	(41 779)	(31 850)
Additional earnings attributable to other equity holders*	(3 504)	(5 196)
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items	344 695	300 704

* 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.

Financial review

Balance sheet analysis

Capital resources and total assets

Total shareholders' equity (including minority interests) increased by 21.4% to £2.2 billion (2007: £1.8 billion) largely as a result of the issue of £230.7 million of ordinary shares and increased retained earnings.

Net asset value per share increased from 216.0 pence to 260.6 pence and net tangible asset value per share (which excludes goodwill and intangible assets) increased from 178.6 pence to 215.0 pence.

Return on adjusted average shareholders' equity (inclusive of compulsorily convertible instruments) decreased from 26.1% to 23.6% against a target of greater than 20%

Disciplined risk and capital management remain a key focus. On balance sheet assets have increased by 29.7% to £34.1 billion (2007: £26.3 billion) largely as a result of the acquisition of Kensington and the growth of core loans and advances.

The group has successfully implemented Basel II on the standardised approach and are comfortably meeting those requirements. The capital adequacy of Investec plc (applying UK Financial Services Authority rules to its capital base) is 15.3%. The capital adequacy of Investec Limited (applying South African Reserve Bank rules to its capital base) is 13.9%.

Financial review

ROE - assessment of economic capital utilised

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.

£'000	31 March 2008	31 March 2007	Average
Calculation of average shareholders' equity			
Shareholders' equity per balance sheet (excluding preference shares)	1 638 869	1 250 312	1 444 590
Add: Convertible debt included in subordinated liabilities	14 056	19 079	16 568
Adjusted shareholders' equity	1 652 925	1 269 391	1 461 158
Goodwill and intangible assets (excluding software)	(289 543)	(219 854)	(254 699)
Adjusted tangible shareholders' equity	1 363 382	1 049 537	1 206 459

£'000	31 March 2008	31 March 2007
Operating profit before goodwill and non-operating items	537 671	466 585
Minority interests	(28 954)	(9 054)
Preference dividends	(45 283)	(37 046)
Profit before taxation	463 434	420 485
Tax on ordinary activities	(118 739)	(119 781)
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items	344 695	300 704
Pre-tax return on average adjusted shareholders' equity	31.7%	36.4%
Post-tax return on average adjusted shareholders' equity	23.6%	26.1%
Pre-tax return on average adjusted tangible shareholders' equity	38.4%	44.3%
Post-tax return on average adjusted tangible shareholders' equity	28.6%	31.7%

Financial review

ROE by geography

For the year to 31 March

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Total operating profit	164 628	339 970	33 073	-	537 671
Tax on ordinary activities	(30 964)	(81 779)	(5 996)	-	(118 739)
Minority interests	(27 019)	(743)	(1 192)	-	(28 954)
Preference dividends	(19 872)	(25 411)	-	-	(45 283)
Profit on ordinary activities after taxation - March 2008	86 773	232 037	25 885	-	344 695
Profit on ordinary activities after taxation - March 2007	112 658	168 991	18 674	381	300 704
Adjusted shareholders' equity at 31 March 2008	837 978	632 186	182 761	-	1 652 925
Goodwill and intangible assets (excluding software)	232 145	20 790	36 608	-	289 543
Adjusted tangible shareholders' equity at 31 March 2008	605 833	611 396	146 153	-	1 363 382
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 average shareholders' equity - 31 March 2008[^]	734 966	553 662	172 530	-	1 461 158
Adjusted average shareholders' equity - 31 March 2007 [^]	574 177	455 556	124 570	(6)	1 154 297
Post tax return on average shareholders' equity - 31 March 2008	11.8%	41.9%	15.0%	-	23.6%
Post tax return on average shareholders' equity - 31 March 2007	19.6%	37.1%	15.0%	(6 350%)	26.1%

