



Investor Briefing

24 February 2003

Introduction



- Purpose of today's briefing is to:
 - Compare Investec's share price to its global peer group
 - Provide an update on trading trends within the group



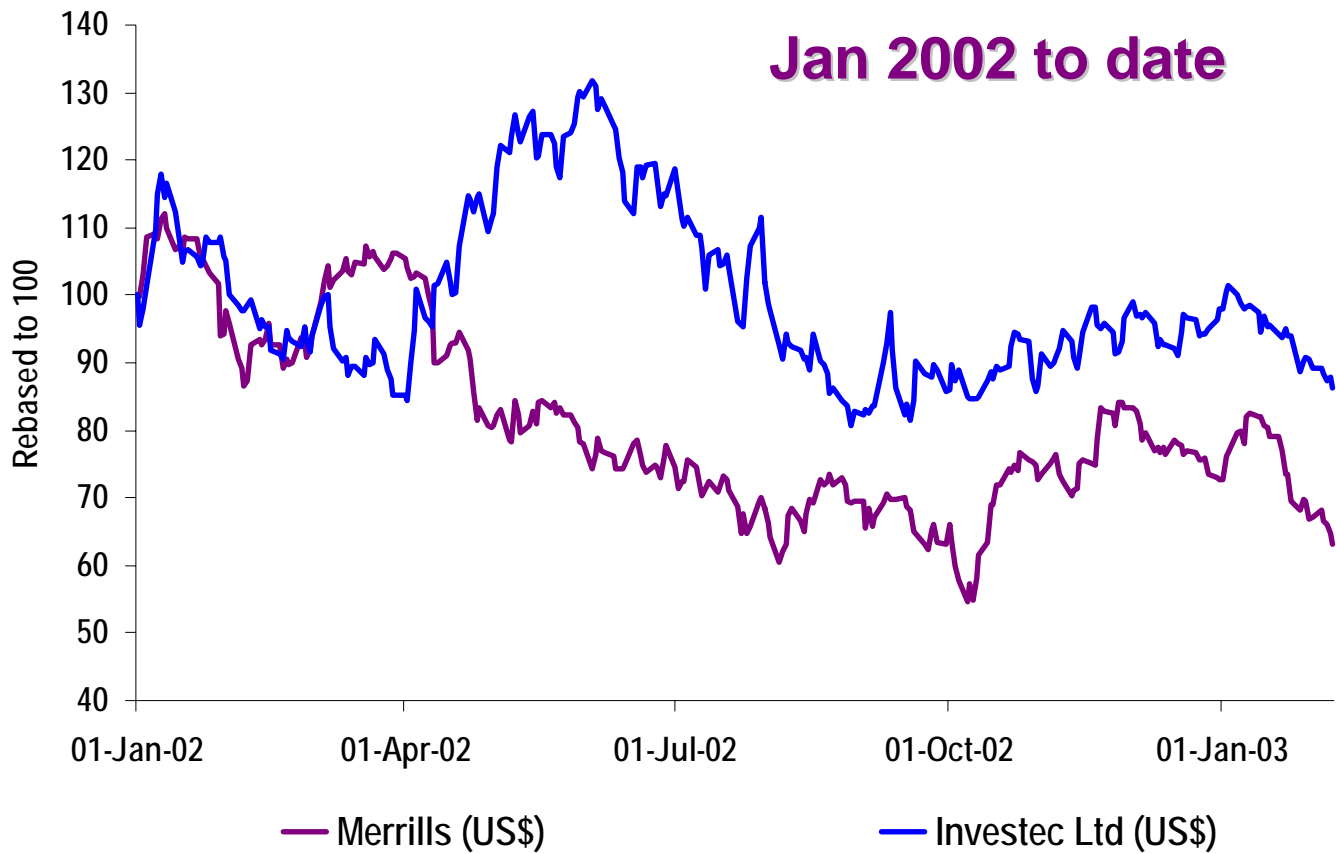
Share Price Performance



