

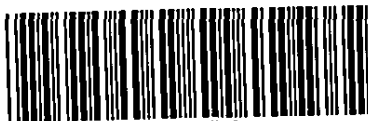
Registration Number 3633621

# **Investec plc**

## **Interim Financial Statements**

31 May 2010

SATURDAY



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**DIRECTORATE AND CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Hugh S Herman \* (Chairman)  
Stephen Koseff (Chief Executive Officer)  
Bernard Kantor (Managing Director)  
Sam E Abrahams \*  
George F O Alford \*  
Glynn R Burger (Risk & Finance Director)  
Cheryl A Carolus \*  
Haruko Fukuda \*  
Geoffrey M T Howe \*  
Ian R Kantor \*  
Sir Chips Keswick \*  
Mangalani Peter Malungani \*  
Sir David Prosser \*  
Alan Tapnack  
Bradley Fried \*  
Peter R S Thomas \*  
Fani Titi \*

\* Non-executive

**SECRETARY**

David Miller

**AUDITOR**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**COMPANY REGISTRATION**

Registration Number 3633621  
Registered Office 2 Gresham Street  
London, EC2V 7QP

# Investec plc

## PROFIT AND LOSS ACCOUNT

	Notes	Period ended 31/5/10 £'000	Year Ended 31/3/10 £'000
Dividend from subsidiary undertakings		30,000	39,000
Interest receivable from group undertaking		3,919	26,249
Interest payable – external		(472)	(3,625)
Interest payable to a fellow group undertaking		(4,305)	(26,665)
Foreign exchange gains / (losses)		-	5
Administrative expenses		(1,277)	(7,941)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>27,865</b>	<b>27,023</b>
Taxation	2	728	4,061
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>28,593</b>	<b>31,084</b>

No information has been included in respect of the comparative period

There are no recognised gains or losses in the period other than those passed through the profit and loss account

There is no material difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis

# Investec plc

## BALANCE SHEET

at 31 May 2010

	Notes	31/5/10 £'000	31/3/10 £'000
<b>ASSETS</b>			
<b>Fixed assets</b>			
Investments in subsidiaries	4	<u>1,302,646</u>	<u>1,302,646</u>
<b>Current assets</b>			
Cash at bank and in hand			
- balances with subsidiary undertaking		84,132	71,574
- balances with other banks		1,056	1,047
Amounts owed by group undertakings		502,761	501,381
Tax		18,165	17,437
Other debtors		20	20
Prepayments and accrued income		<u>1,051</u>	<u>445</u>
		<u>607,185</u>	<u>591,904</u>
<b>Total assets</b>		<u>1,909,831</u>	<u>1,894,550</u>
<b>Liabilities</b>			
Bank loans	5	171,043	178,392
Amounts owed to group undertakings	5	773,959	780,175
Other liabilities		1,016	1,132
Accruals and deferred income		<u>2,259</u>	<u>2,125</u>
<b>Total liabilities</b>		<u>948,277</u>	<u>961,824</u>
<b>Capital and reserves</b>			
Called up share capital	6/9	148	148
Perpetual preference shares	7/9	151	151
Share premium account	9	931,923	931,923
Capital redemption reserve	9	50	50
Profit and loss account	9	<u>29,282</u>	<u>454</u>
<b>Total capital and reserves</b>		<u>961,554</u>	<u>932,726</u>
<b>Total capital and liabilities</b>		<u>1,909,831</u>	<u>1,894,550</u>

The financial statements on pages 2 to 9 were approved by the Board of Directors on 14 June 2010 and signed on its behalf by

  
Stephen Koseff  
Director

# Investec plc

## NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2010

### 1. ACCOUNTING CONVENTION

The interim financial statements have been prepared in accordance with the accounting policies set out in the Company's audited Financial Statements as at 31 March 2010 for the purposes of establishing that the Company has distributable reserves

### 2. TAXATION

	31/5/10 £'000	31/3/10 £'000
Current year tax credit	(728)	(4,177)
Prior year adjustment	-	116
	<u>(728)</u>	<u>(4,061)</u>

The effective rate for the year is different from the standard rate of UK corporation tax due to the following items

