Investec Limited	**Investec plc**
Incorporated in the Republic of South Africa	Incorporated in England and Wales
Registration number 1925/002833/06	Registration number 3633621
JSE share code: INL	JSE share code: INP
ISIN: ZAE000081949	ISIN: GB00B17BBQ50

Investec (comprising Investec plc and Investec Limited) – pre-close briefing statement

13 September 2012

Investec is today hosting an investor pre-close briefing at 9:00 (BST time) (10:00 South African time) which will focus on developments within the group's core business areas in the first half of the financial year ending 31 March 2013.

Operational and financial overview of the six months ending 30 September 2012

Operating profit (refer to definition in the notes) is expected to be in line with that recorded in the first half of the prior financial year.

The Asset Management and Wealth Management businesses experienced net inflows and the proportion of revenues derived from the group's non-lending activities has continued to grow.

The South African business is expected to perform ahead of the prior year in Rand terms benefiting from an increase in revenue across the board, whilst costs have increased marginally. The Australian business has returned to profitability largely as a result of a significant decline in impairments. The UK business is expected to report results behind the prior year, largely driven by lower investment and trading income.

Overall results will however, be impacted by the depreciation of the average Rand: Pound exchange rate of approximately 15% and depressed activity levels given the volatile economic environment.

Salient financial features include:

- It has been difficult to grow revenue in the current environment and the group expects operating income to decline marginally in Pounds arising from:
    - A decline in investment and trading income
    - A marginal decrease in net interest income
    - A solid increase in net fees and commissions receivable.
- Recurring income as a percentage of total operating income is expected to be approximately 70% (2011: 68%).
- Expenses are expected to increase in Pounds by 1% to 2% largely driven by recently acquired businesses which are in the process of being fully integrated.
- The cost to income ratio is therefore expected to increase, although this ratio remains in line with the group's target.
- Adjusted EPS (refer to definition in the notes) in Pounds is expected to be lower than the prior year, but substantially ahead of 2H2012.
- For the period 31 March 2012 to 31 August 2012:
    - Third party assets under management increased 2% to GBP98.3 billion – an increase of 5% on a currency neutral basis
    - Customer accounts (deposits) decreased 2% to GBP24.8 billion - an increase of 3% on a currency neutral basis
    - Core loans and advances decreased 3% to GBP17.7 billion - an increase of 2% on a currency neutral basis.

Whilst the overall level of impairments for the group are expected to decline meaningfully, activity levels are low and revenue from principal and customer flow activities is difficult to generate. The group has continued to benefit from solid net inflows in its Asset Management and Wealth and Investment businesses. Substantial effort through the "One-Bank" process is being made to align infrastructure and processes and to create the appropriate platforms for future growth and development of the Specialist Bank. The strength and resilience of the group's franchise, together with a solid balance sheet position, ensures the group is well placed to benefit from any improvement in the level of economic activity.

On behalf of the board

Fani Titi (Joint Chairman), Sir David Prosser (Joint Chairman), Stephen Koseff (Chief Executive Officer) and Bernard Kantor (Managing Director)

Liquidity management

- Diversifying Investec's funding sources has been a key element in improving the quality of the group's balance sheet and reducing its reliance on wholesale funding.
- The group currently holds GBP10.4 billion in cash and near cash balances (GBP5.9 billion in Investec Limited and GBP4.5 billion in Investec plc) which amounts to 33% of its liability base.
- Advances as a percentage of customer deposits at 31 August 2012 is at 67.6% (31 March 2012: 67.8%).

Capital

- The group's capital ratios remain stable and the group expects Investec Limited's and Investec plc's capital adequacy ratios to be within its target range.
- The group targets a minimum tier one capital ratio range of 11% to 12% and a total capital adequacy ratio range of 15% to 18% on a consolidated basis for each of Investec plc and Investec Limited respectively.

Asset quality and impairment trends

- The group lends mainly to high net worth and high income individuals, mid to large sized corporates, public sector bodies and institutions. The majority of the group's credit and counterparty exposures reside within its three core geographies. The group has no exposure to peripheral European sovereign debt.
- Impairments on core loans are expected to be approximately 24% lower than 1H2012, with a significant decrease compared to 2H2012.
- Impairments in the South African and UK core books are expected to be in line with 1H2012.
- Impairments in Australia will be significantly lower than the prior year.
- The group expects the credit loss ratio on total average loans and advances to be between 0.80% to 0.85% (31 March 2012: 1.12%; 30 September 2011: 1.08%)
- Impairments in Kensington are expected to be lower than 1H2012.