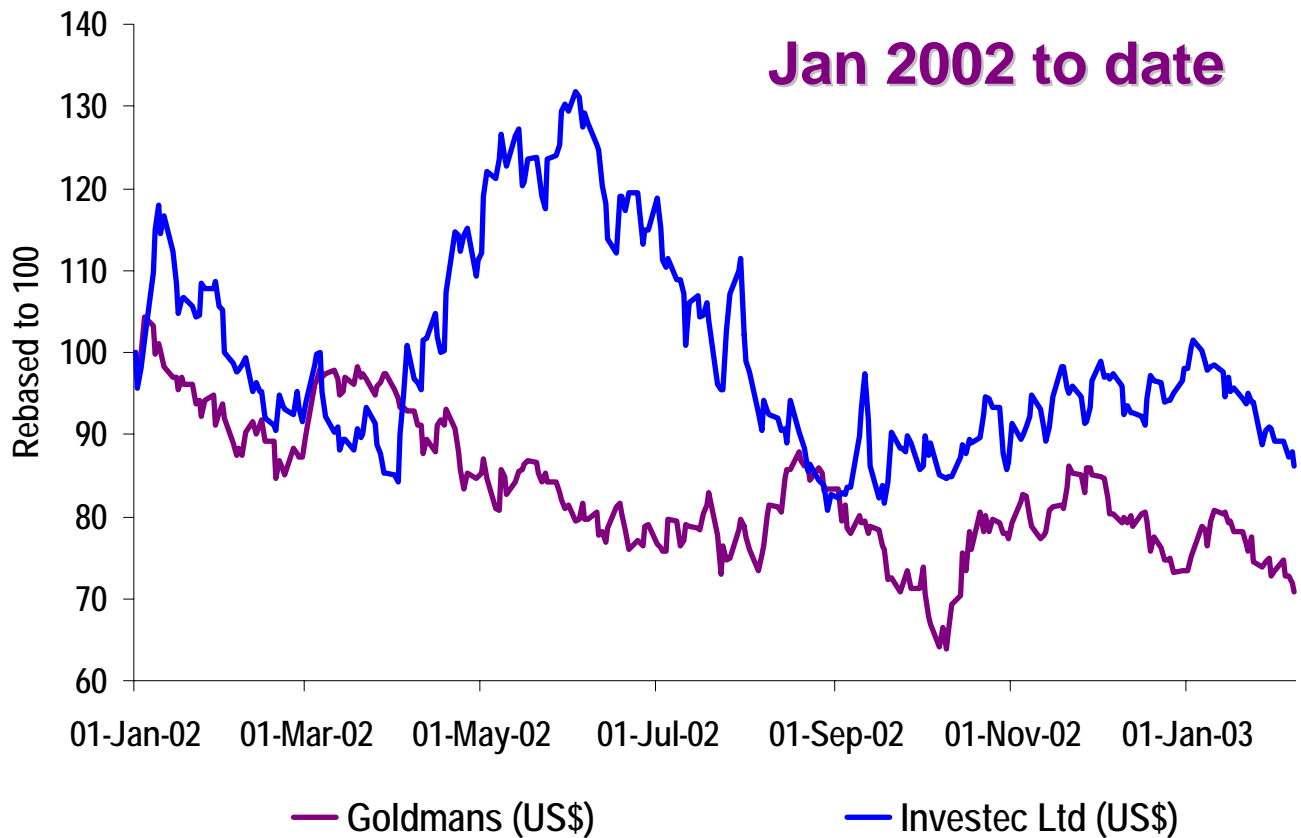
Global Investment Banks

JANUARY 2002 to date

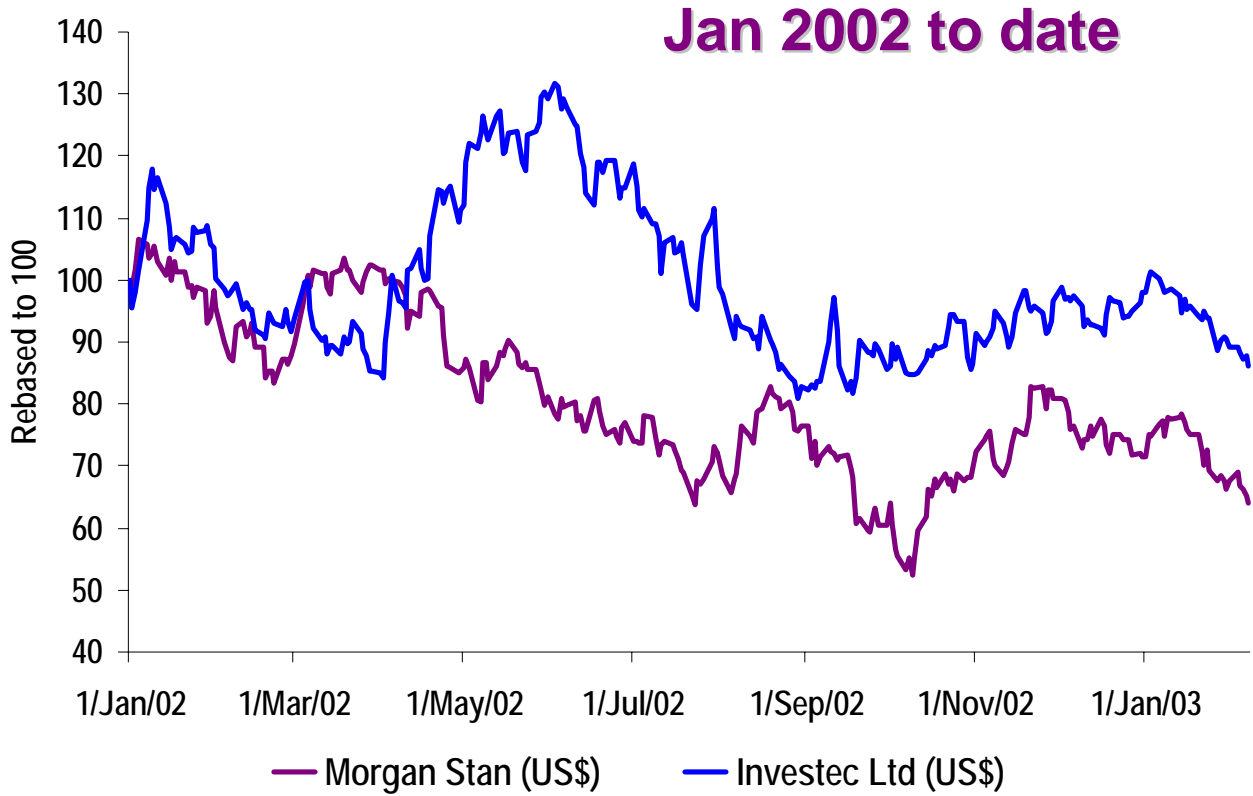
Investec Limited relative to Merrill Lynch



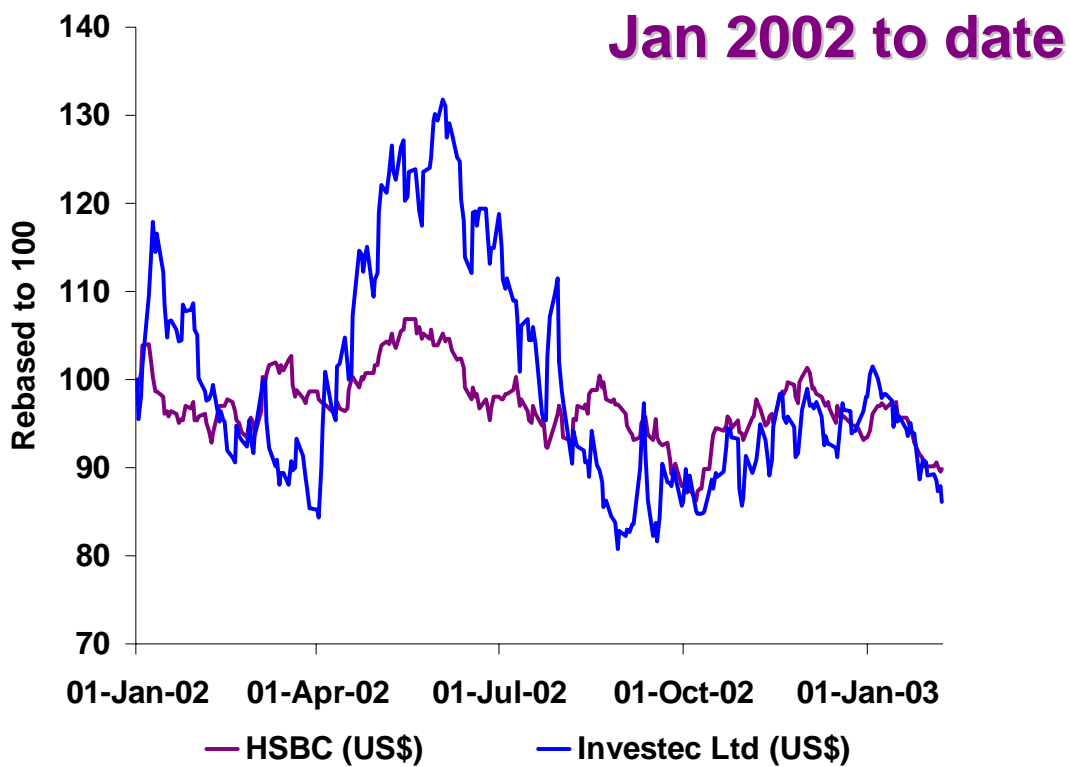
Investec Limited relative to Goldman Sachs



