Sale of Start Mortgage Holdings Limited

Summary

Investec has reached an agreement to sell its Irish intermediated mortgage business Start Mortgage Holdings Limited (“Start”) together with certain other Irish mortgage assets (the “Transaction Group”) to an affiliate of Lone Star Funds, subject to regulatory approval.

Details of the transaction

- The transaction supports Investec’s strategic objective to simplify and reshape its specialist banking business and together with the sale of Kensington Group Limited (still subject to approval) substantially reduces the assets within its legacy non-core business.
- The Transaction Group includes Start’s mortgage origination platform, brand, operations, and employees. The Transaction Group includes all of Start and certain other Irish mortgage-related financial assets and liabilities.
- For the year ended 31 March 2014, the Transaction Group reported a loss before taxation of GBP 21 million, had gross assets of GBP 540 million and approximately 70 employees.
- Investec’s funding line to the Transaction Group, which was approximately GBP 270 million as at 31 March 2014, is to be repaid entirely at completion.
- On a proforma basis, as at 31 March 2014, it is estimated that this transaction will result in an increase in adjusted earnings per share from 38.0p to 40.0p and will result in a decrease in net asset value per share from 308.7p to 299.1p.
- On a proforma basis, as at 31 March 2014, it is estimated that this transaction has a marginal negative impact on capital ratios. Taking into account this transaction, the sale of Kensington Group Limited and the recent sale of Investec Bank (Australia) Limited, the common equity tier 1 ratio of Investec plc is expected to increase from 8.8% at 31 March 2014 to approximately 11.1% and its leverage ratio is expected to increase from 7.4% to about 8.9%.
- Completion is expected towards the end of 2014 and is subject to regulatory approval.

For further information please contact:

Investec Investor Relations
UK: +44 (0) 207 597 5546
South Africa: +27 (0) 11 286 7070
investorrelations@investec.com
Newgate Communications (UK PR advisers)
Jason Nisse / Alistair Kellie
+44 (0)207 680 6550
+44 (0)77 6968 8618
+44 (0)78 0123 4598

Brunswick (SA PR advisers)
Cecilia De Almeida
+27 (0) 11 502 7418
Felicity Hudson
+27 (0) 71 680 0234

London and Johannesburg
Sponsor and Investment Banking
Investec Bank Limited and Investec Ireland Corporate Finance

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 7 600 permanent 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 GBP5 billion.

Forward-looking statements

This announcement may contain certain "forward-looking statements" with respect to certain of
Investec’s plans and its current goals and expectations relating to its future financial condition,
performance, results, strategy and objectives. Statements containing the words "believes", "intends",
"expects", "plans", "pursues", "seeks" and "anticipates", and words of similar meaning, are forward-
looking. By their nature, all forward-looking statements involve risk and uncertainty because they
relate to future events and circumstances which are beyond Investec’s control including, among other
things, UK domestic and global economic and business conditions, market related risks such as
fluctuations in interest rates and exchange rates, and the performance of financial markets generally;
the policies and actions of regulatory authorities, the impact of competition, inflation and deflation;
experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal
rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant
industries; and the impact of changes in capital, solvency or accounting standards, and tax and other
legislation and regulations in the jurisdictions in which Investec and its affiliates operate. As a result,
Investec’s actual future financial condition, performance and results may differ materially from the
plans, goals and expectations set forth in the forward-looking statements. Investec undertakes no
obligation to update the forward-looking statements contained in this announcement or any other
forward-looking statements it may make.

Any forward-looking statements made herein speak only as of the date they are made. Except as
required by the UK Financial Conduct Authority, the London Stock Exchange or applicable law,
Investec expressly disclaims any obligation or undertaking to release publicly any updates or
revisions to any forward-looking statements contained in this announcement to reflect any change in
Investec’s expectations with regard thereto or any change in events, conditions or circumstances on
which any such statement is based.