

**Investec Limited**

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

**Investec plc**

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

**Investec (comprising Investec plc and Investec Limited) (“the Group”) – proposed demerger and listing of Investec Asset Management business (“IAM”)****14 September 2018**

*This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014*

**Overview**

Following the Group’s announcement on management succession made in February 2018, the Joint Chief Executive Officer (“CEO”) Designates, Fani Titi and Hendrik du Toit, have been working closely with the Investec Board (“Board”) and current members of the Group executive (Stephen Koseff, Bernard Kantor and Glynn Burger) in order to ensure a smooth transition of leadership. In conjunction with this process, the Board together with the executive directors, have conducted a strategic review of the Group to ensure that it is positioned to enhance the long-term interests of shareholders, clients and employees.

Through the strategic review the Board has reached the following conclusions:

- The Group comprises a number of successful businesses operating across two core geographies, with different capital requirements and growth trajectories; and
- There are compelling current and potential linkages between the Specialist Banking and Wealth & Investment businesses, however, there are limited synergies between these two businesses and IAM.

The Board has further concluded that it is now appropriate to demerge and publicly list IAM (“the Transaction”). The Investec Specialist Banking and Investec Wealth & Investment businesses will remain part of the Group’s current Dual Listed Companies structure (“the remaining Group”). The Board believes that this Transaction simplifies the Group and focuses IAM and the remaining Group on their respective growth paths, which will enhance the long-term prospects and potential of both businesses for the benefit of their shareholders, clients and employees.

IAM is an independent and successful global asset manager that has grown third party assets under management from GBP40 million in 1991 to GBP109 billion as at 31 August 2018. IAM has organically grown third party assets under management at an annual compound rate of 13.7% over the last ten financial years. IAM’s global investment platform offers specialist investment products and services. It serves its global client base through five geographically defined client groups. Its principal offices are in London, Cape Town, New York, Sydney, Hong Kong, Singapore, Luxembourg, Guernsey, Windhoek and Gaborone. IAM’s clients include some of the world’s largest private and public sector pension funds, financial institutions, corporates, foundations, central banks and intermediaries serving individual investors. As an independently listed company, IAM will be better positioned to accelerate its growth and have an enhanced ability to attract and retain investment talent.

The remaining Group comprises a specialist bank and wealth manager, with an attractive mix of client franchises and a sound balance sheet. Over the past few years the remaining Group has focused on simplifying its banking businesses, divesting non-core businesses, expanding its wealth management platforms and investing for future growth. The strategy going forward is to drive improved returns through growing market share in its niche businesses, enhancing its digitalization offering, attracting discretionary funds under management, implementing cost efficiency initiatives and driving further collaboration between the Specialist Banking and

Wealth & Investment businesses. The remaining Group is well positioned to deliver on these objectives and increase its return to shareholders over the medium term.

### **Board roles and management succession**

Fani Titi and Hendrik du Toit will become Joint CEOs of the Group on 1 October 2018. Kim McFarland will also become an executive director of the Group Board on that date. Ciaran Whelan will assume his role as Global Head of Risk on 1 April 2019.

Stephen Koseff and Bernard Kantor will step down from their roles as CEO and Managing Director, respectively, on 1 October 2018. From that date they will continue to serve as executive directors with primary responsibility for assisting the incoming Joint CEOs until completion of the Transaction.

Following the implementation of the Transaction, Fani Titi will lead the remaining Group and Hendrik du Toit will lead IAM. The structure and composition of the Boards of the remaining Group and IAM will be determined in due course as part of the Transaction implementation.

### **Regulatory and other approvals and additional information**

The Transaction is subject to regulatory, shareholder and other approvals and is expected to be completed within the next twelve months.

The precise mechanics of the demerger and listing will be communicated in due course. It is intended that IAM will be listed on the London Stock Exchange with an inward listing on the JSE Limited. The IAM management stake in the company will be retained and the remaining Group may retain a minority stake in IAM. Post the implementation of the transaction, shareholders of the Investec Group will have a direct shareholding in IAM in addition to their holding in the remaining Group.

The Board will provide further information on the Transaction and its progress during its implementation, as it is able to do so.

The Board has engaged J.P. Morgan Cazenove and Fenchurch Advisory Partners as financial advisors in relation to the Transaction.

### **Stephen Koseff, CEO and Bernard Kantor, Managing Director, said:**

“Our individual businesses are well-positioned strategically, with strong market positions and good prospects. It is now the right time to demerge and list our asset management business to support it in the next phase of its development. In recent years we have also made good progress in expanding our banking and wealth management franchises in our two key markets and improving their operational and financial performance. We believe the Transaction will allow these businesses to fulfil their full potential and shareholders will benefit from future value creation through direct ownership of two separately listed companies.”

### **Fani Titi and Hendrik du Toit, Joint CEO Designates said:**

“We are confident that the proposed demerger and listing of IAM provides the simplicity of structure and focus to enhance the long-term prospects of IAM and the remaining Group for the benefit of our shareholders, clients and employees. Investec has a heritage and culture of which we are proud, shaped by the dedication and commitment of our employees and the support of our clients. We look forward to working closely as Joint Group CEOs during this phase of our evolution and to implement this Transaction which we expect will create significant shareholder value over time.”

### **Person responsible:**

The person responsible for arranging the release of this announcement on behalf of the company is David Miller, Company Secretary of Investec plc.

**For further information please contact:**

**Investec +27 (0) 11 286 7070 or +44 (0) 20 7597 5546**

Stephen Koseff, Chief Executive Officer  
Fani Titi, Joint CEO Designate  
Hendrik du Toit, Joint CEO Designate  
Ursula Nobrega, Investor Relations (mobile:+27 (0) 82 552 8808)

**Lansons (UK PR advisers)**

Tom Baldock  
Tel: +44 (0) 7860 101 715 (mobile) / +44 (0) 207 566 9716

**Newgate (UK PR advisers)**

Alistair Kellie  
Tel: +44 (0) 20 7680 6550

**Brunswick (SA PR advisers)**

Marina Bidoli  
Tel: +27 (0) 11 502 7405 / +27 (0) 83 253 0478 (mobile)

**Presentation/conference call details**

A presentation on the Group's pre-close briefing and the Transaction will commence at 9:00 UK time/10:00 SA time on 14 September 2018. Viewing options as below:

- Live from our office at 30 Gresham Street London (EC2V7QP) to our office at 100 Grayston Drive Sandton Johannesburg
- Live on South African TV (Business Day TV channel 412 DSTV)
- A live and delayed video webcast at [www.investec.com](http://www.investec.com)
- Toll free numbers for the telephone conference facilities:
  - SA: 011 535 3600 / 010 201 6800
  - UK: 0 333 300 1418
  - Rest of Europe and other participants: +27 11 535 3600 / +27 10 201 6800
  - Australia: 1 800 350 100
  - USA: 1 508 924 4326

**About Investec**

Investec is an international specialist bank and asset manager that provides a diverse range of financial products and services to a select client base in three principal markets, the UK and Europe, South Africa and Asia/Australia as well as certain other countries. The Group was established in 1974 and has approximately 10 100 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 GBP4.9 billion.

Johannesburg and London

Sponsor: Investec Bank Limited