Investec Limited relative to Morgan Stanley



Investec Limited relative to HSBC





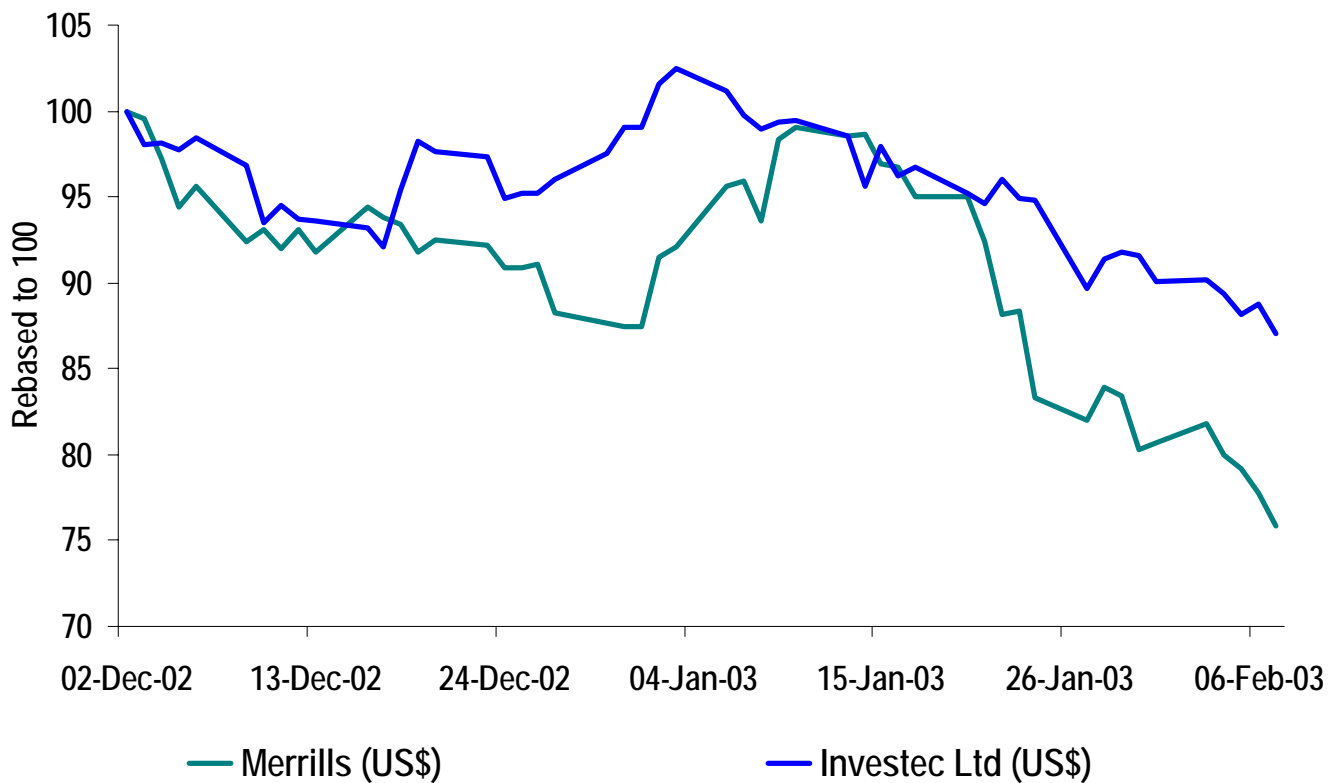
Global Investment Banks

December 2002 to date

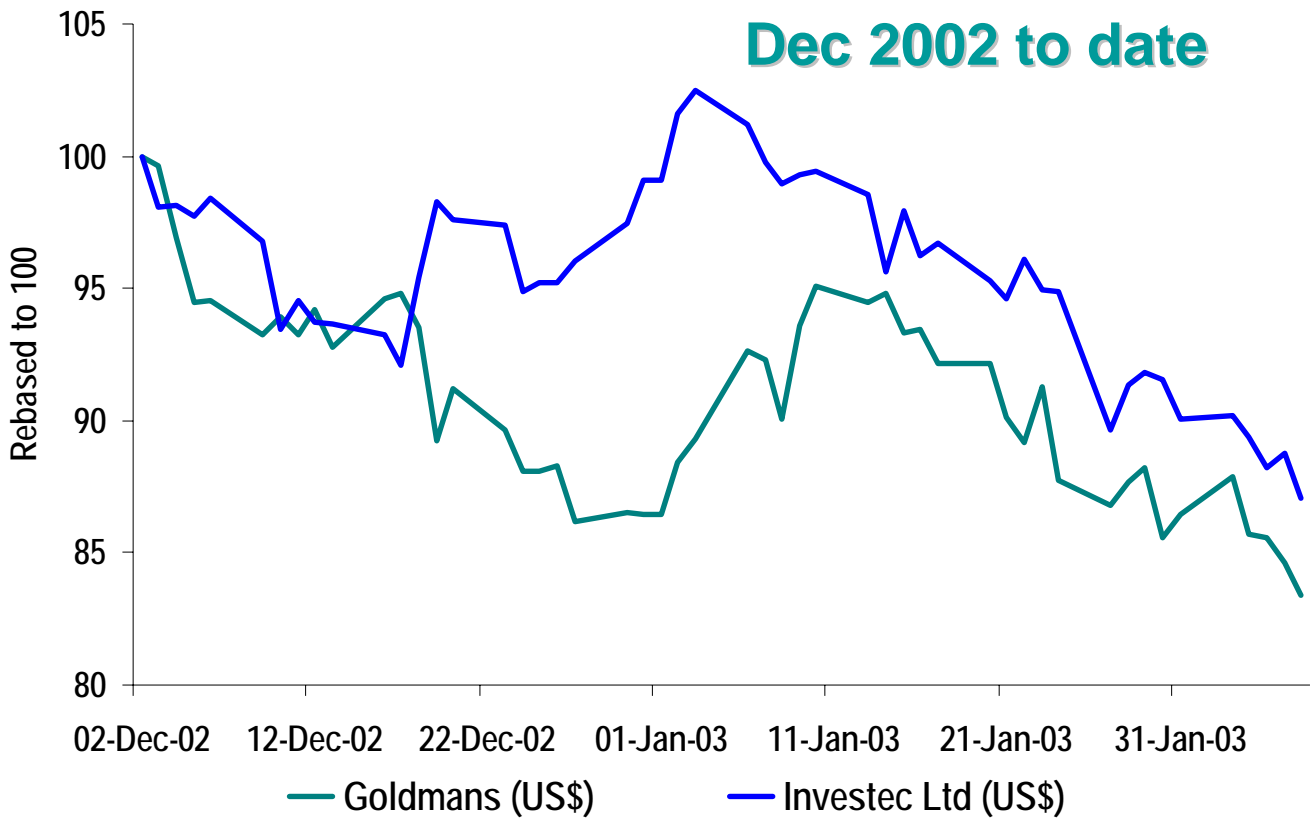
Investec Limited relative to Merrill Lynch



