

Remgro
Limited

ANNUAL REPORT
2002

R E M G R O L I M I T E D

REGISTRATION NUMBER 1968/006415/06

ISIN ZAE000026480 SHARE CODE REM

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Limited



REMGRO LIMITED

ANNUAL REPORT

2002

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DIRECTORATE

EXECUTIVE DIRECTORS

M H VISSER (48) #
Deputy Chairman and Chief Executive Officer
 Years of service with the Group: 22

W E BÜHRMANN (47) #
Investments
 Years of service with the Group: 15

D M FALCK (56) # *
Group Finance
 Years of service with the Group: 30

J A PRELLER (MRS) (52) #
Corporate Affairs
 Years of service with the Group: 30

T VAN WYK (54) #
Investments
 Years of service with the Group: 12

NON-EXECUTIVE DIRECTORS

JOHANN RUPERT (52) ‡
Chairman
 Chief Executive Officer of
 Compagnie Financière Richemont AG.

P E BEYERS (52)
 Businessman

G D DE JAGER (51)
 Businessman

J W DREYER (51)
 Businessman

P J ERASMUS (70) * ‡
 Retired businessman

P K HARRIS (52) ‡
 Chief Executive Officer: FirstRand Banking Group.
 Appointed to the Board on 28 November 2001.

E DE LA H HERTZOG (52)
 Chairman: Medi-Clinic Corporation Limited.

E MOLOBI (57)
 Chairman: Kagiso Trust Investment Company
 (Proprietary) Limited.

J F MOUTON (55) * ‡
 Chairman: PSG Group Limited and
 PSG Investment Bank Limited.

F ROBERTSON (47) * ‡
 Chairman: The Lion of Africa Insurance Company Limited.
 Chief Executive Officer: Brimstone Investment
 Corporation Limited.

P G STEYN (68) *
 Businessman

Member of the **Executive Committee**
 * Member of the **Audit Committee**
 ‡ Member of the **Remuneration Committee**



SALIENT FEATURES – FINANCIAL RESULTS

	2002	2001
HEADLINE EARNINGS	R4 277 million	R3 195 million
BASIC EARNINGS – NET PROFIT FOR THE YEAR	R3 532 million	R6 574 million
Shares in issue		
– Ordinary shares of 1 cent each	486 493 650	486 493 650
– Unlisted B ordinary shares of 10 cents each	35 506 352	35 506 352
Total	522 000 002	522 000 002

HEADLINE EARNINGS PER SHARE	819.3c	612.1c
BASIC EARNINGS PER SHARE	676.6c	1 259.4c

Dividends per share

– Ordinary	206.00c	162.00c
– Special	100.00c	

Net asset value per share

(attributable to own members)

– at book value	R46.07	R37.14
– allowing for market value/directors' valuation of investments and listed subsidiary companies	R89.50	R64.32

The comparative figures for the year ended 31 March 2001 have been restated. Please refer to the paragraph headed "Prior year adjustments" in the Report of the Board of Directors.



GROUP STRUCTURE

at 31 March 2002

REMGRO LIMITED

TRADE MARK INTERESTS	BRITISH AMERICAN TOBACCO	11%
	DISTELL GROUP	30%
FINANCIAL INTERESTS	FIRSTRAND	9%
	RMB HOLDINGS	23%
	ABSA GROUP	9%
	SAGE GROUP	16%
MINING INTERESTS	GENCOR	11%
	TRANS HEX GROUP	35%
INDUSTRIAL INTERESTS	ROBERTSONS HOLDINGS	72%
	TRANSVAAL SUGAR	72%
	MALBAK	58%
	TOTAL SA	34%
	RAINBOW CHICKEN	56%
	DORBYL	43%
	AIR PRODUCTS SA	50%
	WISPECO	100%
CORPORATE AND OTHER INTERESTS	HENKEL SA	50%
	REMGRO FINANCE CORPORATION	100%
	REMGRO FINANCE AND SERVICES	100%
	MEDI-CLINIC CORPORATION	52%

Percentages represent the Group's effective direct interests and have been rounded.
Annexures A and B provide further information of subsidiary companies and investments.



