



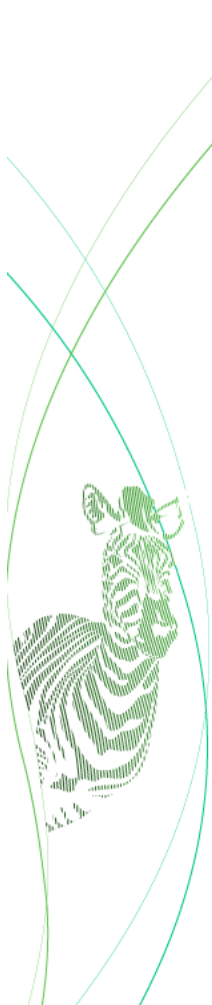
## Investec pre-close briefing

18 September 2008



### Proviso

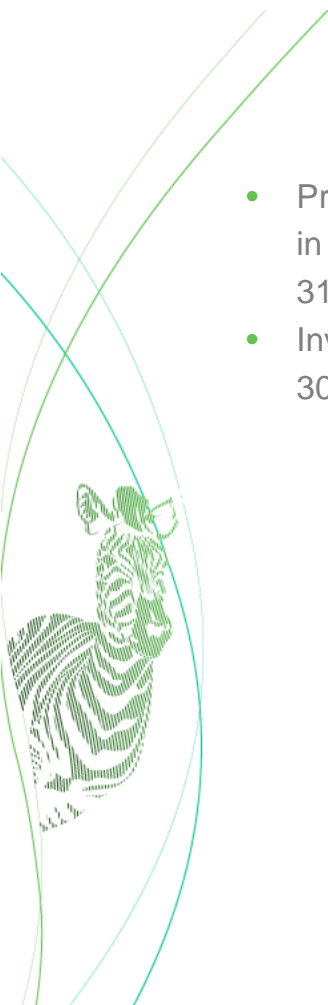
- Please note that matters discussed in today's presentation may contain forward looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:
  - the further development of standards and interpretations under IFRS applicable to past, current 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



## Operational review



- Proviso: unless otherwise stated, figures and trends discussed in the operational review relate to the five month period to 31 August 2008 (i.e. 1H09) and compare 1H09 vs 1H08
- Investec will release its results for the six months to 30 September 2008 on 13 November 2008



## Difficult operating environment continues

	31 Aug 2008	31 Mar 2008	30 Sep 2007	% move since Mar 2008
JSE ALSI	27,702	29,588	29,959	(6.4%)
FTSE ALSI	2,869	2,927	3,317	(2.0%)
Australian All Ord	5,216	5,410	6,581	(3.6%)
SA Prime	15.50%	14.50%	13.50%	1.00%
UK Clearing Banks	5.00%	5.25%	5.75%	(0.25%)
RBA cash rate target	7.25%	7.25%	6.50%	-

Year to date	31 Aug 2008		31 Mar 2008		30 Sep 2007	
	Close	Ave	Close	Ave	Close	Ave
Currency per £1.00						
South African Rand	14.00	15.03	16.17	14.31	13.98	14.21
Australian Dollar	2.12	2.10	2.18	2.32	2.30	2.39
Euro	1.24	1.26	1.25	1.42	1.43	1.47

Source: Datastream

## Stable and consistent performance

- Continued to benefit from:
  - Recurring revenue base
  - Geographical and operational diversity
- Since 31 March 2008\*:
  - Core loans and advances ▲ 14% to £14.8 bn
  - Customer deposits ▲ 15% to £13.9 bn
  - Third party assets under management ▲ 10% to £58.0 bn
- Although the reporting period has not yet ended, at this point the group expects to report normalised operating profit\*\* in line with the prior year
- South African and UK operations expected to record an increase and the Australian operations a decline in normalised operating profit

\*Since 31 March 2008 the Rand has strengthened against the Pound from a close of 16.17 to 14.00 as at 31 August 2008. This has had a positive impact on these growth numbers.

\*\*Normalised operating profit refers to net profit before tax, goodwill and non-operating items but after adjusting for earnings attributable to minorities.