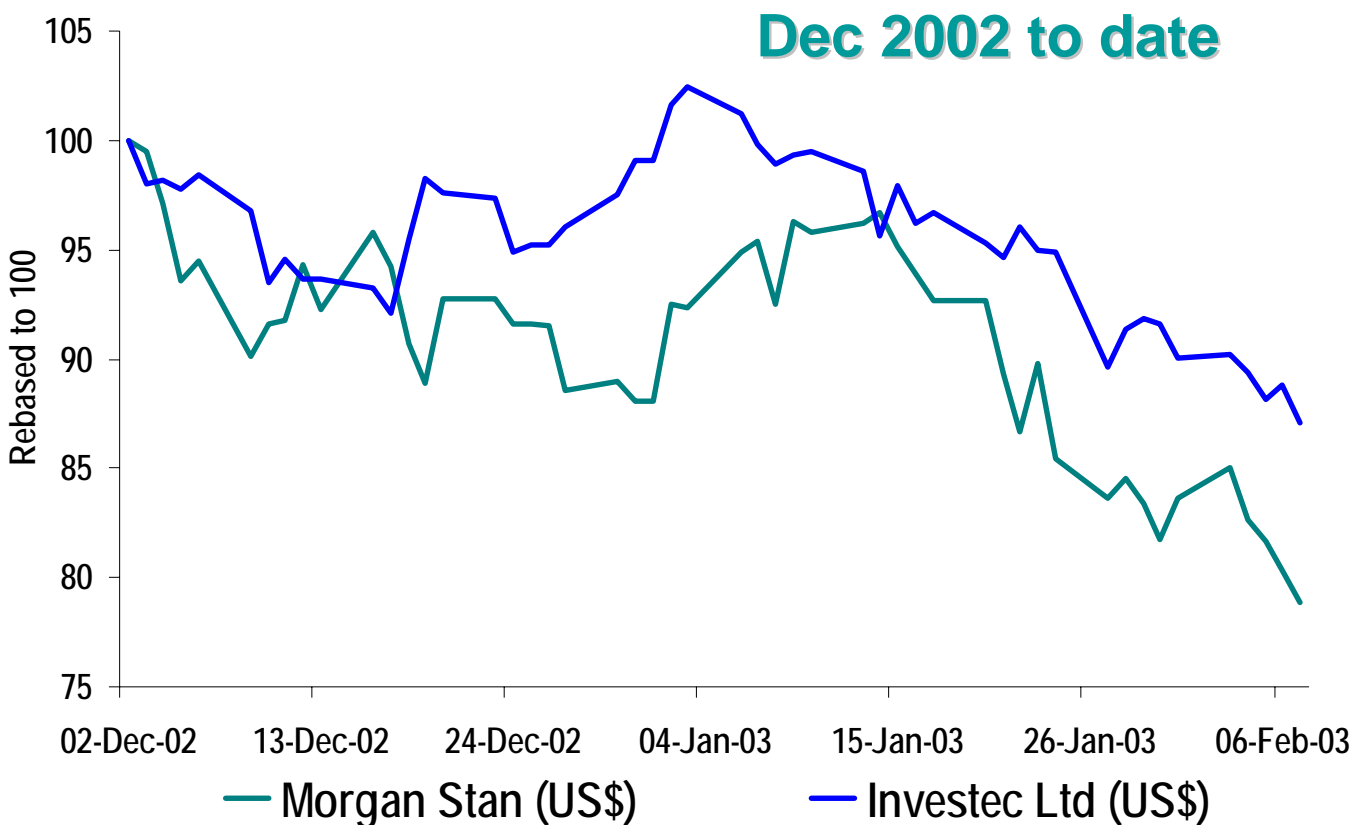
Dec 2002 to date



Investec Limited relative to Goldman Sachs



Investec Limited relative to Morgan Stanley

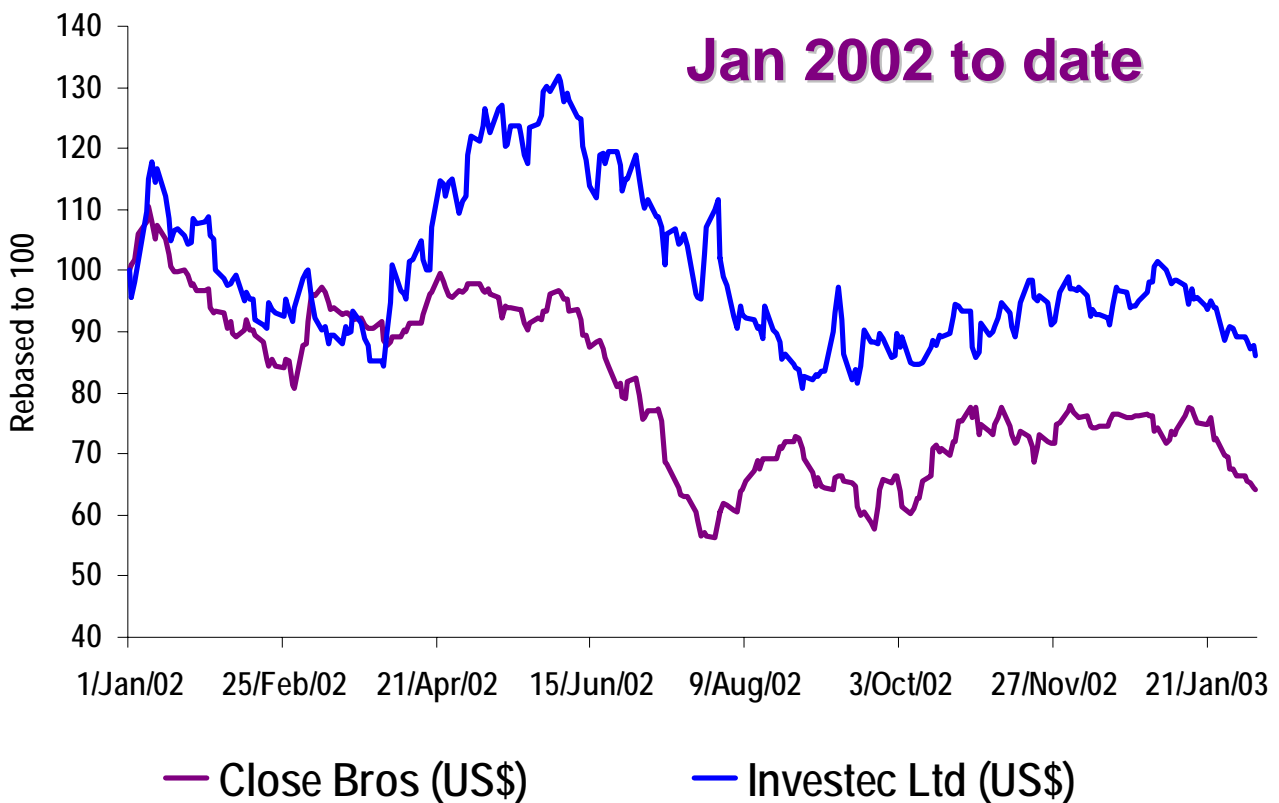