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

Financial review

ROE by division

For the year to 31 March

£'000	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Total operating profit	166 394	27 342	115 750	77 330	76 821	36 321	37 713	537 671
Notional return on regulatory capital	59 879	4 076	49 145	6 696	1 176	2 171	(123 143)	-
Notional cost of statutory capital	(3 246)	(795)	(2 011)	1	(5 619)	(773)	12 443	-
Cost of subordinated debt	(19 206)	(1 499)	(15 737)	(2 217)	(391)	(624)	39 674	-
Minority interest	-	-	(119)	(4 724)	-	-	(24 111)	(28 954)
Cost of preference shares	(15 599)	(1 271)	(13 456)	(1 595)	(348)	(596)	(12 418)	(45 283)
Absorption of additional residual costs**	(17 089)	(4 079)	(15 728)	(22 816)	(5 711)	(5 965)	71 388	-
Adjusted earnings - 31 March 2008	171 133	23 774	117 844	52 675	65 928	30 534	1 546	463 434
Adjusted earnings/(losses) - 31 March 2007	154 413	19 020	115 284	64 906	58 408	8 639	(185)	420 485
Adjusted shareholders' equity at 31 March 2008	552 908	29 609	646 998	175 913	116 459	29 773	101 265	1 652 925
Goodwill and intangible assets (excluding software)	36 566	2 240	80 248	63 894	106 382	213	-	289 543
Adjusted tangible shareholders' equity at 31 March 2008	516 342	27 369	566 750	112 019	10 077	29 560	101 265	1 363 382
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 average shareholders' equity - 31 March 2008^	515 927	36 271	502 861	153 365	119 835	24 874	108 025	1 461 158
Adjusted average shareholders' equity - 31 March 2007^	404 897	43 034	306 192	94 570	130 129	17 264	158 211	1 154 297
Pre-tax return on adjusted average shareholders' equity - 31 March 2008	33.2%	65.5%	23.4%	34.3%	55.0%	122.8%	1.4%	31.7%
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%

* 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 managements' 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.

The methodology applied in assessing 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 by the centre is allocated from Group Services and Other Activities ("GSO") to the business segments based on their total capital utilisation.
- Basel II was introduced for the financial year ended 31 March 2008. Total capital utilisation per business segment is initially based on their regulatory capital utilised per the standardised approach of Basel II (incorporating credit, market and operational risk). However, in line with the internal capital adequacy assessment process required in terms of Pillar II of Basel II, each business segment's ultimate economic capital utilisation is enhanced to address the various other risks considered material for quantification purposes. However, comparative figures for capital utilised is based on the amounts reflected in the 2007 report which is based on Basel I regulatory capital usage. This explains some of the movements in each business segment's capital utilisation and variance in returns on adjusted average shareholders' equity (refer page 91).
- Further, shareholders' equity is increased to reflect permanent capital which is reflected under subordinated debt.

Financial review

Capital adequacy

Investec plc and Investec Limited are the two 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.

We have successfully implemented Basel II on the standardised approach and are comfortably meeting these new requirements.

Investec aims to maintain a capital adequacy ratio on a consolidated basis for Investec plc and Investec Limited of 12-15% and targets a Tier I ratio of 9%.

Basel II Pillar I information as at 31 March 2008

	Investec Limited R'million	IBL R'million	Investec plc £'million	IBUK £'million	IBAL A\$'million
Primary capital (Tier I)	12 599	11 771	1 005	894	637
Other capital (Tiers 2 and 3)	6 433	5 792	754	620	118
	19 032	17 563	1 759	1 514	755
Less: impairments	(846)	(607)	(205)	(248)	(213)
Net qualifying capital	18 186	16 956	1 554	1 266	542
Risk weighted assets (banking and trading)	130 474	118 791	10 162	8 687	2 933
Capital adequacy ratio	13.9%	14.3%	15.3%	14.6%	18.5%
Tier I ratio	9.2%	9.6%	9.2%	9.1%	15.3%
Capital adequacy ratio - pre operational risk	15.5%	15.4%	17.4%	16.5%	20.6%
Tier I ratio - pre operational risk	10.2%	10.4%	10.5%	10.3%	17.1%
Risk weighted assets					
Credit	111 360	105 593	8 439	7 174	2 509
Market	2 046	605	372	371	18
Operational	13 270	8 949	1 209	1 004	304
Equity	3 798	3 644	142	138	102
Total	130 474	118 791	10 162	8 687	2 933

