

Investec Tier 1 (UK) LP

Unaudited condensed Report and Financial Statements

Six months ended 30 September 2013

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Management and administration

General Partner and Manager

Investec plc
2 Gresham Street
London EC2V 7QP

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

Interim Manager's report

The Interim Manager's report is issued by Investec Tier 1 (UK) LP in accordance with the UK Listing Authority's Disclosure and Transparency Rules. Unless otherwise stated, performance and figures highlighted below refer to the six months ended 30 September 2013 and the corresponding period in the previous year.

Principal activity and business review

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. The Partnership will continue to operate in this capacity for the foreseeable future.

On 24 June 2005 the Partnership issued €200,000,000 Fixed/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities ("Preferred Securities"). Until the tenth anniversary of the issue, the dividend on the Preferred Securities will be 7.075 per cent. The annual dividend is due on 24 June or next business day.

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. These Notes were purchased by the Partnership. The interest rate receivable on these notes is 7.075 per cent.

Performance review and principal risks

During the period no new instruments have been issued by the Partnership and it is not expected that any further instruments will be issued or redeemed in the second half of the 2014 financial year.

Any liquidity risk, interest rate risk or foreign currency risk is eliminated as the terms and currency of the Preferred Securities are matched with the terms and currency of the Notes purchased from Investec plc. As such, the material principal risks and uncertainties are mitigated.

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.

Unaudited condensed financial statements

The unaudited condensed report and financial statements have not been audited or reviewed by the partnership's auditors in pursuant to the Auditing Practices Board guidance Review of Interim Financial Information.

This document includes an unaudited condensed set of Financial Statements produced by the partnership for the six months ended 30 September 2013. This document will also be available on Investec's website at www.investec.com/about-investec/investor-relations/financial-information.html

Enquires and further information:

General Partner and Manager

Investec plc

Telephone: 020 7597 4541

2 Gresham Street, London, EC2V 7QP

United Kingdom

Date: 27 November 2013

Statement of the Manager's responsibilities in respect of the interim 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 interim financial statements for the partnership in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the manager must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period.

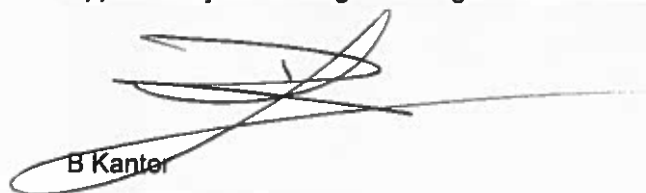
The Manager confirms that, to the best of their knowledge:

- the unaudited condensed set of financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Manager must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the results of the Partnership for that period; and
- the interim manager's report of the partnership includes a fair review of the development and performance of the business and the position of the partnership together with a description of the principal risks and uncertainties that they face as required by the FCA Disclosure Rules and Transparency Rules 4.2.7; and
- the unaudited condensed Financial Statements have not been audited or reviewed by the partnership's auditors in pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

Neither the partnership nor the manager accept any liability to any person in relation to the half-yearly financial report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

The manager is responsible for keeping proper accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy, at any time, the financial position of the partnership and to ensure that the financial statements comply with the agreement and are 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. 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. The procedures enable the partnership to comply with the regulatory obligations. Investec Tier 1 (UK) LP also makes use of the controls of the Investec plc Group level, including audit committee. For further details, refer to notes to the combined Investec plc and Investec Ltd consolidated financial statements, Risk Management and Corporate Governance report.

Approved by the Manager and signed on its behalf by:



B Kanter

Date: 27 November 2013

Profit and loss account

for the six months ended 30 September 2013

	Notes	Unaudited six months to 30 September 2013 €000	Unaudited six months to 30 September 2012 €000	Audited year to 31 March 2013 €000
Income	3	7,094	7,094	14,150
Expenses	4	-	-	-
Profit for the period available for distribution	8	<u>7,094</u>	<u>7,094</u>	<u>14,150</u>

The above activities are derived from continuing operations.

There are no recognised gains or losses in either 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.

The accompanying notes form an integral part of these unaudited condensed financial statements.