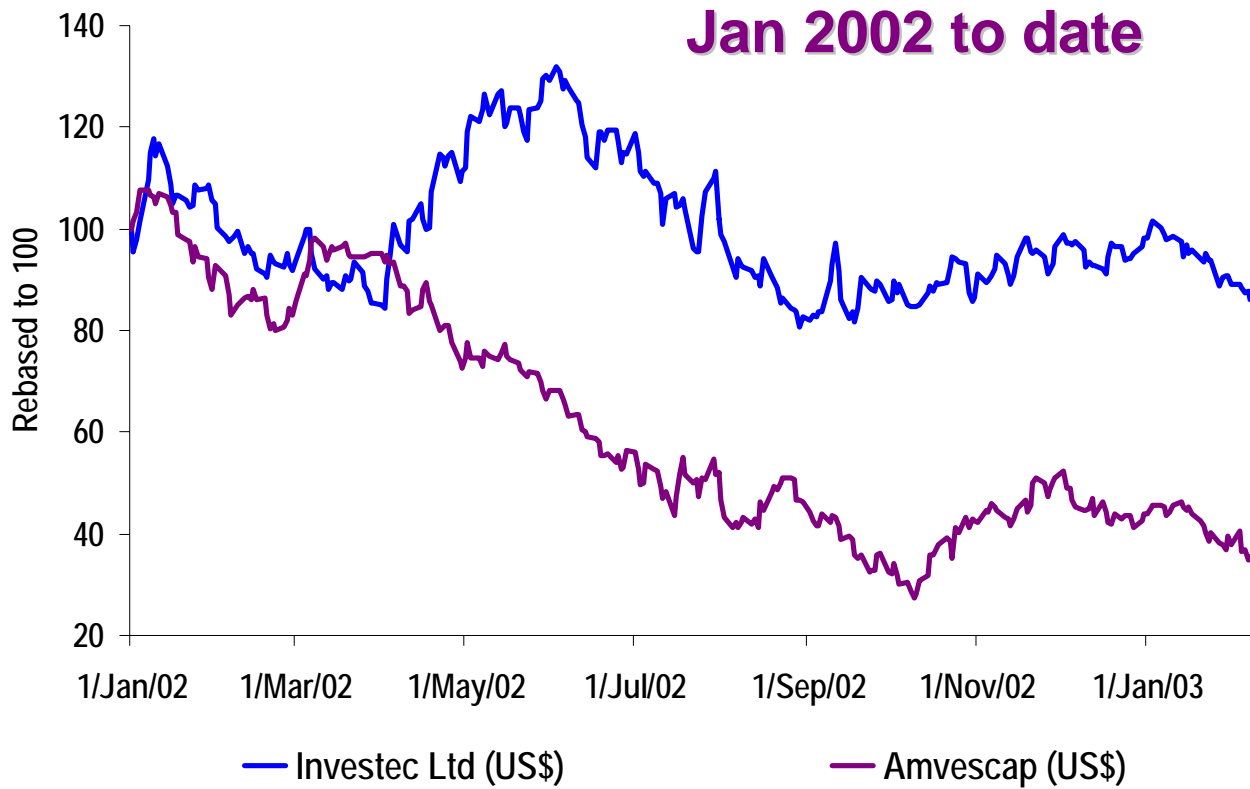
Speciality & Finance

JANUARY 2002 to date

Investec Limited relative to Close Brothers



Investec Limited relative to Amvescap



Investec Limited relative to Schroders