Financial review

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 2008	31 March 2007	Notes
Shareholders' equity	1 911 204	1 542 485	
Less: perpetual preference shares issued by holding companies	(272 335)	(292 173)	
Convertible debt included in subordinated liabilities	14 056	19 079	
Less: goodwill and intangible assets (excluding software)	(289 543)	(219 854)	
Net tangible asset value	1 363 382	1 049 537	
Number of shares in issue	657.6	609.3	
CCD's	7.6	8.9	Relates to convertible debt mentioned above.
Treasury shares	(31.0)	(30.5)	
Number of shares in issue in this calculation (million)	634.2	587.7	
Net tangible asset value per share (pence)	215.0	178.6	

Financial review

Total third party assets under management

£'million	31 March 2008	31 March 2007
Private Banking funds under advice	3 681	2 532
UK and Europe	1 770	951
South Africa	1 598	1 275
Australia	313	306
Private Client Portfolio Management and Stockbroking	21 382	21 836
South Africa Private Client Securities	6 972	7 436
Rensburg Sheppards plc	14 410**	14 400
Property Activities, South Africa	73	1 703
Investec Asset Management	28 751	29 891
UK and international	13 834	13 039
Southern Africa	14 917	16 852
Private Equity and Property Private Equity, Australia	322	159
Total third party assets under management	54 209	56 121

31 March 2008 £'million	UK, Europe & Other	Southern Africa	Australia	Total
Private Banking	1 770	1 598	313	3 681
Private Client Portfolio Management and Stockbroking	14 410**	6 972	-	21 382
Discretionary	-	1 323	-	n/a
Non-discretionary	-	5 649	-	n/a
Institutional	7 428	10 270	-	17 698
Retail	6 406	4 647	-	11 053
Property Activities	-	73	-	73
Australia Private Equity and Property funds under management	-	-	322	322
Total third party assets under management	30 014	23 560	635	54 209

31 March 2007 £'million	UK, Europe & Other	Southern Africa	Australia	Total
Private Banking	951	1 275	306	2 532
Private Client Portfolio Management and Stockbroking	14 400	7 436	-	21 836
Discretionary	-	1 297	-	n/a
Non-discretionary	-	6 139	-	n/a
Institutional*	6 514	12 022	-	18 536
Retail*	6 525	4 830	-	11 355
Property Activities	-	1 703	-	1 703
Australia Private Equity and Property funds under management	-	-	159	159
Total third party assets under management	28 390	27 266	465	56 121

** As last reported by Rensburg Sheppards plc.

* Some of Asset Management's clients invest in retail funds. Previously this was classified as retail, now we classify it as institutional. This change has been made in order to more accurately reflect our asset split.

Financial review

Number of employees

By division - permanent employees

	31 March 2008	31 March 2007
Private Banking		
UK and Europe	566	429
SA and Other	1 507	1 305
Australia	199	78
Total	2 272	1 812
Private Client Portfolio Management and Stockbroking		
SA and Other	205	191
Total	205	191
Private Client Activities total		
UK and Europe	566	429
SA and Other	1 712	1 496
Australia	199	78
Total	2 477	2 003
Capital Markets		
UK and Europe	589	276
SA and Other	405	348
Australia	48	38
Total	1 042	662
Investment Banking		
UK, Europe and Hong Kong	148	143
SA and Other	167	139
Australia	41	33
USA	12	5
Total	368	320
Asset Management		
UK and Europe and Other	280	231
SA and Other	626	603
Total	906	834
Property Activities		
UK and Europe	7	3
SA and Other	58	248
Australia	6	-
Total	71	251
Group Services and Other Activities		
UK and Europe	222	212
SA and Other	698	642
Australia	130	86
Total	1 050	940
Total number of permanent employees	5 914	5 010

Financial review

Number of employees

By geography - total number of employees

	31 March 2008	31 March 2007	31 March 2006	31 March 2005
UK and Europe	1 812	1 294	1 166	1 308
SA and Other	3 666	3 476	3 114	2 648
Australia	424	235	168	140
USA	12	5	5	67
Temps and contractors	419	420	*	*
Total number of employees	6 333	5 430	4 453	4 163

* The treatment of temps and contractors for headcount disclosure purposes was not consistently applied across all divisions. The line of business information now only reflects permanent headcount. The geographical information has been presented for comparative purposes. Historical information did include temps and contractors.