SIX YEAR CONSOLIDATED FINANCIAL REVIEW

	2002 R million	2001 R million	2000 R million <i>Pro forma</i>	1999 R million <i>Pro forma</i>	1998 R million <i>Pro forma</i>	1997 R million <i>Pro forma</i>
Revenue of the Company and its subsidiaries	8 441	7 358	5 738	10 381	9 091	6 815
Operating profit	816	571	448	469	337	378
Finance costs	58	67	36	65	95	103
Profit from normal operations	758	504	412	404	242	275
Amortisation of goodwill	(138)	–	–	–	–	–
Exceptional items	(20)	1 523	202	(25)	(122)	307
	600	2 027	614	379	120	582
Taxation	172	109	100	114	119	99
Profit after tax of the Company and its subsidiaries	428	1 918	514	265	1	483
Share of after-tax profit of associated companies	3 255	4 765	1 733	2 178	1 793	1 556
Profit from normal operations	3 881	2 901	2 307			
Amortisation of goodwill	(276)	(159)	(33)			
Exceptional items	(350)	2 023	(541)			
Group profit after tax	3 683	6 683	2 247	2 443	1 794	2 039
Minority interest	151	109	76	107	36	107
Net profit for the year	3 532	6 574	2 171	2 336	1 758	1 932
Reconciliation of headline earnings:						
Basic earnings – net profit for the year	3 532	6 574	2 171	2 336	1 758	1 932
Plus/(minus) – portion attributable to own members:						
– Amortisation of goodwill	414	159	33	–	–	–
– Exceptional items	351	(3 541)	333	23	96	(273)
– Net surplus, after taxation, on the disposal of property, plant and equipment	(35)	(6)	(29)	(20)	(2)	(2)
– Other	15	9	–	–	–	–
Headline earnings	4 277	3 195	2 508	2 339	1 852	1 657
Total number of shares issued ('000)	522 000	522 000	522 000	522 000	522 000	522 000
Headline earnings per share (cents)	819.3	612.1	480.5	448.1	354.8	317.4
Basic earnings per share (cents)	676.6	1 259.4	415.9	447.5	336.8	370.1
Dividends per share (cents)						
– Ordinary	206.00	162.00	120.00	104.35	88.37	76.84
– Special	100.00			100.00		
Net asset value per share (Rand) (attributable to own members)						
– at book value	46.07	37.14	24.05			
– allowing for market value/directors' valuation of investments and listed subsidiary companies	89.50	64.32	51.43			

The pro forma comparative figures in the income statements above represent the figures of Rembrandt Group Limited after adjustments have been made for investments transferred to VenFin Limited in terms of the restructuring in 2000, and are based on the audited annual financial statements of Rembrandt Group Limited. Pro forma figures for the balance sheets for those years are not available.

The 2000, 2001 and 2002 figures in respect of exceptional items are not comparable with those of the prior years. From 1999, exceptional items are disclosed before taxation while up to and including 1998 it was reported after taxation.



GENERAL REVIEW

*Headline earnings reflected growth of 33.9%,
from R3 195 million to R4 277 million.*

GROUP RESULTS

HEADLINE EARNINGS

Headline earnings reflected growth of 33.9%, from R3 195 million to R4 277 million. The contribution of the tobacco interests increased by 35.7% to R2 088 million of which R427 million was as a result of the weaker rand. 48.8% of total headline earnings was derived from tobacco (2001: 48.2%).

Financial services are now the second largest source of earnings, contributing R958 million or 22.4% of total headline earnings. Included in the combined contribution of R821 million by FirstRand Limited and RMB Holdings Limited, is an amount of R110 million relating to "abnormal" exchange profits during the six months to 31 December 2001. ABSA Group Limited's contribution decreased, from R234 million to R179 million, whilst Remgro's share of Sage Group Limited's results, according to South African Statements of Generally Accepted Accounting Practice (GAAP), was negative in the amount of R42 million.

The contribution of the industrial interests also increased, mainly as a result of the improved earnings of Malbak Limited, Dorbyl Limited and Rainbow Chicken Limited. The contribution of the mining interests was lower as a result of the exchange of the interests in Billiton Plc and Gold Fields Limited for shares in FirstRand Limited and RMB Holdings Limited. However, both Gencor Limited and Trans Hex Group Limited performed well.

BASIC EARNINGS

Basic earnings decreased from R6 574 million to R3 532 million, mainly as a result of the inclusion in the

previous financial year of a surplus of R1 371 million in respect of the sale of the interests in Billiton Plc and Gold Fields Limited and a further surplus of R2 202 million relating to R&R Holdings exercising its put option in respect of one half of the British American Tobacco Plc convertible redeemable preference shares in June 2000. The attributable amortisation of goodwill by subsidiaries and associated companies was R255 million higher than in the previous year.