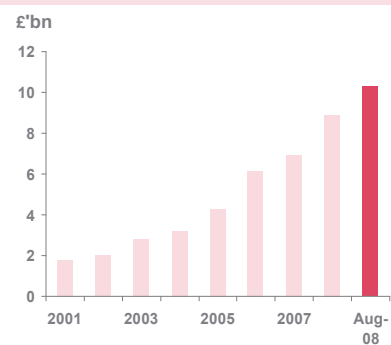
## Divisional review



### Private Banking

- Higher average advances support good growth in net interest income
- Majority of specialisations continue to perform well in South Africa
- Lower levels of activity in UK and Australia
- Weak economic conditions have resulted in a higher level of impairments

Loan portfolio\*: **▲ 16.0%** to £10.3 bn



Deposits\*: **▲ 8.5%** to £7.2 bn

Funds under advice\*: **▲ 5.0%** to £3.9 bn

\*Since 31 March 2008

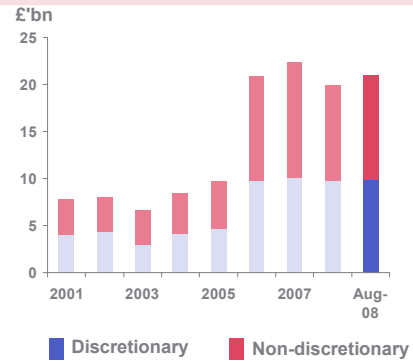
Trends reflected in graph are for the year-ended 31 March, unless otherwise indicated.

## Private Client Portfolio Management and Stockbroking

### South Africa

- Decreased market volumes and reduced market value of portfolios in home currency
- Weaker performance from alternative products

### Funds under management\*: $\uparrow$ 5.3% to £21 bn



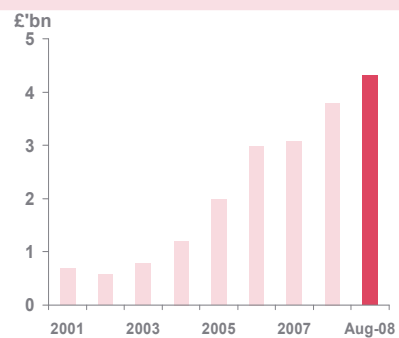
\*Since 31 March 2008 and includes £13 bn of Rensburg Sheppards plc as reported for the year ended 31 March 2008

Trends reflected in graph are for the year-ended 31 March, unless otherwise indicated

## Capital Markets

- Reasonable levels of activity across the advisory, structuring and trading businesses
- Mixed business performance – some businesses performing well and others have been negatively impacted by current environment
- The division is expected to perform slightly behind the prior year (excluding £36 mn write downs on US structured credit investments that occurred in 1H08)

### Loan portfolio\*: $\uparrow$ 13.1% to £4.3 bn



\*Since 31 March 2008

Trends reflected in graph are for the year-ended 31 March, unless otherwise indicated.



## Kensington

- Stable performance from Kensington – included for full 6 months
- Headcount has been reduced significantly
- Bad debt provision is based on a house price decline assumption of circa -35% i.e. 2008: -15%, 2009: -10%, and an extra -10% haircut to the price to reflect forced sale discount
- The total book has decreased from £6.1 bn to £5.5 bn
- Arrears have increased marginally as the book becomes more seasoned
- Average LTVs have increased to 72% as a consequence of house price deflation



## Investment Banking

### Agency and Advisory

- UK performed well
- South Africa – reasonable levels of activity and pipeline but few deals closed; reduced broking volumes
- Australia – reasonable levels of activity and pipeline but few deals closed

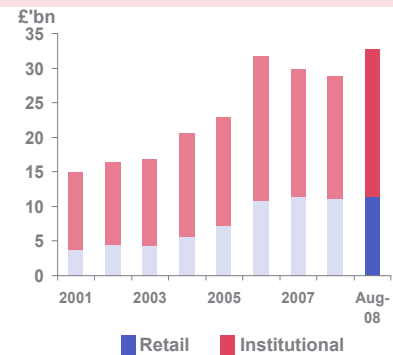
### Principal Investments (Direct Investments and Private Equity)

- South Africa Principal Investments should be slightly ahead of last year
- UK and Australia Principal Investments impacted by weaker performance from some of the underlying investments (some impact offset in minorities) and fair value adjustments

## Asset Management

- Earnings growth under pressure from tough mutual fund environment
- Shift in fund mix to institutional continues
- Strong net inflows drives increase in assets under management
- Environment expected to be challenging going forward

Assets under management\*: **▲ 14% to £32.8 bn**



\*Since 31 March 2008

Trends reflected in graph are for the year-ended 31 March, unless otherwise indicated.