Financial review

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

By division	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Number of employees - 31 March 2008	2 379	215	1 106	376	1 027	73	1 157	6 333
Number of employees - 31 March 2007	1 941	205	715	336	924	273	1 036	5 430
Average number of employees - year to 31 March 2008	2 160	210	911	356	976	173	1 096	5 882
Average number of employees - year to 31 March 2007	1 769	186	623	312	857	266	929	4 942
Operating profit^ - 31 March 2008 (£'000)	166 370	15 413	116 016	77 115	76 821	36 321	37 477	525 533
Operating profit^ - 31 March 2007 (£'000)	154 203	12 016	117 302	91 088	68 112	14 144	(965)	455 900
Operating profit per employee^^ - 31 March 2008 (£'000)	77.0	73.4	127.4	216.6	78.7	209.9	34.2	89.3
Operating profit per employee^^ - 31 March 2007 (£'000)	87.2	64.6	188.3	291.9	79.5	53.2	(1.0)	92.3

By geography	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Number of employees - 31 March 2008	1 925	3 963	424	21	6 333
Number of employees - 31 March 2007	1 412	3 778	235	5	5 430
Average number of employees - year to 31 March 2008	1 669	3 871	329	13	5 882
Average number employees - year to 31 March 2007	1 289	3 446	202	5	4 942
Operating profit^ - 31 March 2008 (£'000)	152 428	339 981	33 124	-	525 533
Operating profit^ - 31 March 2007 (£'000)	156 859	268 673	29 987	381	455 900
Operating profit per employee^^ - 31 March 2008 (£'000)	91.3	87.7	100.7	-	89.3
Operating profit per employee^^ - 31 March 2007 (£'000)	121.7	78.0	148.5	76.2	92.3

* Where: PB=Private Bank 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.

Note:

Number of employees includes permanent employees, temps and contractors.

Financial review

Asset quality

£'million	31 March 2008	31 March 2007
Gross core loans and advances to customers	12 882	10 135
Total impairments	54	40
Portfolio impairments	7	7
Specific impairments	47	33
Net core loans and advances to customers	12 828	10 095
Gross default loans and advances to customers	222	133
Sub-standard	154	62
Doubtful	46	42
Loss	22	29
Collateral and other credit enhancements	171	100
Specific impairments	47	33
Net default loans and advances to customers	4	-
Ratios:		
Specific impairments as a % of gross core loans and advances to customers	0.4%	0.3%
Portfolio impairments as a % of gross core loans and advances to customers	0.1%	0.1%
Total impairments as a % of gross core loans and advances to customers	0.4%	0.4%
Specific impairments as a % of gross default loans	21.3%	25.1%
Total impairments as % of gross defaults less collateral	104.9%	122.7%
Gross defaults as a % of gross core loans and advances to customers	1.7%	1.3%
Net defaults as a % of gross core loans and advances to customers	-	-