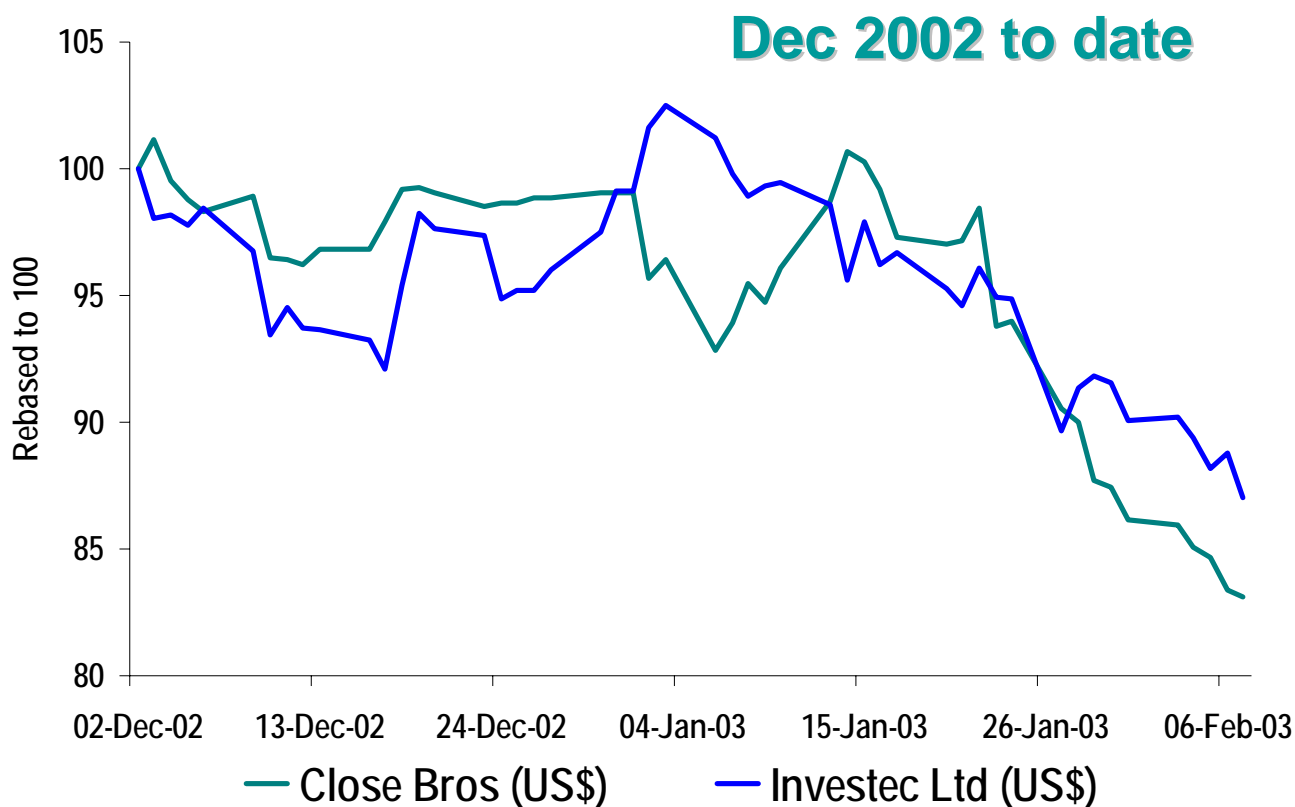




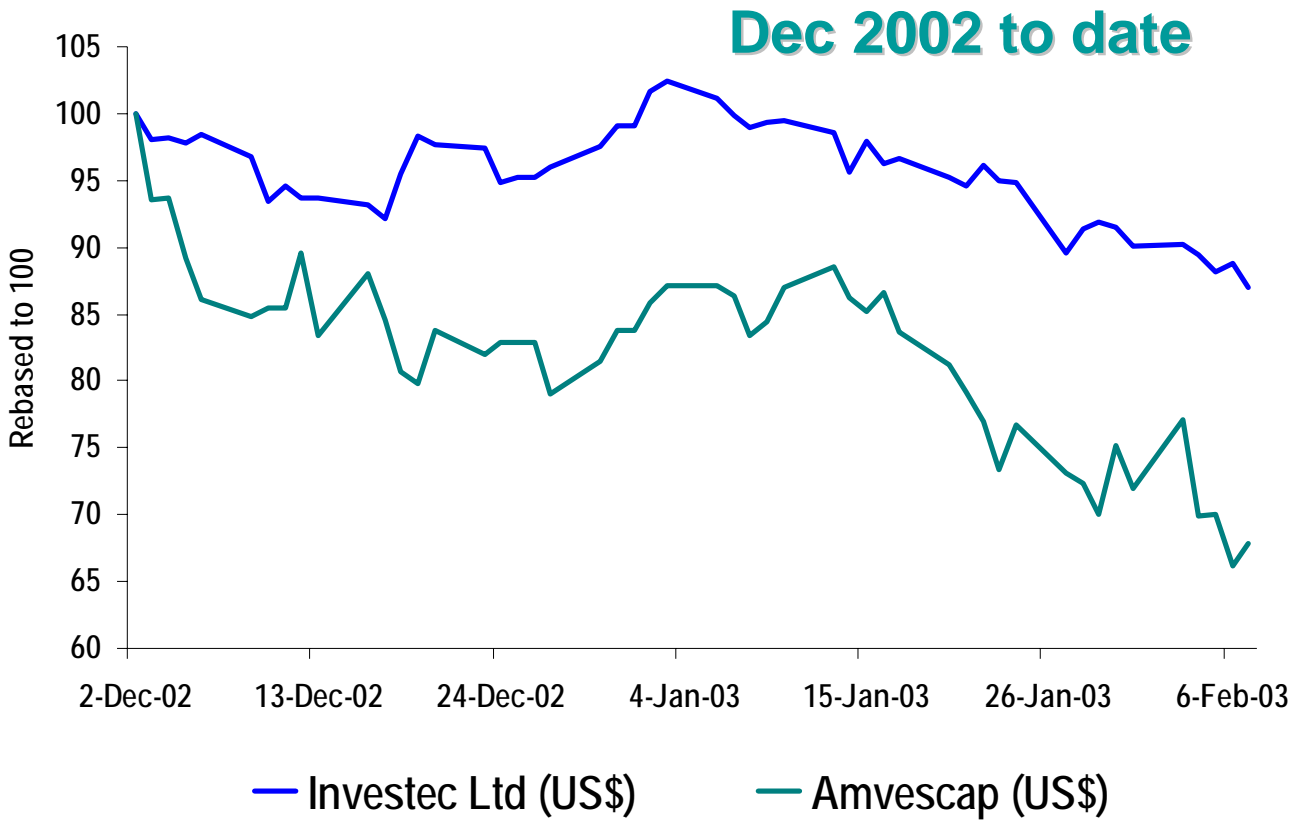
Speciality & Finance

December 2002 to date

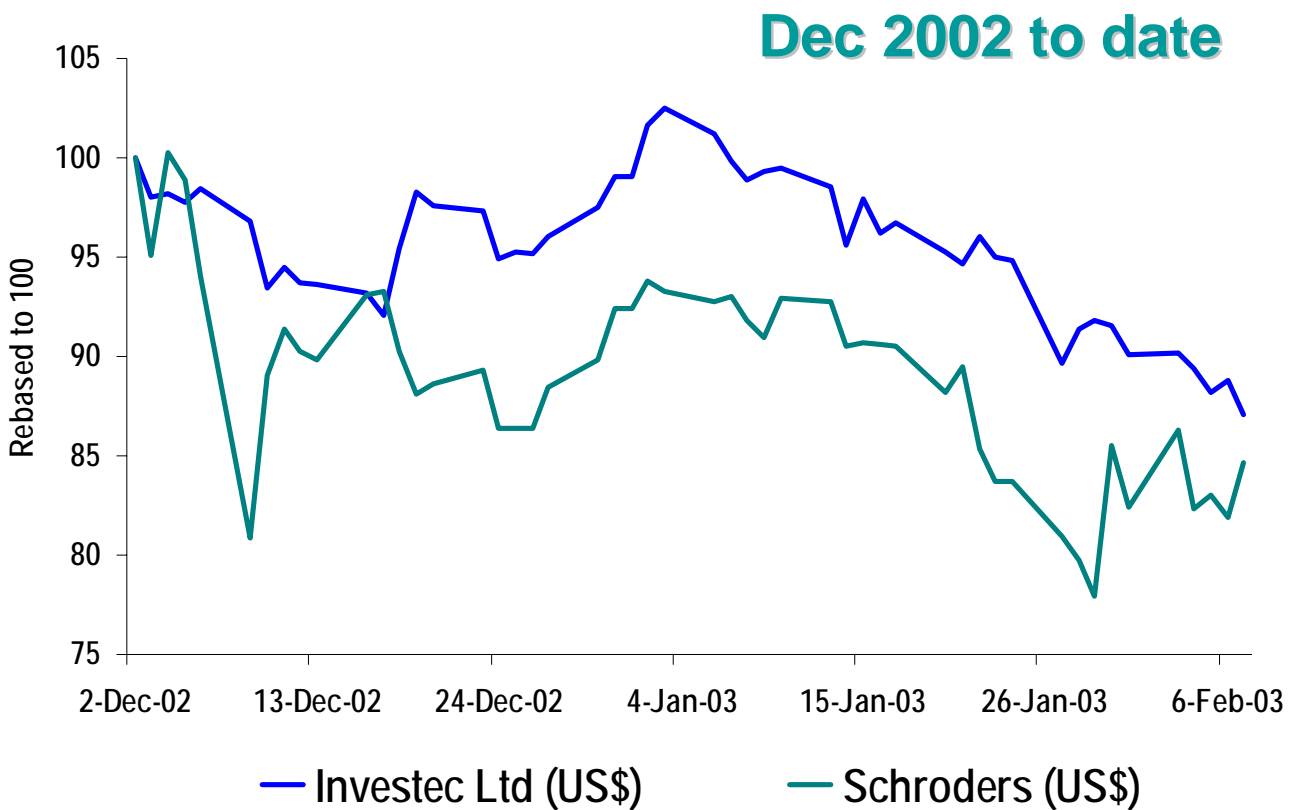
Investec Limited relative to Close Brothers



