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: INVP
JSE share code: INP
ISIN: GB00B17BBQ50

Invest (comprising Investec plc and Investec Limited) – Interim Management Statement released on 31 July 2014

This Interim Management Statement is issued by Investec in accordance with the UK Listing Authority's Disclosure and Transparency Rules. Unless stated otherwise, key trends and figures highlighted below refer to the three months ended 30 June 2014 and the corresponding period in the previous year.

Performance overview
Wealth & Investment reported strong growth in operating profit. Asset Management reported operating profit marginally ahead of the prior year. Both divisions benefited from higher levels of average funds under management and combined net inflows of GBP3.6 billion. The Specialist Banking business reported a solid increase in operating profit with both the South African and UK businesses showing an improved performance.

Whilst overall group results increased, they have been impacted by the depreciation of the Rand: Pounds Sterling exchange rate of approximately 22% over the period.

Salient features of the three month period to 30 June 2014:
- Total operating income (excluding depreciation on operating leased assets) is 1% ahead of the prior year. An increase of 11% on a currency neutral basis.
- Impairment losses on loans and advances decreased by 17%. A decrease of 10% on a currency neutral basis.
- Operating costs increased by 1% compared to the prior year. An increase of 9% on a currency neutral basis.
- Operating profit before goodwill, acquired intangibles, non-operating items and taxation and after total non-controlling interests is 10% ahead of the prior year. An increase of 25% on a currency neutral basis.
- Recurring income as a percentage of total operating income amounted to approximately 78% (2013: 76%), supported by higher average funds under management.
- The group had approximately GBP8.0 billion of cash and near cash available to support its activities (Investec Limited: R75.3 billion; Investec plc: GBP3.8 billion).
- Since 31 March 2014 (the end of the group’s financial year):
  - Third party assets under management increased by 5% to GBP114.9 billion – an increase of 6% on a currency neutral basis.
  - Customer accounts (deposits) decreased by 2% to GBP22.3 billion – flat on a currency neutral basis.
  - Core loans and advances remained flat at GBP17.2 billion - an increase of 2% on a currency neutral basis.
- Loans and advances as a percentage of customer deposits were 73.6% (31 March 2014:72.0%).

Strategic review

Investec Bank (Australia) Limited
On 11 April 2014 the group announced that it had entered into an agreement with Bank of Queensland to sell Investec Bank (Australia) Limited’s Professional Finance business, Asset Finance and Leasing businesses and its deposit book. All conditions to the sale were met including the group and the buyer obtaining all relevant regulatory approvals for this transaction, and the sale is effective today, 31 July 2014.

Kensington
The potential sale of the group's Kensington business remains on track and further information will be provided in due course.
The group will hold a pre-close briefing on 18 September 2014.

On behalf of the board

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

Notes:

1. The financial information on which this statement is based has not been reviewed and reported on by the group’s auditors.

2. Please note that matters 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 30 July 2014.

3. The neutral currency calculation for the core earnings drivers assumes the Rand:Pound and Australian Dollar:Pound closing exchange rates remain the same as at 30 June 2014 when compared to 31 March 2014. The neutral currency calculation for operating profit assumes the Rand:Pound and Australian Dollar:Pound average exchange rates for the 3 month period to 30 June 2014 remain the same as when compared to the 3 month period to 30 June 2013.

4. 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 the group’s individual companies are reported in the local currencies in which they are domiciled, including Rands, Australian Dollars, Euros and Dollars. 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:

<table>
<thead>
<tr>
<th>Currency per GBP1.00</th>
<th>Three months to 30-Jun-14</th>
<th>Year to 31-Mar-14</th>
<th>Three months to 30-Jun-13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Period end</td>
<td>Average</td>
<td>Period end</td>
</tr>
<tr>
<td>South African Rand</td>
<td>18.19</td>
<td>17.80</td>
<td>17.56</td>
</tr>
<tr>
<td>Australian Dollar</td>
<td>1.81</td>
<td>1.81</td>
<td>1.80</td>
</tr>
<tr>
<td>Euro</td>
<td>1.25</td>
<td>1.23</td>
<td>1.21</td>
</tr>
<tr>
<td>US Dollar</td>
<td>1.71</td>
<td>1.68</td>
<td>1.67</td>
</tr>
</tbody>
</table>