Nine year review

Salient features*

For the year ended 31 March**	2008	2007	2006	2005	2004	2003	2002	2001	2000
Income statement and selected returns									
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items (£'000)	344 695	300 704	230 017	149 510	106 203	89 668	127 613	100 906	87 246
Operating profit before goodwill, non-operating items and taxation (£'000)	537 671	466 585	388 767	224 124	132 260	85 762	158 567	133 196	123 474
Operating profit: Southern Africa (% of total)	63.2%	57.6%	68.3%	66.9%	58.6%	81.0%	51.6%	25.6%	15.4%
Operating profit: UK, Europe, Australia and Other (% of total)	36.8%	42.4%	31.7%	33.1%	41.4%	19.0%	48.4%	74.4%	84.6%
Cost to income ratio	56.1%	59.0%	58.7%	67.4%	72.7%	80.0%	72.0%	72.6%	70.2%
Staff compensation to operating income ratio	37.2%	40.9%	40.1%	43.4%	47.3%	51.1%	44.5%	45.5%	43.6%
Return on average adjusted shareholders' equity	23.6%	26.1%	25.5%	20.0%	15.4%	13.1%	19.4%	18.2%	16.9%
Net-interest income as a percentage of operating income	39.3%	29.2%	26.8%	23.2%	18.8%	21.3%	26.5%	28.9%	24.6%
Non-interest income as a percentage of operating income	60.7%	70.8%	73.2%	76.8%	81.2%	78.7%	73.5%	71.1%	75.4%
Effective tax rate	22.6%	26.3%	27.3%	28.8%	21.0%	6.3%	18.0%	22.6%	29.2%
Balance sheet									
Total capital resources (including subordinated liabilities (£'million)	3 275	2 664	2 042	1 579	1 303	1 012	958	842	639
Total equity (including preference shares and minority interests) (£'million)	2 210	1 820	1 512	1 076	805	679	768	603	555
Total assets (£'million)	34 104	26 300	23 901	19 917	15 319	14 914	16 957	15 984	16 030
Core loans and advances (£'million)	12 828	10 095	9 605	6 408	4 846	3 909	3 314	3 299	3 083
Core loans and advances as a percentage of total assets	37.6%	38.4%	40.2%	32.2%	31.6%	26.2%	19.5%	20.6%	19.2%
Third party assets under management (£'million)	54 209	56 121	56 331	33 855	30 138	24 088	24 741	23 084	24 157
Capital adequacy ratio: Investec plc ^o	15.3%	24.7%	17.7%	16.1%	17.3%	14.2%	^	^	^
Capital adequacy ratio: Investec ^o Limited	13.9%	14.7%	16.3%	17.9%	15.1%	12.2%	^	^	^
Salient financial features and key statistics									
Adjusted earnings per share before goodwill and non-operating items (pence)#	56.9	53.3	41.9	26.9	20.8	19.2	28.0	25.2	22.0
Basic earnings per share (pence)#	57.7	54.7	53.8	17.8	12.0	(13.4)	3.0	19.8	18.0
Diluted earnings per share (pence)#	54.0	50.4	50.0	17.1	11.9	(13.4)	2.8	19.3	17.9
Dividends per share (pence)#	25.0	23.0	18.2	13.4	11.6	10.8	10.8	^^13.7	^^12.3
Dividend cover (times)	2.3	2.3	2.3	2.0	1.8	1.8	2.6	1.8	1.8
Net tangible asset value per share (pence)#	215.0	178.6	148.9	99.2	83.0	75.0	74.8	^	^
Weighted number of ordinary shares in issue (million)#	606.2	563.8	548.8	555.5	511.5	466.5	456.5	401.0	397.0
Total number of shares in issue (million)#	657.6	609.3	593.0	593.0	593.0	565.0	461.0	405.0	403.0
Closing share price (pence)#	339	658	588	311	218	123	161	346	497
Market capitalisation (£'million)	2 229	4 009	3 488	1 844	1 292	695	742	1 400	2 005
Number of employees in the group	6 333	5 430	4 453	4 163	4 458	4 874	5 529	4 836	4 441
Average ZAR/£ exchange rate	14.31	13.38	11.43	11.47	12.02	15.04	13.65	10.82	9.93

* Refer to definitions on page 103.

** From 2000 to 2004 numbers are reported in terms of UK GAAP and for 2005, 2006 and 2007 in terms of IFRS.

^ Calculation not comparable.

^^ The dividend for 2000 and 2001 was set in Rand and the dividend thereafter was determined in Pounds Sterling. The Rand dividend per share for 2000 and 2001 was 620 cents and 750 cents, respectively.

For comparative purposes historical information has been adjusted for the 5:1 share split that took place on 4 September 2006.

o The information for 2008 is in terms of Basel II and prior to that in terms of Basel I.

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.

As at 31 March 2008 Investec plc and Investec Limited had 423.3 million and 234.3 million ordinary shares in issue, respectively.