	31/5/10 £'000	31/3/10 £'000
Tax on profit on ordinary activities at UK rate of 28% (28%)	7,802	7,566
Intra-group dividends	(8,400)	(10,920)
Expenses not deductible for tax purposes	78	420
UK-UK transfer pricing	(208)	(1,243)
	<u>(728)</u>	<u>(4,177)</u>

### 3. DIVIDENDS PAID

	31/5/10 £'000	31/3/10 £'000
<b>Ordinary dividend</b>		
Final dividend for prior year	-	10,877
Interim dividend for current year	-	23,655
Total dividend attributable to ordinary shareholder	<u>-</u>	<u>34,532</u>
<b>Perpetual preference dividend</b>		
Final dividend for prior year	-	2,418
Interim dividend for current year	-	1,134
Total dividend attributable to perpetual preference shareholder	<u>-</u>	<u>3,552</u>

The directors have proposed a final dividend in respect of the financial year ended 31 March 2010 of 8.0 pence (31 March 2009 5.0 pence) per ordinary share. This is subject to the approval of the members of Investec plc at the Annual General Meeting which is scheduled to take place on XX August 2010. If approved, the dividend will be paid as follows

- for non-South African resident Investec plc shareholders, through a dividend payment by Investec plc of 8.0 pence per ordinary share
- for South African resident Investec plc shareholders, through a dividend payment by Investec plc of 1.5 pence per ordinary share and through a dividend payment on the South African Dividend Access share equivalent to 6.5 pence per ordinary share

The final dividend will be payable on 17 August 2010 to shareholders on the register at the close of business on 30 July 2010

The directors have declared a final dividend in respect of the financial year ended 31 March 2010 of 7.48 pence (Investec plc shares traded on the JSE Limited) and 7.48 pence (Investec plc shares traded on the Channel Island Stock Exchange) per perpetual preference share. The final dividend will be payable on 1 July 2010 to shareholders on the register at the close of business on 18 June 2010

# Investec plc

## NOTES TO THE FINANCIAL STATEMENTS at 31 May 2010

### 4. INVESTMENTS IN SUBSIDIARIES

At 1/4/10 and at 31/5/10 £'000  
1,302,646

The principal subsidiary undertakings of the company given below are 100% owned and registered in England and Wales and incorporated in the United Kingdom, unless otherwise stated

Principal subsidiary undertakings	Country	Principal activity	Interest
Investec Bank (Australia) Limited	Australia	Banking institution	
Investec Holdings (UK) Limited		Holding company	
Investec Holding Company Limited*		Investment holding	
Investec Bank plc		Banking institution	
Investec Group (UK) plc		Holding company	
Investec Asset Finance plc		Leasing company	
Leasedirect Finance Limited		Finance broker	75%
Investec Finance plc		Debt issuer	
Investec Group Investments (UK) Limited		Investment holding	
Investec Tier 1 (UK) LP*		Preferred Securities issuer	
Investec Finance (Jersey) Limited*	Jersey	Debt issuer	
Investec Bank (Channel Islands) Limited	Guernsey	Banking institution	
Investec Bank (Switzerland) AG	Switzerland	Banking institution	
Investec Trust Holdings AG (formerly Investec Investment Holdings AG)	Switzerland	Investment holding	
Investec Trust (Guernsey) Limited	Guernsey	Trust company	
Investec Trust (Switzerland) SA	Switzerland	Trust company	
Investec Trust (Jersey) Limited	Jersey	Trust company	
Investec Asset Management Limited		Asset management	
Investec 1 Limited*		Investment holding	
Investec Ireland Ltd	Ireland	Financial services	
Investec Securities (US) LLC	USA	Financial services	
Insurance Captive Insurance Ltd	Guernsey	Insurance	
European Capital Company Ltd		Project finance	
Kensington Group plc		Financial services	
Kensington Mortgages Limited		Financial services	
Newbury Park Mortgage Funding Limited		Financial services	
St James's Park Mortgage Funding Limited		Financial services	
Start Mortgages Limited	Ireland	Financial services	65 1%
Investec Experien Pty Limited	Australia	Financial services	
Guinness Mahon & Co Limited		Investment holding	
Global Ethanol Holdings Limited	Australia	Holding company	44 4%
Global Ethanol LLC	USA	Production and marketing of Ethanol	26 6%
IdaTech plc	USA	Development of fuel cell technology	69 2%

\* Directly held by Investec plc

**NOTES TO THE FINANCIAL STATEMENTS**

at 31 May 2010

**5. BANK LOANS AND AMOUNTS OWED TO GROUP UNDERTAKINGS**

The company drew down on two schuldschein bank loans of €100 million on 8 and 9 of March 2006. These loans bear interest at 90 basis points above three month EURIBOR and are repayable on 8 and 9 March 2011.