Business commentary

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

Asset Management

- Competitive long term performance across investment capabilities
- Positive net inflows of GBP1.1 billion
- Financial performance should be in line with 1H2012
- Since 31 March 2012 assets under management have decreased by 1% to GBP61.1 billion – an increase of 3% on a currency neutral basis

Wealth & Investment

- Performing ahead of the prior year
    - Higher average funds under management
    - Net inflows of GBP0.6 billion
    - Inclusion of recently acquired businesses Williams de Broë and NCB (in Ireland)
- Integration of acquisitions progressing well

- Williams de Broë has migrated onto the group's platforms as from 31 August 2012 – excess costs will however, still reflect in the group's 2013 financial results
- Williams de Broë has been rebranded Investec Wealth & Investment
- Since 31 March 2012 assets under management have increased by 6% to GBP36.7 billion – an increase of 10% on a currency neutral basis

Specialist Banking

- The Specialist Bank is performing marginally behind 1H2012. Key aspects include:
- *Net interest margin*
    - Moderate book growth, mainly in South Africa
    - Improved margins in South Africa
    - The group remains very liquid
- *Net fees and commissions*
    - General corporate banking activity levels remain low
    - Private client transactional and professional finance activities performing well
    - Good performance from the agency and advisory businesses
- *Investment and trading income*
    - Difficult operating environment
    - Lower customer flow activity
    - Unlisted portfolio in South Africa and Hong Kong continues to perform well
    - Weaker performance from the fixed income and investment portfolios in the UK
- *Costs*
    - Marginal increase in costs – acquisition in Australia
- In summary:
    - Property Activities - performing in line with1H2012
    - Private Client Activities - performing well ahead of 1H2012
    - Corporate and Institutional Banking Activities - performing behind 1H2012
    - Corporate Advisory and Investment Activities - performing well ahead of 1H2012
    - Group Services and Other Activities - performing better than1H2012

Other information

Additional aspects

- Effective tax rate: expected to be approximately 19.2%
- Weighted number of shares in issue for the six months to 30 September 2012 expected to be approximately 857 million

- **Notes:**
    1. Key trends set out above, unless stated otherwise, relate to the five months ended 31 August 2012, and compare the first half of the 2012 financial year (1H2012) to the first half of the 2013 financial year (1H2013).
    2. The financial information on which this statement is based has not been reviewed and reported on by the group's auditors.
    3. References to operating profit relate to normalised operating profit, where normalised operating profit refers to net profit before tax, goodwill, acquired intangibles and non-operating items but after adjusting for earnings attributable to non-controlling interests.Trends within the divisional sections relate to normalised operating profit.
    4. Adjusted EPS is before goodwill, acquired intangibles and non-operating items but after tax and after adjusting for earnings attributable to non-controlling interests.
    5. The neutral currency calculation for the core earnings drivers assumes the Rand:GBP and Australian Dollar:GBP closing exchange rates remain the same as at 31 August 2012 when compared to 31 March 2012.
    6. 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 13 September 2012.

7. The group's reporting currency is Pounds Sterling. Certain of the group's operations are conducted by entities outside the UK. The results of operations and the financial condition of these 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 the group's 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:

	Five months to 31-Aug-12		**Year to 31-Mar-12**		**Six months to 30-Sep-11**	
Currency per GBP1.00	**Period end**	**Average**	**Period end**	**Period end**	**Period end**	**Average**
South African Rand	13.39	12.88	12.27	11.85	12.62	11.25
Australian Dollar	1.54	154	1.54	1.52	1.60	1.53
Euro	1.26	1.24	1.20	1.16	1.16	1.13
US Dollar	1.59	1.58	1.60	1.60	1.56	1.63

Presentation details

The briefing starts at 9:00 (BST time) (10:00 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:

Interim period: 30 September 2012
Release of interim results: 15 November 2012

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About Investec

Investec is an international specialist bank and asset manager 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 7 800 employees.

Investec focuses on delivering distinctive profitable solutions for its clients in three core areas of activity namely, Asset Management, Wealth & Investment and Specialist Banking.

In July 2002 the Investec group implemented a dual listed company structure with listings on the London and Johannesburg Stock Exchanges. The combined group's current market capitalisation is approximately GBP3.5 billion.