Largest shareholders as at 31 March 2008

In accordance with the terms provided for in Section 793 of the UK Companies Act 2006 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 Public Investment Commissioner (ZA)	38 386 376	9.1
2 Old Mutual Asset Managers (ZA)	30 738 426	7.3
3 Investec Securities (Pty) Limited (ZA)*	27 170 269	6.4
4 Legal & General Investment Mgmt Ltd (UK)	19 383 804	4.6
5 Coronation Fund Managers (ZA)	19 212 614	4.5
6 RMB Asset Management (ZA)	15 332 295	3.6
7 JP Morgan Asset Management (UK)	14 320 783	3.4
8 Jupiter Asset Management Limited (UK)	13 173 074	3.1
9 Investec Asset Management (ZA)*	10 663 833	2.5
10 Sanlam Investment Management (ZA)	10 232 649	2.4
Cumulative total	198 614 123	46.9

The top 10 shareholders account for 46.9% 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)	28 825 669	12.3
2 Investec Staff Share Schemes (ZA)	20 913 734	8.9
3 Investec Asset Management (ZA)*	15 778 185	6.7
4 STANLIB Asset Management (ZA)	15 671 328	6.7
5 Tiso INL Investments (Pty) Ltd (ZA)**	14 000 000	6.0
6 Entrepreneurial Development Trust (ZA)**	14 000 000	6.0
7 Peu INL Investment I (Pty) Ltd (ZA)**	13 055 555	5.6
8 Old Mutual Asset Managers (ZA)	11 452 929	4.9
9 Investec Securities (Pty) Limited (ZA)*	8 843 792	3.8
10 RMB Asset Management (ZA)	7 147 243	3.1
Cumulative total	149 688 435	64.0

The top 10 shareholders account for 64.0% 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.

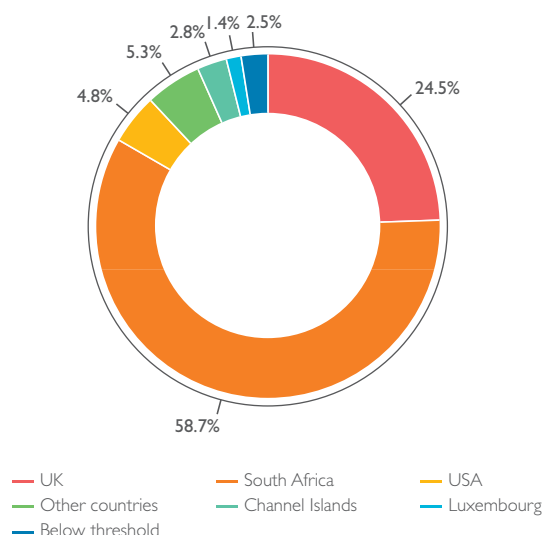
* Managed on behalf of clients.