5. The following disclosures are made with respect to Basel quarterly disclosure requirements:

The group holds capital in excess of regulatory requirements targeting a minimum core/common equity tier one capital ratio above 10% by March 2016 and a total capital adequacy ratio range of 14% to 17% on a consolidated basis for each of Investec plc and Investec Limited.
The capital adequacy disclosures follow Investec’s normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc this does not include the deduction of foreseeable dividends when calculating common equity tier 1 as now required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of the proposed final ordinary dividend totaling £47 million for Investec plc for the year ended 31 March 2014 would be around 30bps.

As at 30 June 2014

<table>
<thead>
<tr>
<th></th>
<th>Investec plc**</th>
<th>IBP**</th>
<th>IBAL**</th>
<th>Investec Limited**</th>
<th>IBL**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GBP 'mn</td>
<td>GBP 'mn</td>
<td>A$m'</td>
<td>ZAR 'mn</td>
<td>ZAR 'mn</td>
</tr>
<tr>
<td>Common equity tier 1 capital before deductions</td>
<td>1,832</td>
<td>1,848</td>
<td>551</td>
<td>25,197</td>
<td>25,386</td>
</tr>
<tr>
<td>Deductions</td>
<td>(628)</td>
<td>(479)</td>
<td>(152)</td>
<td>(842)</td>
<td>(79)</td>
</tr>
<tr>
<td>Common equity tier 1 capital</td>
<td>1,204</td>
<td>1,369</td>
<td>399</td>
<td>24,355</td>
<td>25,307</td>
</tr>
<tr>
<td>Additional tier 1 capital</td>
<td>234</td>
<td>-</td>
<td>-</td>
<td>3,756</td>
<td>1,227</td>
</tr>
<tr>
<td>Tier 1 capital</td>
<td>1,438</td>
<td>1,369</td>
<td>399</td>
<td>28,111</td>
<td>26,534</td>
</tr>
<tr>
<td>Tier 2 capital</td>
<td>659</td>
<td>638</td>
<td>113</td>
<td>9,924</td>
<td>10,778</td>
</tr>
<tr>
<td>Total regulatory capital</td>
<td>2,097</td>
<td>2,007</td>
<td>512</td>
<td>38,035</td>
<td>37,312</td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>13,608</td>
<td>12,665</td>
<td>2,838</td>
<td>250,073</td>
<td>240,576</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Common equity tier 1 ratio</th>
<th>Tier 1 ratio</th>
<th>Total capital ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.8%</td>
<td>10.6%</td>
<td>15.4%</td>
</tr>
<tr>
<td></td>
<td>10.8%</td>
<td>10.8%</td>
<td>15.8%</td>
</tr>
<tr>
<td></td>
<td>14.1%</td>
<td>14.1%</td>
<td>18.0%</td>
</tr>
<tr>
<td></td>
<td>9.7%</td>
<td>11.2%</td>
<td>15.2%</td>
</tr>
<tr>
<td></td>
<td>10.5%</td>
<td>11.0%</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

^The capital adequacy disclosures follow Investec’s normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc this does not include the deduction of foreseeable dividends when calculating common equity tier 1 as now required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of the proposed final ordinary dividend totaling £47 million for Investec plc for the year ended 31 March 2014 would be around 30bps.

*Where: IBP is Investec Bank plc consolidated. IBAL is Investec Bank (Australia) Limited and IBL is Investec Bank Limited. The information for IBP includes IBAL. The information for Investec plc includes the information for IBP. The information for Investec Limited includes the information for IBL.

Timetable:
Pre-close briefing: 18 September 2014
Interim results: 30 September 2014
Release of interim results: 20 November 2014

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Cecilia de Almeida
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 8 300 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 GBP4.6 billion.