## Property Activities

- Weaker property fundamentals
- However, performing in line with the prior year, benefiting from transactions completed and reasonable performance from the investment property portfolio



## Other Activities

- Central Funding:
  - Strong performance in South Africa driven by higher rates and increased cash holdings
- Central Costs:
  - Marginally up on previous year



## Additional aspects





## Other information

- Effective tax rate: expected to be **25% - 26%**
- Weighted number of shares in issue for the 6 months to 30 September 2008 expected to be approximately **629** mn



## Capital

- We have capital in excess of regulatory requirements

	Expected capital adequacy ratios (including op risk)	Expected capital adequacy ratios (excluding op risk)
<b>Investec plc</b>		
Total	15.8%	17.9%
Tier 1	9.5%	10.7%
<b>Investec Limited</b>		
Total	14.1%	15.6%
Tier 1	10.1%	11.2%

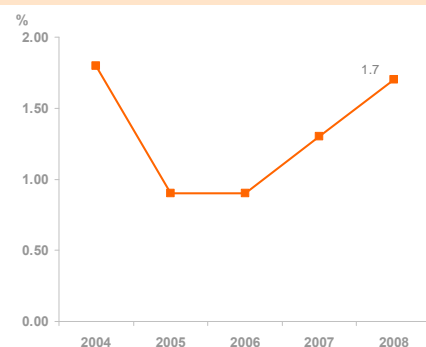
## Liquidity management

- Continue to focus on maintaining a stock of readily available, high quality liquid assets in excess of regulatory requirements
- As at 15 September 2008 our cash and near cash around the world was:
  - Southern Africa: R51.8 bn
  - UK and Europe: £1.9 bn
  - Australia: A\$ 1.0 bn