Amounts owed to group undertakings comprise £182 million due to Investec Tier 1 (UK) LP representing the proceeds of the issue by that entity in 2005 of perpetual preferred securities and £592 million interest free loan from Investec plc's wholly owned direct subsidiary Investec Holding Company Limited. This company is not trading and this balance effectively represents its share capital and reserves being lent back to its parent Investec plc.

On 24 June 2005, Investec Tier 1 (UK) LP, a limited partnership organised under the Laws of England and Wales of which the company is the general partner, issued €200,000,000 Fixed/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities guaranteed by the company. On 24 June 2005, the company issued €200,000,000 Fixed/Floating Rate Perpetual Subordinated Notes ("the Notes") to Investec Tier 1 (UK) LP. The Notes bear interest at 7.075 per cent per annum until 24 June 2015, at which date the Notes are redeemable at the option of the company. From 24 June 2015, the Notes will bear interest at three Month EURIBOR plus 5.625 per cent.

In the event that the company's total capital ratio falls, or in the opinion of the directors is likely to fall, below the minimum ratio required by Capital Adequacy Regulations, the Preferred Securities shall be substituted by fully paid preference shares issued directly by the company.

## NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2010

**6. CALLED UP SHARE CAPITAL****Authorised**

The authorised share capital of Investec plc is £240,000 (31 3 10 £240,000) comprising 700,000,000 (31 3 10 700,000,000) ordinary shares of £0 0002 each, 450,000,000 (31 3 10 450,000,000) Special Converting Shares of £0 0002 each, 1 (31 3 10 1) Special Voting share of £0 001, 1 (31 3 10 1) UK DAN Share of £0 001 and 1 (31 3 10 1) UK DAS Share of £0 001, 1,000,000 (31 3 10 1,000,000) non-cumulative perpetual Preference Shares of €0 01

**Issued, allotted and fully paid****Number of ordinary shares**

At 1/4/10 and 31/5/10

Number  
471,113,064

**Nominal value of ordinary shares**

At 1/4/10 and 31/5/10

£'000  
94

**Number of special converting shares**

At 1/4/10 and 31/5/10

Number  
269,766,932

**Nominal value of special converting shares**

At 1/4/10 and 31/5/10

£'000  
54

**Number of UK DAN shares**

At 1/4/10 and 31/5/10

Number  
1

**Nominal value of UK DAN shares**

At 1/4/10 and 31/5/10

£'000  
\*

**Number of UK DAS shares**

At 1/4/10 and 31/5/10

Number  
1

**Nominal value of UK DAS shares**

At 1/4/10 and 31/5/10

£'000  
\*

**Number of special voting shares**

At 1/4/10 and 31/5/10

Number  
1

**Nominal value of special voting shares**

At 1/4/10 and 31/5/10

£'000  
\*

\* Less than £1,000

On 4 June 2010 Investec plc issued 777,114 new ordinary shares of GBP0 0002 each in the capital of the company, 702,114 of which were issued to the Investec plc Jersey Number 1 Trust (the "Investec plc Trust") pursuant to the exercise of vested share options by staff under the Investec plc Share Option Plan 2002, and 75,000 of which were issued to the Investec plc Employee Benefit Trust pursuant to the Investec plc Share Matching Plan 2005 (together the "Investec plc Issue")

The total number of issued ordinary shares in Investec plc was increased to 471,890,178

# Investec plc

## NOTES TO THE FINANCIAL STATEMENTS at 31 May 2010

### 7. PERPETUAL PREFERENCE SHARES

	31/5/10 £'000	31/3/10 £'000
<b>Authorised</b>		
100,000,000 (31 3 10 100,000,000) non-redeemable, non-cumulative, non-participating preference shares of £0 01 each	1,000	1,000
<b>Issued</b>	<b>£'000</b>	<b>£'000</b>
9,381,149 (31 3 10 9,381,149) non-redeemable, non-cumulative, non-participating preference shares of £0 01 each, issued at a premium of £8 58 per share	94	94
5,700,000 (31 3 10 5,700,000) non-redeemable, non-cumulative, non-participating preference shares of £0 01 each, issued at a premium of £8 86 per share	57	57
	151	151
Nominal value of shares	151	151
Share premium	129,407	129,407
	129,558	129,558