ATTRIBUTABLE CASH EARNINGS

Attributable cash earnings (which excludes the Group's share of net profits retained by associated companies), before exceptional items and amortisation of goodwill, increased by 40.3% from R1 416 million to R1 986 million or 380.5 cents per share, mainly as a result of an increase in dividends received from associated companies. The latter amounted to R1 508 million compared to R1 127 million in 2000/2001, mainly due to higher dividends from R&R Holdings as well as dividends from FirstRand Limited and RMB Holdings Limited.

DIVIDENDS

Ordinary dividends of 206 cents per share were declared for the year, compared with 162 cents the previous year. This represents an increase of 27%. The dividends are covered 4.0 times by headline earnings and 1.8 times by cash earnings, against 3.8 times and 1.7 times respectively the previous year. Over and above the ordinary dividends, a special dividend of 100 cents per share was also declared which will be paid together with the ordinary dividends.



TRADE MARK INTERESTS

Contribution to headline earnings:

↻ R2 167 million (2001: R1 598 million)

↻ Increase 35.6%

Percentage of headline earnings:

↻ 51% (2001: 50%)

TOBACCO

R&R HOLDINGS: *Effective interest 33⅓% (2001: 33⅓%)*

Remgro's tobacco interests are represented by a one-third shareholding in R&R Holdings Luxembourg (R&R). The other two-thirds are held by Compagnie Financière Richemont AG (Richemont).

During the comparative period, R&R exercised its put option in respect of one half of its holding of British American Tobacco Plc (BAT) preference shares, reducing its effective interest in that company from 35.0% to 31.58% in June 2000. In terms of the Rembrandt Group Limited restructuring during 2000, the non-tobacco assets of R&R, including the proceeds of the aforementioned redemption, were transferred to R&V Holdings Limited, Jersey (R&V) of which VenFin Limited holds one-third and Richemont two-thirds. In R&R's results for the comparative twelve months, the income attributable to the redeemed BAT preference shares and other non-tobacco assets was allocated to R&V. In the period under review, R&R has equity accounted its effective 31.51% interest in BAT for the full twelve months period.

In line with the practice adopted in the prior year, R&R's share of BAT's earnings for the twelve months to 31 March 2002 is based on BAT's results for the twelve months period to 31 December 2001, adjusted to eliminate the results for the quarter to 31 March 2001 and to include the results for the quarter to 31 March 2002. After elimination of exceptional items and goodwill amortisation, R&R's contribution to Remgro's headline earnings is made up as follows:

	2002 £ million	2001 £ million
Attributable profit as reported by BAT for the year ended 31 December 2001	1 010	692
Less: attributable profit as reported by BAT for the quarter ended 31 March 2001 (2001: to 31 March 2000)	(226)	(75)
Add: attributable profit as reported by BAT for the quarter ended 31 March 2002 (2001: to 31 March 2001)	229	226
Adjustments:		
– to eliminate goodwill amortisation	390	388
– to eliminate exceptional items reported by BAT:		
– restructuring costs arising from the merger	51	81
– US and Imasco restructuring costs	–	75
– other	2	(35)
Adjusted attributable profit of BAT for the year	1 456	1 352
R&R's share of the adjusted attributable profit of BAT for the period 1 April 2000 to 7 June 2000	–	80
R&R's share of the adjusted attributable profit of BAT for the twelve months to 31 March 2002 (2001: 8 June 2000 to 31 March 2001)	459	354
R&R's other income	3	4
	462	438
Less: Portion allocated to R&V Holdings	–	(11)
R&R's headline earnings for the year to 31 March	462	427
Remgro's 33⅓% share thereof	154	142
	R million	R million
Translated at an average £/R rate of 13.5592 (2001: 10.8046)	2 088	1 539

BAT has a 15% share of the global cigarette market. It is the second largest international tobacco company and is the market leader outside of the United States. It has an impressive



GENERAL REVIEW

market position in Latin America and a robust position in all other regions. With its strong broad-based portfolio of international, regional and local brands, BAT has the platform for achieving its vision to establish leadership of the global tobacco industry.

