

Investec Limited

Incorporated in the Republic of South Africa
Registration number 1925/002833/06
JSE share code: INL
ISIN: ZAE000081949

Investec plc

Incorporated in England and Wales
Registration number 3633621
JSE share code: INP
ISIN: GB00B17BBQ50

Investec plc – pre-close briefing**20 March 2008****Balanced business model supports earnings growth in challenging market environment**

As previously announced, Investec is today hosting an investor pre-close briefing at 9:00 (GMT) (11:00 South African time) which will focus on developments within the group's core business areas in the second half of the current financial year ending 31 March 2008.

Overall group performance commentary

Although the financial year has not yet ended, we are pleased to report at this point that we are on track to deliver solid growth in operational earnings. Our strategy of maintaining a balanced business model both operationally and geographically has stood the group in good stead over the period.

Operating fundamentals across the group have been impacted by the global credit and capital market crisis and volatile equity markets. Trading conditions have steadily weakened in the five months since our half year end and most notably in the first quarter of 2008. This has resulted in a decline in activity levels particularly within our UK and Australian operations. Nevertheless, we expect our second half operating profit to be higher than that recorded in the first half of the year. These results are supported by a strong performance in South Africa and lower capital market write downs in the UK. The Australian business should deliver good growth in profitability over the year albeit that second half results are expected to be lower than in the first half of the year.

Since 31 March 2007 core loans and advances have grown by 28.4% to £12.8 billion, customer deposits grew by 18.2% to £11.1 billion and third party assets under management increased by 2.8% to £55.8 billion supporting good growth in net interest income, fees and commissions.

As indicated previously, 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). We expect to comfortably meet all these targets in the current financial year other than our stated earnings per share objective (i.e. growth in adjusted EPS of 10% in excess of the UK retail price index).

Disciplined risk and capital management remains a key focus. We have seen an increase in defaults and impairments given the current market environment but these are still moderate in relation to our balance sheet size and level of profitability. We have successfully implemented Basel II on the standardised approach and are comfortably meeting these new requirements. We continue to hold surplus cash and near cash of approximately £5 billion and our balance sheet remains sound.

The sale of our South African property fund management and property administration business to Growthpoint Properties Limited was approved by the Competition Tribunal of South Africa on 18 October 2007. A non-operating exceptional gain of approximately £85 million was made on the sale of these businesses.

We have made good progress on the integration of the Kensington Group into our Capital Markets division. We have made a preliminary assessment of the carrying value of the goodwill arising on the acquisition. Considering that new business has deliberately been

reduced and there is limited activity in the securitisation markets we expect to impair the goodwill by between £50 million and £60 million. The Kensington business remains profitable with annualised earnings in line with the first half of the year. We will continue to realign the business in order to maintain a robust business model that can respond quickly when market conditions change.

Business commentary

Salient features of the operating performance of our core business areas are listed below and further details will be provided in the briefing presentation which can be viewed on our website.

Private Banking

- Since 31 March 2007:
 - The loan portfolio has increased 34.6% to £9.2 bn
 - Total deposits have increased 21.5% to £6.8 bn
 - Total funds under advice have increased 50.7% to £3.8 bn
- Very strong performance in South Africa driven by higher levels of activity and a good performance from Growth and Acquisition Finance
- Lower levels of activity in UK and Australia

Private Client Portfolio Management and Stockbroking

- Since 31 March 2007:
 - Total funds under management (South African and UK) have decreased by 0.4% to £21.8 bn. (Including £14.4bn relating to Rensburg Sheppards plc – this information has not been updated since the last reporting period)
 - Total South African funds under management have increased 6.1% to R112.0 bn
- Increased market volumes and higher asset levels continue to drive performance

Capital Markets

- Core loans and advances have increased 33.7% to £3.8 bn since 31 March 2007
- Strong deal activity in the South African lending and structuring areas continues while trading activities benefit from heightened market volatility
- UK - improved performance for the second half as write downs on US structured credit investments significantly lower
- Australian business continues to deliver steady performance
- *Principal Finance*
 - We continue to monitor and restructure US exposure in structured credit investments
 - As at 29 February 2008 the on-balance sheet value of the US portfolio is £83 m of which £27 m is dependent on the performance of the US sub-prime market
 - Additional write down on US structured credit portfolio of £10 m
- *Kensington*
 - Strategy to maintain platform remains:
 - Overheads cut
 - Tightened lending criteria
 - Increased pricing
 - Business volumes deliberately reduced – no new adverse business
 - Activity in UK securitisation market remains limited
 - Annualised profitability in line with first half of the year
 - Warehouse lines of approximately £2 bn renewed for between 2 - 3 years to support current strategy
 - We retain a net equity investment in the securitised mortgage portfolio of approximately £75 m and exposures in third party warehouse structures of approximately £130 m
 - These investments would only be drawn against if excess spread earned and retained by the portfolio structure is not sufficient to cover costs and bad debts
 - Average current LTV of 69.2%
 - % accounts > 90 days in arrears increasing from 9.1% to 10.9% in line with seasonal changes and seasoning of current book