Preference shareholders will receive an annual dividend, if declared, based on the coupon rate (being equivalent to the base rate plus 1%) multiplied by the deemed value of £10, on a daily basis and payable in two semi-annual instalments

An ordinary dividend will not be declared by Investec plc unless the preference dividend has been declared. If declared, preference dividends are payable semi-annually at least seven business days prior to the date on which Investec plc pays its ordinary dividends, if any, but shall be payable no later than 120 business days after 31 March and 30 September respectively

### 8. TREASURY SHARES

	31/5/10 £'000	31/3/10 £'000
<b>Treasury shares held by Investec plc</b>		
Investec plc ordinary shares	-	-
<b>Number of Investec plc ordinary shares held by Investec plc</b>	<b>Number</b>	<b>Number</b>
At beginning of period	500,000	500,000
Disposal of own shares by Investec plc	-	-
	500,000	500,000
<b>Reconciliation of treasury shares</b>	<b>£'000</b>	<b>£'000</b>
At beginning of period	-	-
Disposal of own shares by Investec plc	-	-
At end of period	-	-
Market value of treasury shares	2,451	2,693

The Treasury shares are being held in an employee benefit trust in relation to the Investec Share Matching Plan 2005

Dividends on treasury shares have not been included in the profit and loss account

# Investec plc

## NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2010

### 9. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Perpetual preference shares	Share premium	Capital redemption reserve	Profit and loss account	Total capital & reserves
	£000	£000	£000	£000	£000	£000
At 1/4/10	148	151	931,923	50	454	932,726
Share based payments adjustment	-	-	-	-	235	235
Profit for the period	-	-	-	-	28,593	28,593
At 31/5/10	148	151	931,923	50	29,282	961,554

# **Investec Tier 1 (UK) LP**

## **Annual Report and Audited Financial Statements**

31 March 2010

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## Management and administration

### General Partner

Investec plc  
2 Gresham Street  
London EC2V 7QP

3635621

### Initial Limited Partner

BT Globenet Nominees Limited  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

### Priority Limited Partner

Investec Holding Company Limited  
2 Gresham Street  
London EC2V 7QP

### Administrator

The Law Debenture Trust Corporation p l c  
Fifth Floor, 100 Wood Street  
London EC2V 7EX

### Legal advisors to the Partnership

Linklaters  
One Silk Street  
London EC2Y 8HQ

### Auditors

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

## The Manager's report

We are pleased to present the Partnership report and financial statements for the year ended 31 March 2010

### Activity

The Partnership was established by Investec plc on 20 June 2005 to raise and provide finance and financial support to Investec plc and its subsidiaries

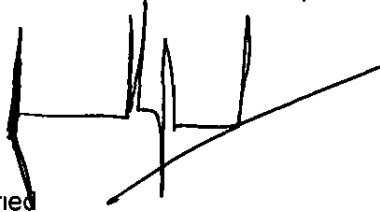
### Results

The financial statements of the Partnership are set out on pages 6 to 11. The profit for the year ended 31 March 2010 was € 14,150,000

### Going concern

On the basis of current financial projections the Manager has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future and accordingly the going concern basis is adopted in the preparation of the financial statements

For and on behalf of Investec plc



B Fried

Date 22 June 2010

## **Statement of the Manager's responsibilities in respect of the financial statements**

The Investec Tier 1 (UK) LP Limited Partnership agreement dated 20 June 2005, (the "Agreement"), which constitutes Investec Tier 1 (UK) LP (the "Partnership") requires the Manager (under the supervision and authority of the General Partner) to prepare financial statements for the Partnership for each financial period in accordance with the principles agreed with the auditors. In preparing those financial statements the Manager is expected to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business

The Manager is responsible for keeping proper accounting records on behalf of the Partnership which disclose with reasonable accuracy, at any time, the financial position of the Partnership and to ensure that the financial statements comply with the Agreement. The Manager also has general responsibility for taking steps to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities.