In the twelve months to 31 December 2001, shipments of BAT's international brand cigarettes grew by 3% but overall group sales volumes remained consistent with the prior year at 807 billion cigarettes. Europe recorded good growth of 7%, predominantly in the central and eastern European markets, but this was offset by small declines in the other regions. Despite flat sales volumes, net revenues were up by 4% to £12 039 million with increases being recorded in all regions except for Asia-Pacific. In addition to the increase in net sales revenue, the shift in brand mix resulted in the improved operating profit and margins compared to the prior year.

BAT's four principal global brands, Lucky Strike, Kent, Dunhill and Pall Mall, achieved an overall growth of more than 10%, with "light" blends growing by 11%. Strategically BAT continues to shift its brand mix towards more profitable segments of the tobacco market, being the international and premium priced brands and the "lights" category. The effect of this has beneficially impacted operating profit and margins.

Earnings per share on an adjusted basis, (after elimination of exceptional items and goodwill amortisation) which is regarded by BAT as being the most comparable measure of the company's performance, increased by 9% in BAT's financial year ended 31 December 2001 and by 10% in the quarter ended 31 March 2002.

WINE AND SPIRITS

DISTELL: Effective interest 30.0% (2001: 30.0%)

Distell Group Limited's (Distell) contribution to the headline earnings of Remgro increased from R59 million in 2000/2001 to R79 million in 2001/2002. This relates to Distell's two consecutive six month periods ended 31 December 2001.

As reported in the press the Competition Appeal Court ruled on 27 November 2001 that notification of the merger between Stellenbosch Farmers' Winery Group Limited and Distillers Corporation (SA) Limited should be given to the Competition Authorities. Distell has provided full notification of the merger in accordance with the ruling of the South African Competition Tribunal. A ruling from the Competition Authorities regarding the merger itself is now being awaited.

FINANCIAL SERVICES

Contribution to headline earnings:

↻ R958 million (2001: R241 million)

↻ Increase R717 million

Percentage of headline earnings:

↻ 22% (2001: 8%)

FIRSTRAND and RMBH

As reported last year, Remgro acquired its interests in FirstRand Limited (FirstRand) and RMB Holdings Limited (RMBH) with effect from 1 January 2001. As these companies have June year-ends, their results for the twelve months to 31 December 2001 were equity accounted by Remgro in the year under review. There was no contribution in the comparative period.

For the six months ended 31 December 2001 FirstRand reported translation gains amounting to R1 977 million, of which R714 million was included in its income statement. R64 million of these gains was attributable to the interest rate differential between the rand and FirstRand's main foreign operating currencies. The balance of R650 million was reflected separately in FirstRand's headline earnings. Remgro's portion of these translation gains was R110 million – R61 million through its direct interest in FirstRand, and R49 million through its interest in RMBH. These amounts are included in Remgro's headline earnings.



FIRSTRAND: Effective direct interest 9.3%

FirstRand's direct contribution to Remgro's headline earnings was R437 million. This excludes the indirect contribution of FirstRand through the interest in RMBH.

During March this year it was announced that FirstRand Bank Limited acquired BOE Limited's retail residential mortgage book for approximately R11.9 billion. On 17 May 2002 it was announced that FirstRand Bank Holdings Limited acquired all the shares in and claims against Saambou Bank Limited (Saambou). The latter transaction, with a value of approximately R12.8 billion, resulted in FirstRand effectively assuming the depositor liabilities and also acquiring the residential mortgage loan book of Saambou. Together these transactions increase FirstRand's market share of mortgage loans to approximately 20%.

RMBH: Effective interest 23.1%

RMBH's contribution to Remgro's headline earnings was R384 million. For the twelve months ended 31 December 2001 92.3% of RMBH's headline earnings was derived from FirstRand while 7.7% was contributed by its other interests.

ABSA: Effective interest 9.4% (2001: 9.5%)

ABSA Group Limited's (ABSA) contribution to Remgro's headline earnings was R179 million (2001: R234 million).

ABSA's results for the year ended 31 March 2002 were materially affected by the losses incurred by its microlending subsidiary Unifer Holdings Limited (Unifer). These losses were the result of excessive advances growth, exacerbated by a breakdown in corporate governance, administrative procedures and internal controls at Unifer.

Although ABSA only held 61.1% of Unifer's shares, the extent of ABSA's loss was increased by its decision to prevent the failure of the bank and protect the interests of depositors. Consequently ABSA made provision for 100% of Unifer's losses which exceeded net asset value. This had a negative effect of R984 million on ABSA's headline earnings.