Investment Banking

- ***Agency and Advisory***
 - Stable deal pipeline
- ***Direct Investments and Private Equity***
 - Profitability of South African Private Equity portfolio skewed to first half due to timing of revaluations and cashflows
 - South African Direct Investments weaker performance from some of the listed investments in line with weaker equity markets
 - UK Direct Investments and Private Equity impacted by weaker performance from some of the underlying investments

Asset Management

- Since 31 March 2007 assets under management have increased 1.0% to £30.2 bn
- Earnings growth continues to be enhanced by the momentum of UK and international business
- Shift in institutional fund mix driving higher earnings
- Solid long term investment performance
- Significantly widened distribution reach

Property Activities

- Strong performance of investment property portfolio in second half
- The sale of our South African property fund management and property administration business to Growthpoint Properties Limited ("Growthpoint") was approved by the Competition Tribunal of South Africa on 18 October 2007
- 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 administration and property fund management businesses

Other Activities

- Central Funding benefiting from:
 - Hedging of preferred securities issued by a subsidiary of Investec plc from Euros into Pounds (equal and opposite impact in minorities)
 - Strong performance from realisation of investments in South African portfolio offset by negative mark to market movements on some of the residual investments – we expect a net gain of approximately R200 m
- Central Costs
 - Marginally up on previous year

Other information

Goodwill and non-operating items

- Impairment of goodwill arising on the acquisition of Kensington expected to be between £50 m and £60 m - will be offset by a non-operating exceptional gain of approximately £85 m on the sale of the South African property management and administration business to Growthpoint

Additional aspects

- Effective tax rate: expected to be approximately 26%
- Increase in earnings attributable to minorities: largely due to translation of preferred securities issued by a subsidiary of Investec plc (transaction is hedged)
- Weighted number of shares in issue for the year to 31 March 2008 expected to be approximately 606 m

Capital and liquidity

- We have implemented Basel II and have significant capital in excess of minimum regulatory requirements

	Expected capital adequacy ratios (excluding op risk)	Expected capital adequacy ratios (incl op risk)
Investec plc	16.0%	14.1%
Investec Limited	14.5%	13.1%

- As at 18 March 2008 we held substantial cash and near cash around the world
 - Southern Africa: R46.1 bn
 - UK and Europe: £1.8 bn
 - Australia: A\$ 0.8 bn

Asset quality

- Continued strong focus on asset quality and credit risk in all geographies
- We do expect an increase in impairments and defaults in light of weak economic conditions, particularly in Private Bank (UK and South Africa) and Capital Markets (South Africa)
- We expect gross defaults as % of core loans and advances to increase marginally

Notes:

1. Key trends set out above, unless stated otherwise, relate to the eleven months ended 29 February 2008, and compare the first half of the financial year (1H08) to the second half of the financial year (2H08)
2. Please note that matters discussed in the briefing and highlighted above 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 today's date.
3. Our reporting currency is Pounds Sterling. Certain of our operations are conducted by entities outside the UK. The results of operations and the financial condition of our individual companies are reported in the local currencies in which they are domiciled, including Rands, Australian Dollars and Euros. These results are then translated into Pounds Sterling at the applicable foreign currency exchange rates for inclusion in our combined consolidated financial statements. In the case of the income statement, the weighted average rate for the relevant period is applied and, in the case of the balance sheet, the relevant closing rate is used. The following table sets out the movements in certain relevant exchange rates against Pounds Sterling over the period:

Year to date	29 Feb 2008		30 Sept 2007		31 March 2007	
Currency per £1.00	Close	Ave	Close	Ave	Close	Ave

South African Rand	15.24	14.18	13.98	14.21	14.20	13.38
Australian Dollar	2.13	2.33	2.30	2.39	2.42	2.47
Euro	1.31	1.43	1.43	1.47	1.47	1.47

Presentation details

The briefing starts at 9:00 (GMT) (11:00 South African time) and will be broadcast live via video conference from the group's offices in Johannesburg to London. The briefing will also be available via a live and recorded telephone conference call, a live and delayed video webcast, a delayed podcast and a delayed Mp3. Further details in this regard can be found on the website at: www.investec.com

Timetable:

Year end: 31 March 2008

Release of year end results: 15 May 2008

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About Investec

Investec is an international specialist banking group that provides a diverse range of financial products and services to a niche client base in three principal markets, the United Kingdom, South Africa and Australia as well as certain other countries. The group was established in 1974 and currently has approximately 6 300 permanent employees.

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

In July 2002 the Investec group implemented a dual listed company structure with listings on the London and Johannesburg Stock Exchanges. Management and staff own approximately 15% of the equity share capital of the group. The combined group's current market capitalisation is approximately £2.1bn.