# **Independent auditors' report**

## **to the partners of Investec Tier 1 (UK) LP**

We have audited the financial statements (the "financial statements") of Investec Tier 1 (UK) Limited Partnership for the year ended 31 March 2010 which comprise the Profit and Loss Account, Balance Sheet, Partners' Accounts and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the partnership, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applicable to qualifying partnerships. Our audit work has been undertaken so that we might state to the partnership those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the partnership, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of manager and auditors**

The manager's responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view, are set out in the statement of manager's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

In addition we report to you if, in our opinion, the partnership has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remunerations or partners' transactions with the partnership specified by law are not made.

We read the manager report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the manager in the preparation of the financial statements, and of whether the accounting policies are appropriate to the partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Independent auditors' report

to the partners of Investec Tier 1 (UK) LP

## Opinion

In our opinion

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and
- the financial statements give a true and fair view of the state of the partnership's affairs as at 31 March 2010 and of the partnership's profit for the year then ended

Ernst & Young LLP

Andy Bates, (Senior Statutory Auditor)

London, United Kingdom

For and on behalf of Ernst & Young LLP, Statutory Auditor

22 June 2010

## Profit and loss account

for the year ended 31 March 2010

	Notes	2010 €000	2009 €000
Income	3	14,150	14,150
Expenses	4	-	-
Profit for the year		<u>14,150</u>	<u>14,150</u>

The above activities are continuing

There are no recognised gains or losses in either year other than those passed through the profit and loss account

There is no material difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis

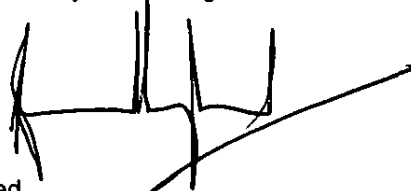
The accompanying notes form part of these financial statements

## Balance sheet

at 31 March 2010

	Notes	2010 €000	2009 €000
<b>FIXED ASSETS</b>			
Perpetual Subordinated Notes	5	<u>200,000</u>	<u>200,000</u>
<b>CURRENT ASSETS</b>			
Debtors	6	10,865	10,865
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS:</b> amounts falling due within one year		-	-
<b>NET CURRENT ASSETS</b>		<u>10,865</u>	<u>10,865</u>
<b>NET ASSETS</b>		<u>210,865</u>	<u>210,865</u>
<b>FINANCED BY:</b>			
Preferred Securities	7	200,000	200,000
Partners' Interests	9	10,865	10,865
		<u>210,865</u>	<u>210,865</u>

Approved by the Manager



B Fried  
For and on behalf of Investec plc

Date 22 June 2010

The accompanying notes are an integral part of these financial statements

## Partners' accounts

for the year ended 31 March 2010

	Limited Partners €000	General Partner €000	Total €000
<b>Partners' capital</b>			
At 1 April 2009	10,855	10	10,865
Preferred Securities dividend paid	(14,150)	-	(14,150)
Profit for the year	<u>14,150</u>	<u>-</u>	<u>14,150</u>
At 31 March 2010	<u>10,855</u>	<u>10</u>	<u>10,865</u>

The accompanying notes are an integral part of these financial statements

## Notes to the financial statements

at 31 March 2010

### 1. ORGANISATION AND BUSINESS

Investec Tier 1 (UK) LP ("the Partnership") was constituted under the Limited Partnership Act, 1907 (the "Act") on 20 June 2005 as a limited partnership under English law by a limited partnership agreement dated 20 June 2005 (the "Agreement")

Investec plc (the "General Partner"), is the General Partner and founder partner of the Partnership

#### Objective

The objective of the Partnership is to raise and provide finance and financial support to the General Partner and its group

### 2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted by the Partnership are as follows

#### Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and under the historical cost convention and in accordance with applicable accounting standards and on a going concern basis

#### Income

Income is recognised on an accrual basis

#### Cash flow statement

The Partnership is exempt from the requirements to prepare a cash flow statement under Financial Reporting Standard 1, because a consolidated cash flow statement is included in the publicly available consolidated financial statements of its general partner, Investec plc

#### Taxation

There is no tax charge for the Partnership, as each partner is responsible for discharging his or her liability to income tax arising there from

