

Registration number LP10508

Investec Tier 1 (UK) LP

Unaudited condensed Report and Financial Statements

Six months ended 30 September 2015

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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

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 ("the partnership") 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 2015 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 was 7.075 per cent. The annual dividend was due on 24 June or next business day. On 24 June 2015 the partnership redeemed in full the outstanding Preferred Securities.

On 24 June 2005 Investec plc issued €200,000,000 Fixed/Floating Rate Perpetual Subordinated Notes. The Notes had no final maturity and the issuer was entitled, at its option, to 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 was 7.075 per cent. On 24 June 2015 the issuer redeemed in full the outstanding Notes.

Performance review and principal risks

During the period the Preferred Securities issued by the partnership have been redeemed. It is not expected that any further instruments will be issued in the second half of the 2016 financial year.

Any liquidity risk, interest rate risk or foreign currency risk was eliminated as the terms and currency of the Preferred Securities were matched with the terms and currency of the Notes purchased from Investec plc. As such, the material principal risks and uncertainties were 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 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 2015. 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: 30 November 2015

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 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 its 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 accepts 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 adequate 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 at the Investec plc group level, including audit committee. For further details, refer to the notes of 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. Kantor
For and on behalf of Investec plc, General Partner

Date: 27 November 2015

Profit and loss account

for the six months ended 30 September 2015

	Notes	Unaudited six months to 30 September 2015 €000	Unaudited six months to 30 September 2014 €000	Audited year to 31 March 2015 €000
Income	3	3,295	7,094	14,150
Expenses	4	-	-	-
Profit for the period available for distribution	8	<u>3,295</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 2015

	Notes	Unaudited 30 September 2015 €000	Audited 31 March 2015 €000	Unaudited 30 September 2014 €000
FIXED ASSETS				
Perpetual Subordinated Notes	5	-	200,000	200,000
CURRENT ASSETS				
Debtors	6	10	10,865	3,809
CURRENT LIABILITIES				
CREDITORS: amounts falling due within one year		-	-	-
NET CURRENT ASSETS		10	10,865	3,809
NET ASSETS		10	210,865	203,809
FINANCED BY:				
Preferred Securities	7	-	200,000	200,000
Partners' Interests		10	10,865	3,809
		10	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 2015

	Limited Partners €000	General Partner €000	Total €000
Partners' capital			
At 1 April 2014	10,855	10	10,865
Preferred Securities dividend paid	(14,150)	-	(14,150)
Profit for the year	14,150	-	14,150
At 31 March 2015	10,855	10	10,865
Preferred Securities dividend paid	(14,150)	-	(14,150)
Profit for the period	3,295	-	3,295
At 30 September 2015	-	10	10

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

Notes to the unaudited condensed financial statements

at 30 September 2015

1. ORGANISATION AND BUSINESS

Investec Tier 1 (UK) LP 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 rules and transparency rules. The accounting policies applied in the preparation of the results for the six months ended 30 September 2015 are consistent with those adopted in the partnership's audited Financial Statements for the year ended 31 March 2015, in accordance with FCA Disclosure Rules and Transparency Rules 4.2.6.

The information in this report for the six months ended 30 September 2015, which was approved by the Manager on 30 November 2015, 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.

The partnership transitioned from UK Accounting Standards to Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) for all periods presented. There were no material amendments on the adoption of FRS 101. The partnership has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of paragraphs 10(d), (10)f and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statements of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

3. INCOME

	Unaudited 6 months to 30 September 2015 €000	Unaudited 6 months to 30 September 2014 €000	Audited year to 31 March 2015 €000
Interest on Perpetual Subordinated Notes	3,295	7,094	14,150

4. EXPENSES

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

Notes to the unaudited condensed financial statements

at 30 September 2015

5. PERPETUAL SUBORDINATED NOTES

On 24 June 2005, Investec plc issued €200,000,000 Fixed/Floating Rate Perpetual Subordinated Notes. The notes had no final maturity and the issuer could at its option redeem all of the Notes on 24 June 2015 or any subsequent quarter end. Interest was receivable in arrears on each Fixed Interest Date (24 June each year) at a rate of 7.075 per cent. per annum up to and including 24 June 2015 and thereafter quarterly in arrears on each Floating Interest Date at the sum of three month euro interbank offered rate plus a margin of 5.625 per cent. per annum. These notes were purchased by the partnership from Investec plc.

These notes were redeemed in full by the issuer on 24 June 2015.

6. DEBTORS

	Un- audited 30 September 2015 €000	Audited 31 March 2015 €000	Un- audited 30 September 2014 €000
Accrued interest on Perpetual Subordinated Notes	-	10,855	3,799
Other debtors	10	10	10
	<u>10</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 ("preferred securities"), listed on Euronext, Amsterdam. The preferred securities, were guaranteed by Investec plc and were callable at the option of the issuer, subject to the approval of the Prudential Regulation Authority ("PRA") on the tenth anniversary of the issue and, if not called, were subject to a step up in coupon of one and a half times the initial credit spread (5.625 per cent. per annum) above the three month euro zone interbank offered rate. Until the tenth anniversary of the issue, the dividend on the preferred securities was 7.075 per cent. The annual dividend was due on 24 June or next business day. The issuer had the option not to pay a distribution when it fell due but this would have then prevented the payment of ordinary dividends by Investec plc as the guarantor.

The partnership redeemed the outstanding preferred securities in accordance with the Terms and Conditions on 24 June 2015.

Notes to the unaudited condensed financial statements

at 30 September 2015

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. ULTIMATE PARENT UNDERTAKING

The partnership's general partner and Manager 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.