Investec Limited relative to Amvescap



Investec Limited relative to Schroders

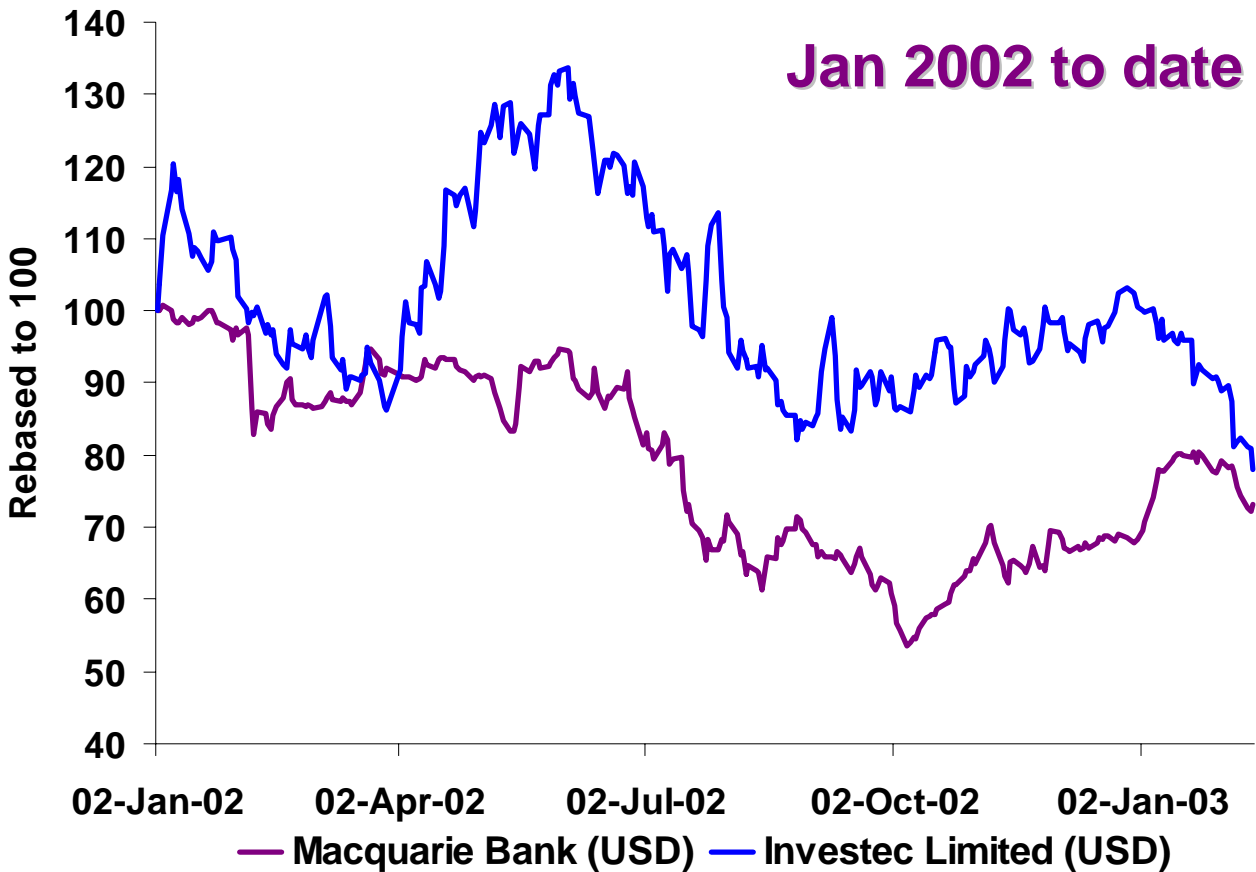




Macquarie Bank

January 2002 to date

Investec Limited relative to Macquarie





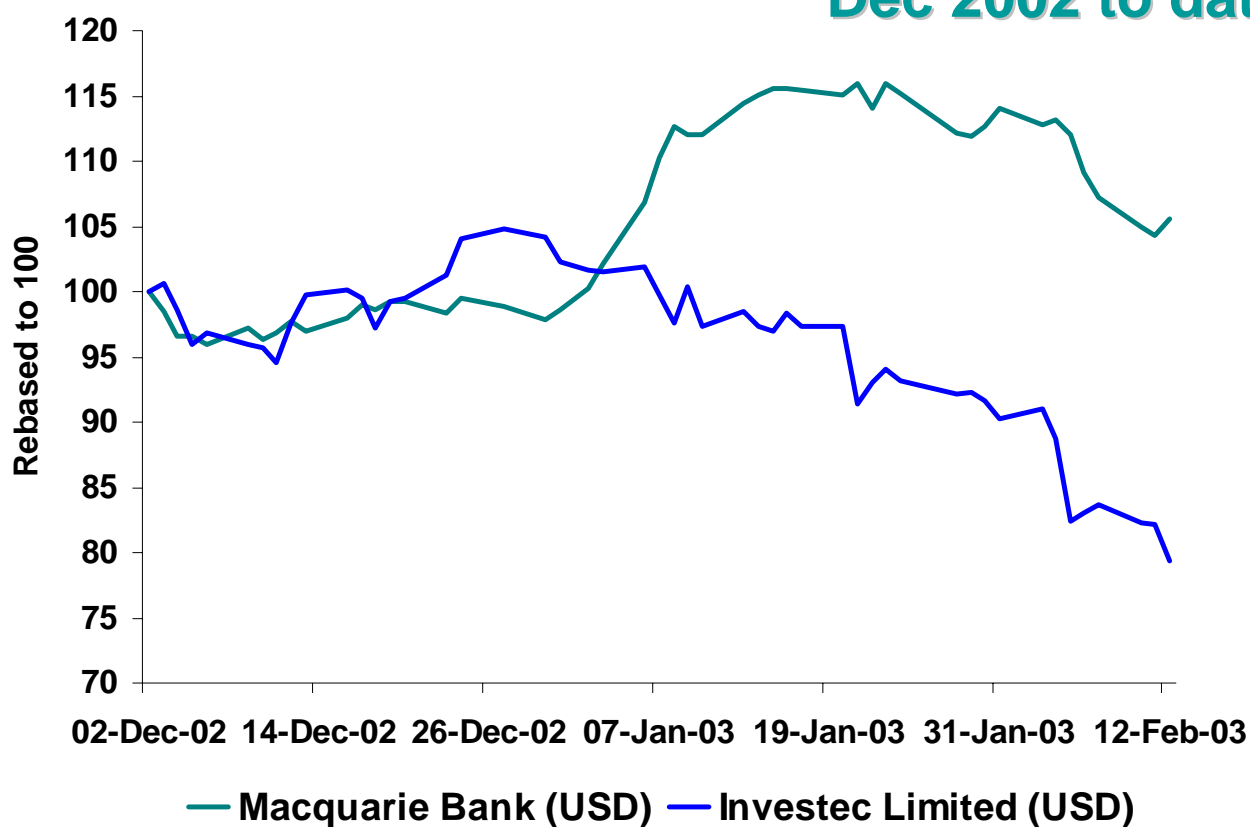
Macquarie Bank

December 2002 to date

Investec Limited relative to Macquarie



Dec 2002 to date





Operational Review

Overview

- Proviso: Unless otherwise stated, figures and trends discussed in the operational review relate to the ten month period to 31 January 2003

Overview



- Overall YTD performance in the majority of our businesses continues to reflect trends experienced in the first half of the year
 - South Africa and Australia: performing well
 - UK and Europe: results continue to be affected by weak equity markets
 - Israel: difficult geo-political and operating environment
 - USA: remains loss making but has been dramatically restructured

Overview



- Management has recognised that market conditions could be tough for some time to come and has adjusted the group's business model to cope with these conditions
- More detail of these adjustments will be discussed in subsequent sections



Operational Review: Southern Africa and UK & Europe

Private Banking



- The Private Bank has continued to post strong results
- Growth in profitability has been achieved through asset creation as well as increased non-interest income
- The group continues to monitor the property market in the UK and believes that LTVs on ave of 60% are conservative and that the book is adequately provided for
 - Stress testing: A fall off of 30% in property values would result in a naked exposure of £8mn

Private Banking



- Loan portfolio details:
 - SA: R16.6bn (including securitised book) (Sept 02: R15.2bn)
 - UK: £929mn (Sept 02: £846mn)

Private Client Stockbroking and Portfolio Management



- Overall results continue to be affected by weak equity markets
- Both businesses are however profitable with the group maintaining a strong market position in both SA and the UK
- SA FUM: R28bn (Sept 02: R28.3bn)
- UK FUM: £4.7bn (Sept 02: £4.8bn)
 - YTD inflows £320mn