#### Impairments of financial assets held at amortised cost

Financial assets carried at amortised cost are impaired if there is objective evidence that the company will not receive cash flows according to the original contractual terms. Financial assets are assessed for objective evidence of impairment at least at each balance sheet reporting date. The test for impairment is based either on specific financial assets or on a portfolio of similar, homogeneous assets. The impairment is credited against the carrying value of financial assets. The impairment is calculated as the difference between the carrying value of the asset and the expected cash flows discounted at the original effective rate. An allowance for impairment is only reversed when there is objective evidence that the credit quality has improved to the extent that there is reasonable assurance of timely collection of principal and interest in terms of the original contractual agreement.

### 3. INCOME

	2010 €000	2009 €000
Interest on Perpetual Subordinated Notes	14,150	14,150

### 4. EXPENSES

In the current and prior year, the auditors' remuneration has been borne by another group company. The Partnership had no employees during the year (2009 – no employees)

## Notes to the financial statements

at 31 March 2010

### 5. PERPETUAL SUBORDINATED NOTES

On 24 June 2005 Investec plc issued €200,000,000 Fixed/Floating Rate Perpetual Subordinated Notes. The Notes have no final maturity and the issuer may at its option redeem all of the Notes on 24 June 2015 or any subsequent quarter end.

### 6. DEBTORS

	2010 €000	2009 €000
Accrued interest on Perpetual Subordinated Notes	10,855	10,855
Other debtors	10	10
	<u>10,865</u>	<u>10,865</u>

### 7. PREFERRED SECURITIES

On 24 June 2005 the Partnership issued €200,000,000 Fixed/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities ("Preferred Securities"). The Preferred Securities, which are guaranteed by Investec plc, are callable at the option of the issuer, subject to the approval of the Financial Services Authority, on the tenth anniversary of the issue and, if not called, are subject to a step up in coupon of one and a half times the initial credit spread above the three month euro-zone interbank offered rate. Until the tenth anniversary of the issue, the dividend on the Preferred Securities will be a 7.075 per cent. The annual dividend is due on 24 June or next business day. The issuer has the option not to pay a distribution when it falls due but this would then prevent the payment of Ordinary dividends by the company.

Under the terms of the issue there are provisions for the Preferred Securities to be substituted for Preference Shares issued by the company if Investec plc's capital ratios fall below the minimum level permitted by the Regulator.

### 8. ALLOCATION OF PROFITS AND LOSSES

Subject to the Act, and subject to the terms of the Agreement, the Issuer's income shall be allocated on each Distribution Payment Date or on any date determined by the General Partner as follows:

- (a) first, to the Priority Limited Partner for its own account if Distributions are not payable in full on any Distribution Payment Date, provided that if any Distributions are payable in part on such Distribution Payment Date, income up to the amount of such partial Distribution shall be allocated first to the Limited Partners with the remainder to the Priority Limited Partner for its own account,
- (b) secondly, to the Limited Partners as holders of the Preferred Securities for the payment of Distributions, and
- (c) thirdly, all remaining sums exclusively to the General Partner for its own account.

Income of the Issuer paid in accordance with (a) or (b) above shall be allocated pro rata among the Holders until the amount so allocated to each Holder equals the amount of Distributions payable to that Holder as determined in accordance with the terms of the Preferred Securities.

The Issuer's losses for any Distribution Period (other than losses caused by a depreciation in the market or capital value of any of the Partnership Assets) shall be allocated to the General Partner in so far as they reflect expenses, debts, liabilities and obligations for which the General Partner has assumed responsibility under the terms of the Agreement.

## Notes to the financial statements

at 31 March 2010

### 9. RELATED PARTY TRANSACTIONS

The Manager has taken advantage of the exemptions available in Financial Reporting Standard 8 from disclosing transactions with related parties which are members of Investec plc Group

### 10. ULTIMATE PARENT UNDERTAKING

The partnership's immediate parent undertaking is Investec plc

The partnership's ultimate parent undertaking and controlling party is Investec plc, a company incorporated in the United Kingdom and registered in England and Wales. The consolidated financial statements of Investec plc are available to the public and may be obtained from Investec plc at 2 Gresham Street, London, EC2V 7QP. This is the smallest and largest group in which the results of the company are consolidated.