## Asset quality

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

Gross default loans as a % of core loans

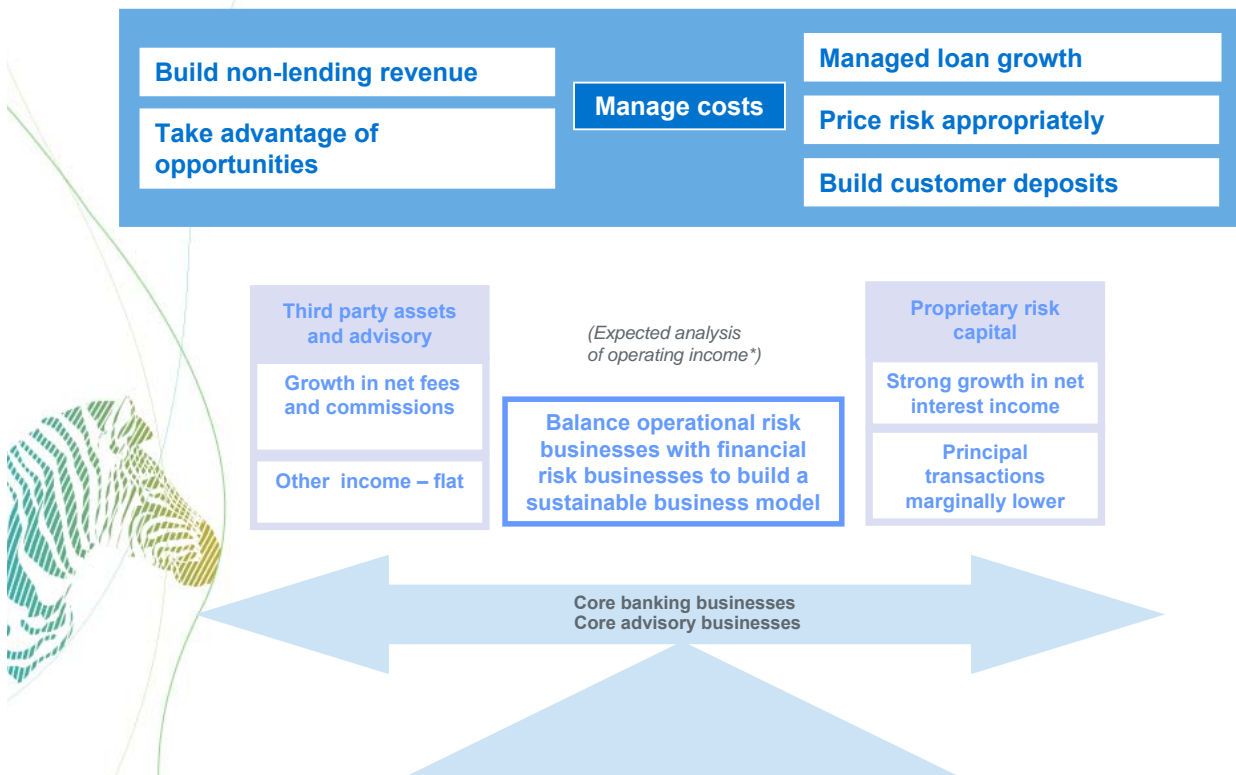


Trends reflected in graph are for the year-ended 31 March, unless otherwise indicated.

# Conclusion



## Conclusion – our business model



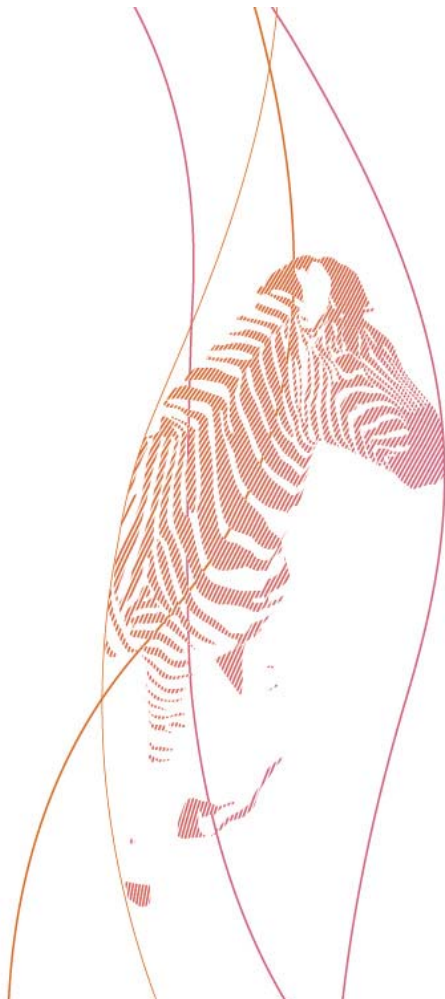
\*Note: analysis excludes income from private equity investments that are required to be consolidated

## Conclusion

- Conditions remain uncertain and markets volatile
- Current environment is not conducive to growth
- Senior management maintains a “hands-on” culture and our focus remains on:
  - Building a diversified and balanced portfolio of businesses
  - Strict management of risk and liquidity at a senior level
  - Creating additional operational efficiencies and containing costs
  - Seeking opportunities across all core geographies
- As a specialist bank concentrating on niches that we know and understand we have a core level of sustainable earnings that should enable us to navigate through varying cycles



## Appendices



## Normalised\*\* operating profit before tax, goodwill and non-operating items: for the six months ended 30 September 2007

£'000	Southern Africa	UK & Europe	Australia	Other	Normalised total	Minorities**	As reported
Private Banking	22,878	51,778	11,038	-	85,694	-	85,694
Private Client Portfolio Management and Stockbroking	8,369	5,998*	-	-	14,367	-	14,367
Capital Markets	32,093	5,939	4,667	-	42,699	500	43,199
Investment Banking	35,876	4,769	4,450	-	45,095	6,815	51,910
Asset Management	24,330	11,873	-	-	36,203	-	36,203
Property Activities	11,959	(337)	(136)	-	11,486	-	11,486
Group Services and Other	17,491	(9,548)	1,012	36	8,991	2,401	11,392
<b>Normalised total</b>	<b>152,996</b>	<b>70,472</b>	<b>21,031</b>	<b>36</b>	<b>244,535</b>	<b>9,716</b>	<b>254,251</b>
Minorities**	(653)	9,408	961	-	9,716		
<b>As reported</b>	<b>152,343</b>	<b>79,880</b>	<b>21,992</b>	<b>36</b>	<b>254,251</b>		

\*Rensburg Sheppards plc accounted for as an associate with effect from 30 April 2005. This number is net of tax.