SAGE: Effective interest 16.0% (2001: 16.3%)

Sage Group Limited's (Sage) primary financial statements are prepared according to the Financial Soundness basis. On this

basis Sage's headline earnings decreased from R232.6 million in 2001 to R180.6 million. In addition, Sage also reports according to the Generally Accepted Accounting Practice basis. On the latter basis Sage reported a headline loss of R240.5 million (2001: R55.3 million headline earnings). Remgro's portion of this headline loss was R42 million (2001: R7 million headline earnings).

INDUSTRIAL INTERESTS

Contribution to headline earnings:

↻ R570 million (2001: R364 million)

↻ Increase 56.6%

Percentage of headline earnings:

↻ 13% (2001: 11%)

HL&H: Effective interest 72.4% (2001: 72.5%)

Hunt Leuchars & Hepburn Holdings Limited's (HL&H) contribution to Remgro's headline earnings was R183 million (2001: R145 million).

During September 2001 it was announced that Robertsons Holdings (Proprietary) Limited (Robertsons) and Unilever Plc (Unilever) had agreed in principle to restructure their interests in the existing joint venture between Robertsons and Bestfoods Europe. This proposal was a direct result of Unilever's acquisition of Bestfoods' global interests.

All the conditions required to implement this transaction were met, and the new Unilever Bestfoods Robertsons enterprise, in which Robertsons has an interest of 41%, was established with effect from 1 April 2002. In granting their approval, the Competition Authorities required the disposal of certain brand names by the enlarged Unilever Bestfoods Robertsons venture.

RAINBOW: Effective interest 55.7% (2001: 55.9%)

Rainbow Chicken Limited's contribution to Remgro's headline earnings was R86 million (2001: R65 million).

AIR PRODUCTS: Effective interest 50% (2001: 50%)

Air Products South Africa (Proprietary) Limited's (Air Products) contribution to Remgro's headline earnings was



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R42 million compared to R29 million in 2000/2001. This relates to Air Products' two consecutive six-month periods ended 31 March 2002.

DORBYL: Effective interest 42.6% (2001: 41.4%)

Dorbyl Limited's (Dorbyl) contribution to Remgro's headline earnings was R47 million (2001: R28 million).

As part of Dorbyl's rationalisation strategy various businesses were sold during the year, of which the sale of the Metals Trading division to Kulungile Metals (Proprietary) Limited was the most significant. This transaction was approved by Dorbyl's shareholders on 21 May 2002.

TOTAL: Effective interest 34.4% (2001: 34.4%)

Total South Africa (Proprietary) Limited (Total) produced real growth in earnings for the year to December 2001. Total's retail market share grew in 2001 and it also improved efficiencies.

LENCO: Effective interest 0% (2001: 35.4%)

During May 2001 Lenco Holdings Limited (Lenco) unbundled its interest in Malbak Limited (Malbak), and thereafter, in terms of an offer to the minority shareholders, became a wholly-owned subsidiary of Lenco (Proprietary) Limited. The latter was subsequently put into voluntary liquidation and the assets were distributed to the two shareholders of Lenco (Proprietary) Limited in such a manner that Remgro received Malbak shares and the other shareholder all the shares in Lenco.

Remgro no longer has an interest in any of the Lenco companies.

MALBAK: Effective interest 58.0% (2001: 48.9%)

Malbak's contribution to Remgro's headline earnings was R101 million compared to R57 million in 2000/2001. This represents an increase of 77.2%.

As a result of the liquidation of Lenco (Proprietary) Limited and further acquisitions, Remgro's direct interest in Malbak increased by 9.1% to 58.0%. On 2 November 2001

Malbak and Nampak Limited (Nampak) announced that the two companies had entered into negotiations regarding a possible merger. Since then it was announced that Nampak, subject to certain suspensive conditions, will make a formal offer to Malbak shareholders to acquire their total shareholding of Malbak.

On 19 June 2002 the Competition Tribunal approved this transaction subject to the merged business selling the Kohler Bubblepack insulation machinery. Remgro's interest in this new merged business will be diluted to less than 20%.

WISPECO: Effective interest 100% (2001: 100%)

Wispeco Holdings Limited's (Wispeco) contribution to Remgro's headline earnings was R27 million (2001: R17 million). During the course of the year Wispeco strengthened its position as one of the major suppliers of aluminium extrusions by inter alia obtaining the assets (in liquidation) of Metallumin/Almar.