** 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.

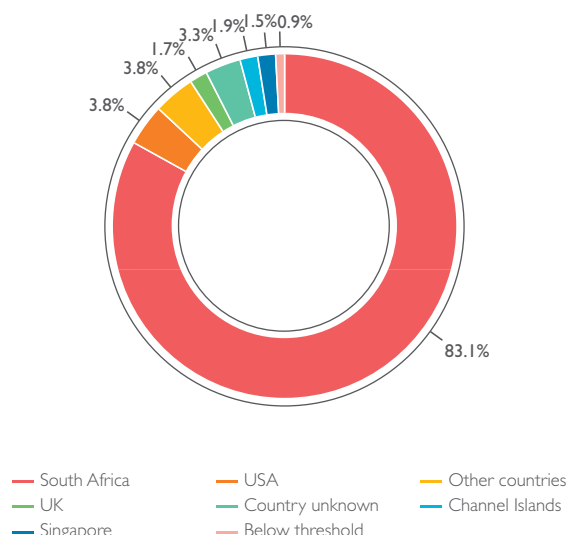
Shareholder analysis

Geographic holding by beneficial owner as at 31 March 2008

Investec plc



Investec Limited



Share statistics

Investec plc ordinary shares in issue

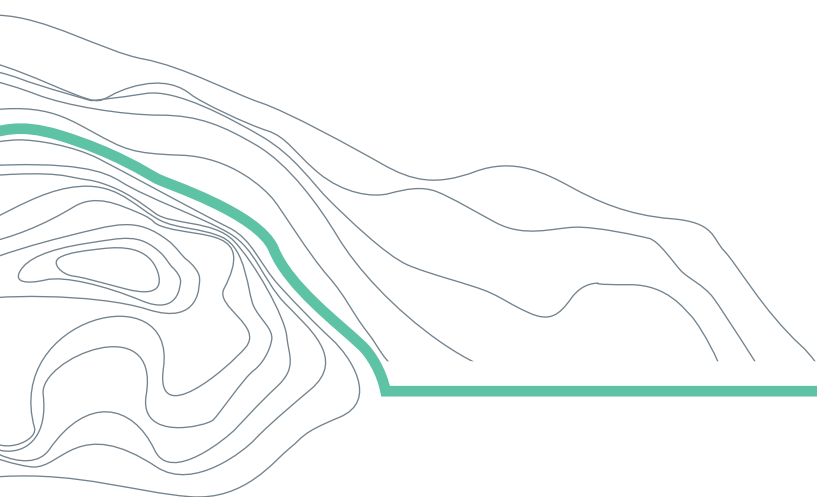
For the year ended 31 March	2008	2007	2006	2005	2004	2003
Closing market price per share (pence) ²						
- year end	339	658	588	311	218	123
- highest	765	676	607	347	236	192
- lowest	294	495	304	184	122	121
Number of ordinary shares in issue (million) ²	423.3	381.6	373.0	373.0	373.0	373.0
Market capitalisation (£'million) ³	1 435	2 511	2 194	1 160	812	459
Daily average volume of shares traded ('000)	3 925.9	2 832.5	1 489.0	741.0	498.0	349.5
Price earnings ratio ⁴	6.0	12.4	14.0	11.6	10.5	6.3
Dividend cover (times) ⁴	2.3	2.3	2.3	2.0	1.8	1.8
Dividend yield (%) ⁴	7.4	3.5	3.1	4.3	5.3	8.8
Earnings yield (%) ⁴	16.7	8.1	7.1	8.6	9.5	15.6

Investec Limited ordinary shares in issue

For the year ended 31 March	2008	2007	2006	2005	2004	2003	2002
Closing market price per share (cents) ²							
- year end	5 743	9 330	6 260	3 560	2 506	1 530	2 600
- highest	10 440	9 460	6 650	3 800	3 020	3 488	4 916
- lowest	5 090	5 906	3 410	2 156	1 550	1 530	2 600
Number of ordinary shares in issue (million) ²	234.3	227.7	220.0	220.0	220.0	192.0	481.0
Market capitalisation (R'million) ⁵	37 766	56 848	37 121	21 111	14 860	8 645	14 196
Market capitalisation (£'million)	2 229	4 009	3 488	1 844	1 292	695	742
Daily average volume of shares traded ('000) ⁶	840.6	619.7	478.0	510.5	495.0	527.0	-

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 has been restated for comparative purposes.
- ³ The LSE only include the shares in issue for Investec plc i.e. 423.3 million, in calculating market capitalisation, as Investec Limited is not 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 657.6 million shares in issue.
- ⁶ Information prior to the implementation of the DLC structure in 2002 is not comparable.



Annexures

Annexure I Definitions

Adjusted shareholders' equity	Refer to calculation on page 89.
Cost to income ratio	Administrative expenses and depreciation divided by operating income.
Core loans and advances	Refer to calculation on page 98.
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 page 87.
Adjusted earnings per ordinary share before goodwill and non-operating items	Refer to page 87.
Effective operational tax rate	Tax on profit on ordinary activities (excluding exceptional items) divided by operating profit (excluding profit from associates and Assurance Activities).
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 93.
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 97.
Return on average adjusted shareholders' equity	Refer to calculation on page 89.
Return on average adjusted tangible shareholders' equity	Refer to calculation on page 89.
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 87.

Notes

Lined area for notes, consisting of multiple horizontal lines.