\*\*Adjustment has been shown as a large portion of this income has a neutral impact on the total income statement but distorts operational trends within the businesses.

## Private Banking: loans and advances

£'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
UK and Europe	3,488	3,327	2,937	2,398	4.8%
South Africa	5,687	4,551	4,588	3,930	25.0%
Australia	1,164	1,032	575	527	12.8%
<b>Total loans</b>	<b>10,339</b>	<b>8,910</b>	<b>8,100</b>	<b>6,855</b>	<b>16.0%</b>

Home currency 'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
South Africa	R 79,623	R 73,562	R 64,140	R 55,786	8.2%
Australia	\$2,468	\$2,249	\$1,323	\$1,279	9.7%

Rates:

R:£	14.00	16.17	13.98	14.20
£:AUD	2.12	2.18	2.30	2.42

## Private Banking: retail deposits

£'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
UK and Europe	3,858	3,961	4,023	3,439	-2.6%
South Africa	2,894	2,219	2,269	1,851	30.4%
Australia	420	427	378	270	-1.6%
<b>Total deposits</b>	<b>7,172</b>	<b>6,607</b>	<b>6,670</b>	<b>5,560</b>	<b>8.5%</b>

Home currency 'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
South Africa	R 40,510	R 35,887	R 31,723	R 26,277	12.9%
Australia	\$891	\$931	\$870	\$655	-4.3%

Rates:					
R:£	14.00	16.17	13.98	14.20	
£:AUD	2.12	2.18	2.30	2.42	

## Private Banking: funds under advice

£'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
UK and Europe	1,758	1,770	1,338	951	-0.7%
South Africa	1,807	1,598	1,651	1,275	13.1%
Australia	299	313	347	306	-4.5%
<b>Funds under advice</b>	<b>3,864</b>	<b>3,681</b>	<b>3,335</b>	<b>2,532</b>	<b>5.0%</b>

Home currency 'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
South Africa	R 25,301	R 25,835	R 23,078	R 18,111	-2.1%
Australia	\$634	\$683	\$797	\$740	-7.2%

Rates:					
R:£	14.00	16.17	13.98	14.20	
£:AUD	2.12	2.18	2.30	2.42	

## Capital Markets: loans and advances

£'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
UK and Europe	2,076	1,997	2,034	1,536	4.0%
South Africa	2,074	1,658	1,540	1,428	25.1%
Australia	145	142	171	133	2.2%
<b>Total core loans</b>	<b>4,295</b>	<b>3,797</b>	<b>3,745</b>	<b>3,097</b>	<b>13.1%</b>

Home currency 'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
South Africa	R 29,039	R 26,811	R 21,549	R 20,275	8.3%
Australia	\$308	\$310	\$414	\$323	-0.6%

### Rates:

R:£	14.00	16.17	13.98	14.20
£:AUD	2.12	2.18	2.30	2.42

## Kensington: statistics

Period ended 31 Aug 2008	Warehouse book	Securitized portfolio	Total
Mortgage assets under management (£'m)	1,841	3,624	5,465
Weighted average current LTV of active portfolio (adjusted for house price deflation)	76.0%	70.0%	72.0%
Total capital lent in arrears: accounts > 90 days (£'m)	166	526	692
Total capital lent in arrears: accounts in possession (£'m)	23	135	157
% of accounts > 90 days in arrears	9.0%	15.2%	13.3%
Period ended 31 Mar 2008	Warehouse book	Securitized portfolio	Total
Mortgage assets under management (£'m)	1,967	4,121	6,088
Weighted average current LTV of active portfolio (adjusted for house price deflation)	73.7%	68.1%	69.9%
Total capital lent in arrears: accounts > 90 days (£'m)	113	551	664
Total capital lent in arrears: accounts in possession (£'m)	8	124	132
% of accounts > 90 days in arrears	5.4%	13.9%	11.3%

## SA Private Client Securities: funds under management

R'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
Discretionary	20,465	21,407	19,764	18,419	-4.4%
Non-discretionary	92,017	91,338	92,785	87,177	0.7%
<b>Total</b>	<b>112,482</b>	<b>112,745</b>	<b>112,549</b>	<b>105,596</b>	<b>-0.2%</b>