MINING INTERESTS

Contribution to headline earnings:

↻ R306 million (2001: R823 million)

↻ Decrease R517 million

Percentage of headline earnings:

↻ 7% (2001: 26%)

The decrease in the contribution of the mining interests was a result of the exchange of all Remgro's shares in Billiton Plc and Gold Fields Limited for the interests in FirstRand and RMBH in January 2001.

GENCOR: Effective interest 10.9% (2001: 10.9%)

Gencor Limited's (Gencor) contribution to headline earnings was R231 million (2001: R186 million). This represents an increase of 24%. These figures relate to Gencor's twelve months to 31 December 2001.



GFSA: Effective interest 18.2% (2001: 18.2%)

As mentioned in the previous year's review, Gold Fields of South Africa Limited (GFSA) proposed a liquidation dividend of 85 cents per share during February 2001, of which 70 cents per share was paid to shareholders. The remaining 15 cents per share was retained in order to cover costs resulting from a claim against GFSA. Should this matter be resolved in favour of GFSA, the funds held back will be distributed to shareholders as a final liquidation dividend, after which GFSA will be liquidated.

As a result of the liquidation process Remgro has not accounted for any income from GFSA for the year under review. In the previous year GFSA's contribution to Remgro's headline earnings was R34 million.

TRANS HEX: Effective interest 35.2% (2001: 42.7%)

Trans Hex Group Limited's (Trans Hex) contribution to Remgro's headline earnings was R75 million (2001: R54 million).

16 million unsecured 13.5% participating compulsory convertible debentures were issued by Trans Hex to Mvelaphanda Diamonds (Proprietary) Limited (Mvelaphanda) at the end of February 2002 and this, together with Mvelaphanda's current holding, brings its effective interest in Trans Hex to approximately 19.4%. Mvelaphanda also has an option to acquire 5 million shares in Trans Hex from Remgro, which could further dilute Remgro's interest to 30.2%.

CORPORATE FINANCE AND OTHER INTERESTS

Contribution to headline earnings:

↻ R276 million (2001: R169 million)

↻ Increase 63.3%

Percentage of headline earnings:

↻ 7% (2001: 5%)

CORPORATE: Effective interest 100% (2001: 100%)

The central treasury division's contribution to Remgro's headline earnings increased from R84 million to R143 million. This was mainly the result of higher cash resources than the previous year.

Net corporate costs, including donations, decreased by R1 million from R60 million in 2001 to R59 million in 2002.

MEDI-CLINIC: Effective interest 52.3% (2001: 51.1%)

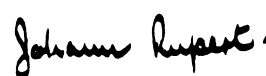
Medi-Clinic Corporation Limited's (Medi-Clinic) contribution to Remgro's headline earnings was R158 million (2001: R126 million).

During the year under review Medi-Clinic acquired 9 million of its own shares on the JSE Securities Exchange South Africa for approximately R60 million. These shares will be held in treasury and 399 700 shares have already been utilised in terms of its share option scheme.

ACKNOWLEDGEMENT

To all of those who contributed to the success of the Group over the past year, we extend our sincere thanks: to the shareholders for their continued confidence; the managing directors and all colleagues in the various Group companies for their co-operation and support; all other directors, officials and employees for their dedication and all parties concerned for services rendered.

We welcome Paul Harris who joined the Board of this Company on 28 November 2001.



Johann Rupert



Thys Visser

Stellenbosch

19 June 2002



COMMUNITY SERVICE

“The best definition of a business I have heard of is that it is an institution which serves the community honourably at a profit.”

– Dr Anton Rupert

Whilst reviewing briefly the Company's involvement in a few community initiatives, we want to pay tribute to those who give so much of their time and energy in the interest of a better future for the people of our country.

We wish to dedicate, with gratitude, the award the Company recently received from the Birmingham International Festival to these people. The *Crystal Crown* award, presented to Remgro and two other South African companies in April, was made in recognition of corporate excellence and social responsibility to the people of South Africa.

What follows is a brief summary of projects and institutions in which the Company is presently involved:

ENTREPRENEURSHIP AND TRAINING

During the past two years Remgro and VenFin joined forces to boost substantially two major educational and job-creation initiatives in Southern Africa: the *College for Tourism* in Graaff-Reinet and the *Southern African Wildlife College* near the border of the Kruger National Park. The two companies jointly granted a loan of R30 million to these projects.

SA College for Tourism – has been established as a Section 21 company by the Rupert Family Trusts in partnership with international agencies and public donors who share the vision of sustainable economic development in rural Southern Africa through the creation of trans-frontier conservation areas.