Balance sheet

at 30 September 2013

	Notes	Unaudited 30 September 2013 €000	Audited 31 March 2013 €000	Unaudited 30 September 2012 €000
FIXED ASSETS				
Perpetual Subordinated Notes	5	200,000	200,000	200,000
CURRENT ASSETS				
Debtors	6	3,809	10,865	3,809
CURRENT LIABILITIES				
CREDITORS: amounts falling due within one year				
		-	-	-
NET CURRENT ASSETS		3,809	10,865	3,809
NET ASSETS		203,809	210,865	203,809
FINANCED BY:				
Preferred Securities	7	200,000	200,000	200,000
Partners' Interests		3,809	10,865	3,809
		203,809	210,865	203,809

The accompanying notes form an integral part of these unaudited condensed financial statements.

Partners' accounts

for the six months ended 30 September 2013

	Limited Partners €000	General Partner €000	Total €000
Partners' capital			
At 1 April 2012	10,855	10	10,865
Preferred Securities dividend paid	(14,150)	-	(14,150)
Profit for the year	14,150	-	14,150
At 31 March 2013	10,855	10	10,865
Preferred Securities dividend paid	(14,150)	-	(14,150)
Profit for the period	7,094	-	7,094
At 30 September 2013	3,799	10	3,809

The accompanying notes form an integral part of these unaudited condensed financial statements.

Notes to the unaudited condensed financial statements

at 30 September 2013

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.

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

2. ACCOUNTING POLICIES

Basis of presentation

The interim financial statements have been prepared in accordance with the recognition and measurement requirements of Financial Reporting Standards and the disclosure of transparency rules. The accounting policies applied in the preparation of the results for the six months ended 30 September 2013 are consistent with those adopted in the Partnership's audited Financial Statements for the year ended 31 March 2013, in accordance with FCA Disclosure Rules and Transparency Rules 4.2.6.

The information in this report for the six months ended 30 September 2013, which was approved by the Manager on 27 November 2013, does not constitute statutory accounts.

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 using the effective interest rate method.

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 unaudited 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.

Debt financial instruments

The perpetual subordinated notes are initially recognised at fair value and are carried in the balance sheet at amortised cost applying the effective interest rate method.

Equity financial instruments

The perpetual preferred securities are classified as equity as they confer on the holder a residual interest in the partnership, and the partnership has no obligation to deliver cash or another financial asset to the holder. The perpetual preferred securities are initially recognised net of directly attributable issue costs.

Impairments of financial assets held at amortised cost

Financial assets carried at amortised cost are impaired if there is objective evidence that the Partnership 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.

Notes to the unaudited condensed financial statements

at 30 September 2013

2. ACCOUNTING POLICIES (Continued)**Disclosure of financial instruments**

The partnership has taken advantage of the disclosure exemptions available to subsidiary undertakings under FRS 29.

3. INCOME

	Unaudited 6 months to 30 September 2013 €000	Unaudited 6 months to 30 September 2012 €000	Audited year to 31 March 2013 €000
Interest on Perpetual Subordinated Notes	7,094	7,094	14,150

4. EXPENSES

In the current and prior period, the auditors' remuneration has been borne by another group company. The Partnership has no employees in the current or prior period.

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. These Notes were purchased by the Partnership from Investec plc. The interest rate receivable on these notes is 7.075 per cent.

6. DEBTORS

	Un- audited 30 September 2013 €000	Audited 31 March 2013 €000	Un- audited 30 September 2012 €000
Accrued interest on Perpetual Subordinated Notes	3,799	10,855	3,799
Other debtors	10	10	10
	<u>3,809</u>	<u>10,865</u>	<u>3,809</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 ("perpetual preferred securities"), listed on Euronext, Amsterdam. The perpetual preferred securities, which are guaranteed by Investec plc, are callable at the option of the issuer, subject to the approval of the UK regulator* 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 perpetual 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 Investec plc as the guarantor.

Under the terms of the issue there are provisions for the perpetual preferred securities to be substituted for preference shares issued by the guarantor if Investec plc's capital ratios fall below the minimum level permitted by the UK regulator*.

*On 1 April 2013 the UK Financial Services Authority ("FSA") was abolished and the majority of its functions transferred to two new regulators: the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority ("PRA"). On the same date, the Bank of England ("BoE") took over the FSA's responsibilities for financial market infrastructures and a Financial Policy Committee ("FPC") was established on a statutory basis in the UK. Accordingly, all references to the UK regulator in this report are to the FCA and PRA.

Notes to the unaudited condensed financial statements

at 30 September 2013

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.

9. RELATED PARTY TRANSACTIONS

The partnership 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.