### Net inflows at cost over the period

Discretionary	21	1,865	686	1,065
Non-discretionary	1,147	5,431	2,386	2,316
<b>Total</b>	<b>1,168</b>	<b>7,296</b>	<b>3,072</b>	<b>3,381</b>

£'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
Discretionary	1,462	1,324	1,414	1,297	10.4%
Non-discretionary	6,573	5,649	6,637	6,139	16.4%
<b>Total</b>	<b>8,035</b>	<b>6,972</b>	<b>8,051</b>	<b>7,436</b>	<b>15.2%</b>

Rates: R:£	14.00	16.17	13.98	14.20
------------	-------	-------	-------	-------

## Investec Asset Management: assets under management\*

£'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
UK and international	15,699	13,834	14,058	13,039	13.5%
Retail	6,384	6,406	7,624	6,525	-0.3%
Institutional	9,315	7,428	6,434	6,514	25.4%
Southern Africa	17,085	14,917	17,620	16,852	14.5%
Retail	4,963	4,647	5,303	4,830	6.8%
Institutional	12,122	10,270	12,317	12,022	18.0%
<b>Total AUM*</b>	<b>32,784</b>	<b>28,751</b>	<b>31,678</b>	<b>29,891</b>	<b>14.0%</b>

Home currency 'million	31 Aug 2008	31 Mar 2008	30 Sep 2007	31 Mar 2007	% Change YTD vs Mar 08
Southern Africa	239,260	241,208	246,328	239,250	-0.8%
Retail	69,502	75,142	74,136	68,571	-7.5%
Institutional	169,758	166,066	172,192	170,679	2.2%

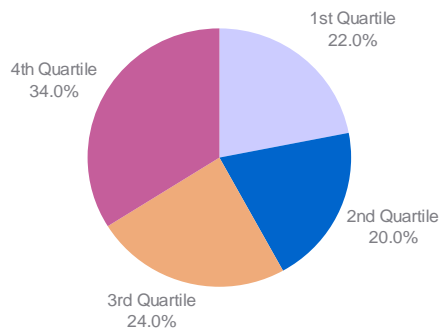
Rates: R:£	14.00	16.17	13.98	14.20
------------	-------	-------	-------	-------

\*All AUM are on a managed basis.

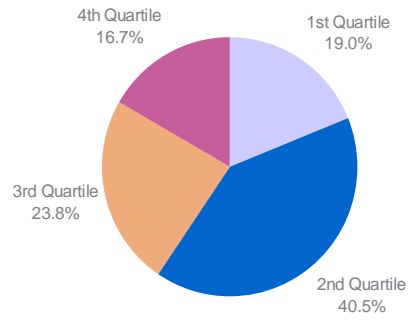


**Investec Asset Management:**  
UK and global retail investment performance

**One year**

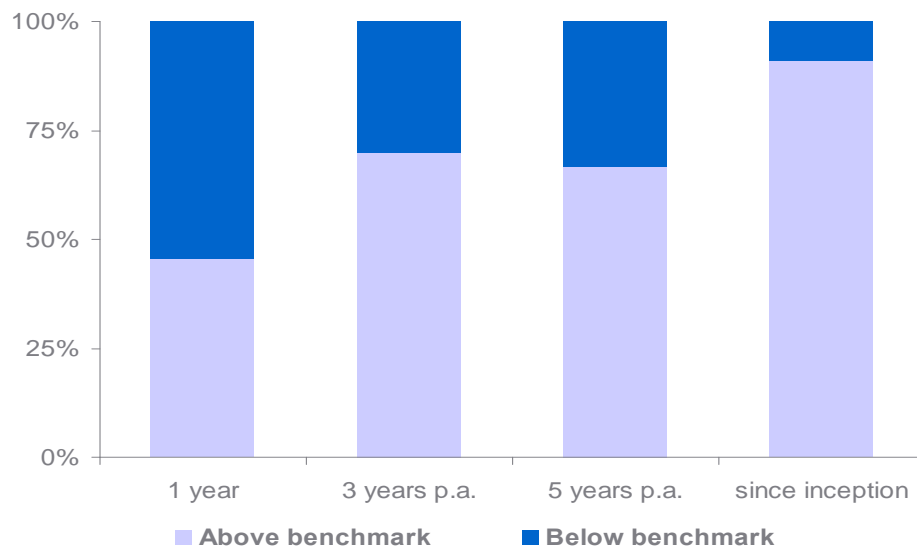


**Three years**



Performance to 31 August 2008, excludes cash, cash plus and liquidity funds.  
Source: Calculated from Lipper data.