The College, situated at the Panorama Guest House on Magazine Hill, overlooking Graaff-Reinet and bordering the town's wildlife and nature reserve, is the first training centre in Southern Africa primarily concerned with operational and management skills training for the guesthouse and lodge industry.

The aim of the College is to train annually at least 40 individuals, preferably black women between the ages of 25 – 35 from rural areas, as managers and proprietors of small

business accommodation units to deal with the expected increase in tourist numbers to the trans-frontier parks in Southern Africa.

In June last year, the College opened its doors to an intake of 20 students as part of a pilot programme. The students, all women from previously disadvantaged communities in Southern Africa and all receiving full bursaries, completed their training at the end of November. In accordance with the ideals of the Peace Parks Foundation, the College this year accepted three learners from Lesotho and four from Namibia from a total of 30 students for the course which started in February.

Southern African Wildlife College – conservation in Southern Africa received a major boost on 25 October last year with the establishment of the *Southern African Conservation Trust*. The founding coincided with the fourth diploma ceremony for students of the Southern African Wildlife College.

During the founding ceremony it was announced that Remgro and VenFin jointly became sponsors in the Bateleur class of the trust with a donation of R1 million. The aim of the trust is to collect R60 million of which the local target is approximately 20%.

The multimillion capital trust fund firstly aims to fund education and training in nature conservation management at the SA Wildlife College and other institutions with similar objectives. Thus an important contribution will be made to broaden significantly the levels of expertise in environment conservation in Southern Africa.

Last year 41 students (from as far as Cameroon) graduated from the College and they could return as trained managers to manage in a sustainable manner the bio-diversity of conservation areas in Southern Africa and to plough back their knowledge in a region which possibly has the greatest tourism potential in the world.



Scimathus – is an intensive post-matric programme presented by the University of Stellenbosch to afford a selected group of students the opportunity to qualify for university entrance in certain fields of study. Remgro and VenFin have jointly invested just more than half a million rand in this programme over a period of three years.

The students who participated for the first time in the programme in 2001 were drawn from historically disadvantaged schools in the Stellenbosch region. There were two groups: one of 18 students focusing on mathematics and physical science and the other group of 17 who focused on mathematics and accountancy.

At the end of the year the students wrote the national public matriculation examination and some of them gained admission to the University of Stellenbosch (US) and other tertiary institutions.

Despite the limited success achieved, the US is convinced that the programme has potential and that the first year has been a learning experience for all participants. This year the programme is continuing along the lines of the same model with the exception that a group of 20 students from further afield, for whom lodging is provided, has been included.

ENVIRONMENT

WWF South Africa – as corporate member Remgro supports the objectives of this conservation organisation. Noteworthy projects of the past year included the following:

- ✧ A WWF supported community-based project involving rural people in eco-tourism, saw the launch of the first aerial forest boardwalk in Southern Africa. The 125 metre walkway through the canopy of the trees in the Dlinza Forest near Eshowe in KwaZulu-Natal, offers visitors a bird's eye view of the forest and culminates in a 20 metre steel observation tower, with a spectacular view over the entire forest to the Indian Ocean beyond. The project was funded by the Sappi/WWF Forests and Wetlands Venture.
- ✧ A generous bequest to WWF South Africa enabled the organisation to acquire two significant properties for conservation. One of them is on the banks of the Gouritz River in the Little Karoo and is the first core property in the establishment of the proposed Gouritz Mega Reserve.
- ✧ A significant publication on the effects of climate change in South Africa, co-funded by WWF South Africa, was

published by the National Botanical Institute. *The heat is on* is the first comprehensive coverage of the impacts of climate change on the biological riches of South Africa. It will play a major role in presenting South Africa's environmental status at the World Summit on Sustainable Development in September 2002.

- ✧ The Green Trust, a partnership between WWF South Africa and Nedbank, has made it possible to launch the initiative of the Ekangala Grassland Trust which will establish a one million hectare grassland biosphere reserve in Mpumalanga. South Africa's temperate grassland ecoregion is one of the Global 200 Ecoregions defined by WWF as being the most important areas worldwide for biodiversity conservation.

CULTURAL DEVELOPMENT

Klein Karoo National Arts Festival – for the second year a contribution was made to the development aspect of the festival. Remgro comes from a tradition where art has been used since the earliest years to foster understanding and appreciation for one another's spiritual assets in a country of diverse cultures.