Investment Banking



- Market conditions remain tough with overall performance influenced by weaker markets
- SA Corporate Finance:
 - Maintains a strong positioning with a number of new clients and major transactions completed
 - YTD: 41 Corporate Finance deals and 41 Sponsor Broker Deals (28 and 26 respectively at Sept 02)

Investment Banking



- SA Institutional Stockbroking:
 - Market volumes remain depressed but overall position improving with withdrawal of international competition
- SA Private Equity and Direct Investments:
 - Overall results to March 2003 will be positive as investments are performing well

Investment Banking



- UK Investment Banking and Securities:
 - Results reflect the same trends as at September
 - Notwithstanding the environment: 15 new client wins
 - Market share and recognition in the city has increased
 - Embarked on a strategic restructuring of the business whereby cost base will be reduced by 1/3 – without hindering overall levels of service

Investment Banking



- UK Private Equity:
 - Overall results to March 2003 will be influenced by the realisation of certain private equity investments: approx. £9mn excluding performance fees

Treasury and Specialised Finance



- SA performance still strong but expected to have a weaker performance than the first half of the year
 - Solid performance from most of the trading activities
 - Structured Finance deal flow has slowed
 - Project Finance: additional provision wrt Namco of approx. R25mn
 - Balance Sheet Management has performed well, benefiting from a steep positive yield curve

Treasury and Specialised Finance



- UK results continue to reflect YTD losses in line with that of September
 - Banking activities are profitable with a number of successful transactions concluded
 - Trading activities have been restructured and significantly reduced
 - Interest rate repo desk closed down as it was extremely capital intensive and used significant counterparty lines

Asset Management



- Extremely resilient business with a good track record
- Total stability in top structure
- Successfully managed the transition from balanced to specialist house
- Powerful retail and institutional interface in core markets (SA & UK)
- Strong track records with one notable short term issue – SA balanced performance

Asset Management



Total FUM £16.4bn v.s £16.2 a year ago

Fixed Income represents 60% of FUM

Asset Management – Recent Achievements SA



- Successful creation of two independent SA units
 - Institutional (SA)
 - Personal Investments (SA)
- Largest manager of 3rd party assets in SA
- Excellent specialist performance in SA (3rd in 2002 Plexus survey)
- Created a specialist fixed income unit with R30bn of 3rd party assets over the last 3 years
- SA sourced assets under management doubled over the last 4 years (excluding the Fedsure assets)
- Achieving employment equity targets

Asset Management – Recent Achievements UK



- Excellent 3 year track records
 - Core propositions (UK equities, UK balanced, global equities, global fixed income, global balanced)
- Team stability and recruitment success
- Retail market share from 0 – 2% of net sales in 4 years
- Rising institutional profile
 - Acceptance from major consultants (1 year ahead of schedule)
 - £200m net new business in the last 10 days
 - More than £1bn worth of new mandates during the current financial year
- Awards
 - Runner up for Global Investor's "Firm to watch in 2003" (nominations from consulting community)

Assurance Activities



- Continue to rationalise and restructure the business
- As mentioned at the time of the half year results, the results posted at September 2002 will not be repeated in the second half of the year
- Not possible to give any further guidance until actuarial valuation for 31 March 2003 is completed

Other Activities



- The Property Business, particularly in SA, has continued to perform well
- International Trade Finance – in line with the half year
- Traded Endowments
 - Results continue to be affected by poor market conditions
 - Significant rationalisation has taken place, with the former two Fedsure operations integrated into one
 - Reduction in headcount from approx. 137 to 34 people



Operational Review: Australia, Israel, USA

Australia



- The operations continue to grow and develop and we are encouraged by the progress that has been made in the region
 - Lending book: A\$407mn
 - Deposit book: A\$382mn: positively influenced by obtaining our banking licence
 - Investment Banking ranked 4th in volume of M&A deals completed in calendar year 2002 (*Thomson Financial*):
 - 17 transactions completed with a value of A\$2.2bn

Israel



- Israel's results continue to be affected by a tough political situation and weak economic environment
- Results will be weaker than the first half of the year
- However, business model is strategically aligned which bodes well for the future

USA



- The region has continued to post losses as a result of the weaker performance of the Investment Banking division and further costs incurred in the closure of some of the operations
- Have further restructured the business and should reduce the headcount to around 90 people by March 2003 (March 02: 688 people) and to 70 thereafter
- Looking forward the US operations will consist of: an M&A boutique, a bond broking and fixed income business and an Israeli desk
- Improvement in research in SA is such that looking to distribute product into US off existing platform



Operational Review:

Summary Headcount by Geography



Number of Employees	Dec 2002	Mar 2002	Mar 2001	Mar 2000
SA & Other	2,832	3,009	2,244	2,180
UK & Europe	1,478	1,510	1,417	1,379
Australia	101	84	74	-
USA	268	688	859	661
Israel	229	238	242	221
Total number of employees	4,908	5,529	4,836	4,441

Summary Headcount by Product



Number of Employees	Dec 2002	Mar 2002	Mar 2001	Mar 2000
Investment Banking	409	462	344	291
Treasury & Spec Finance	425	503	441	384
Private Banking	1,024	958	1,032	936
Private Client Stockbroking	543	855	996	892
Asset Management	750	763	670	630
Assurance	502	576		
Other Activities	1,255	1,412	1,353	1,308
Total number of employees	4,908	5,529	4,836	4,441



Additional Aspects

Additional Aspects: Liquidity



- The group has always maintained a high level of liquidity
- UK:
 - The group's policy is to hold prudential liquidity requirements of 20%, well above the regulatory requirements of 0%
 - The group currently has approx. £988mn of near-cash assets

Additional Aspects: Liquidity



- South Africa:
 - The group's policy is to hold prudential liquidity requirements of 20%, well above the regulatory requirements of 7.5%
 - DI900s Dec 2002: Investec is 76.9% fixed-term funded compared to the market average of 46.3%
 - Furthermore, Investec is a net provider of funds in the interbank market
 - The group currently has approx. R14.5bn in near-cash assets

Additional Aspects: Liquidity



- Israel
 - The group currently has approx. NIS3.3bn of near-cash assets
- Australia
 - The group currently has approx. A\$270mn of near-cash assets

Additional Aspects: Credit Quality



- Credit quality remains sound with no major deviations in NPL or provision levels
- The group continues to maintain a general provision of 1% of total loans and advances

Additional Aspects: Incentive Schemes



- Have adopted international accounting standards for options
- Charge to compensation will be approximately £6.25mn per annum which is approximately 2.5% of compensation costs

Additional Aspects: Incentive Schemes



- Other Incentive Schemes:
 - Amount due by ex employees R1.5mn
 - Employees underwater – all schemes R65mn
 - Employees in profit – all schemes R110mn

Additional Aspects: Dividend Policy



- The group continues to target a dividend cover range of between 1.70 to 2.3, based on the group's reported results in UK GAAP Sterling



Outlook

Outlook



- Significant adjustment and rationalisation behind us creating a much leaner organisation positioned to cope with a sustained market downturn