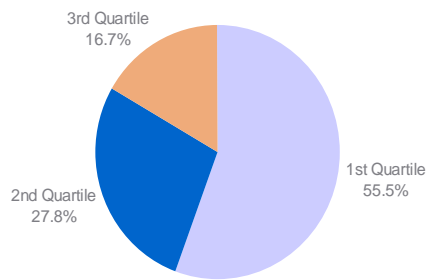
**Investec Asset Management:**  
UK and global institutional investment performance



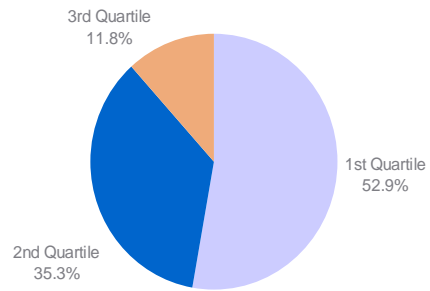
Performance to 31 August 2008.  
Source: Calculated from PerformaGlobal data.

**Investec Asset Management:**  
SA retail investment performance

**One year**

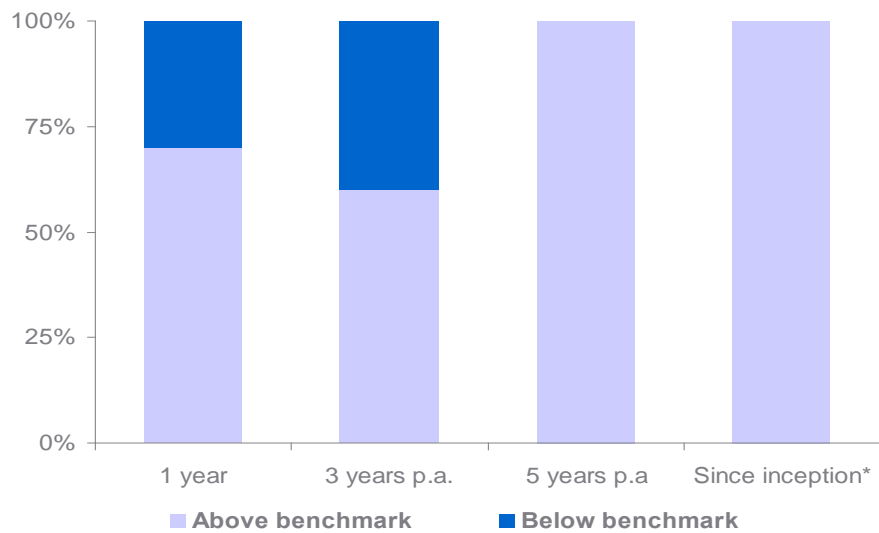


**Three years**

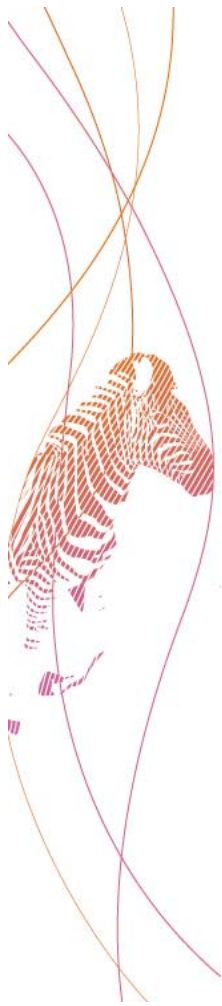


Performance to 31 August 2008.  
Source: Calculated from Standard & Poors, Datastream data.

**Investec Asset Management:**  
SA institutional investment performance



\*Since GIPs inception.  
Performance to 31 August 2008.  
Source: Calculated from StatPro data.



## Contact details

For further information please refer to the Investor Relations website:  
[www.investec.com/grouplinks/investorrelations](http://www.investec.com/grouplinks/investorrelations)

Or contact the Investor Relations team:

- Telephone:
  - UK: +44 (0) 207 597 5546
  - SA: +27 (0) 11 286 7070
- E-mail: [investorrelations@investec.com](mailto:investorrelations@investec.com)