More than 40 years ago in 1960, the Company was already involved in a successful countrywide competition to stimulate interest in the arts among the youth of all population groups. As a sponsor of the Arts Festival, Remgro is excited about this show-window for the performing arts which has grown considerably over the years.

In South Africa art in all its modes of expression has an exceptional, yet to date greatly unutilised, capacity to build bridges of goodwill across colour and cultural divides. The Art Festival is an important workshop for the realisation of this ideal.

Rembrandt van Rijn Art Foundation – this Foundation, which aims to make local and international productions, especially in the field of the visual arts, more accessible to local and overseas art lovers, is partially supported administratively by the Company.

An exhibition of 41 paintings by the artist Townley Johnson, from the Art Foundation's collection, has been on an extended overseas tour since October 2000. Exhibitions were held in Zug, Switzerland, Berlin and Lübeck in Germany as well as in Linz, Austria.



COMMUNITY SERVICE

These paintings, copies of San (Bushmen) rock paintings in Southern Africa, elicited great interest overseas and the exhibitions have already been visited by some 45 000 people.

Stellenbosch Festival – the Stellenbosch Music and Art Festival was held successfully for the 14th time in September 2001. Remgro and VenFin sponsored the opening concert which was dedicated to a former employee, the late Dries Smit, who was a co-founder of the Stellenbosch Festival.

The Festival focused on classical and traditional music, with a variety of children and youth programmes as well as participation by the local community. Presentations by three farm worker theatre groups from the area, high-school learners from Kayamandi and the Street Festival were very popular and enjoyed good support.

SPORT DEVELOPMENT

SA Golf Development Board (SAGDB) – this initiative, of which the administrative costs are borne by Remgro and VenFin, has been nominated the most successful development project in South Africa last year, according to a market survey conducted by Sanlam.

Sponsorships by Sanlam and Mercedes-Benz enabled SAGDB to launch projects for children from disadvantaged communities in various regions, amongst which Border, Free State, Gauteng, KwaZulu-Natal and the Western Cape. Thus jobs were created for 10 coordinators and 29 coaches, while more than 2 200 children were registered on SAGDB's data base.

COMMUNITY DEVELOPMENT

Ikamva Labantu – when, in 2000, Remgro and VenFin chose to support this community organisation as an umbrella charity project, it was not an attempt to give momentum to a new initiative, but rather to give support to a group of dedicated people who for more than 30 years worked hard to make a difference to the living standards of some of the poorest communities in the country.

Ikamva Labantu is a project which fits like a glove in the philosophy that Remgro inherited from the former Rembrandt Group. *Help others to help themselves* is a slogan which for half a century has been the core of the Company's approach to the rendering of services to needy communities.

Ikamva Labantu practises this philosophy daily in the more than 1 000 community projects that fall under its management. In recognition of its achievements, Ikamva was asked in 1998 by the Mandela government to act as the leader partner of a pilot project to establish and test a new funding policy for social services in South Africa.

Youth development, care for senior citizens, special programmes for the disabled and the establishment of shelters for the homeless are some of the most important areas which enjoy Ikamva's attention.

Organ Donor Foundation of SA – speed is vital when life-supporting organs are transported. In this regard the staff of Falconair, who are involved in four sponsored flights per year, excelled once again in the services they provided. Many lives have already been saved by this service for which there is generally great appreciation.

NSRI, Plettenberg Bay – a special relationship with Station 14 of the National Sea Rescue Institute at Plettenberg Bay has recently been renewed when a substantial donation was made to this station. Outstanding services rendered by the voluntary crew of Station 14 earlier this year, which undoubtedly saved the life of the son of the Company's chief executive officer, inspired this donation.

Sixteen years ago, in 1986, a tragic accident involving a company plane and the death, amongst others, of Mr Ian Hepburn, a director of HL&H, led to the donation of NSRI's main rescue boat at Plettenberg Bay. In memory of her father, Mr Hepburn's daughter donated money for the purchase of the boat, which was named the *Ian Hepburn*.

Remgro and VenFin's joint donation was deposited in Station 14's capital fund and will probably be used in time to replace the 14 year-old rescue boat.

Mozambique – floods, which caused havoc in this neighbouring country the previous year, led to an appeal for assistance by Mrs Graca Machel, Executive Chairman of the *Foundation for Community Development, Mozambique*. Remgro and VenFin responded to this appeal by jointly donating R1 million to the Foundation. The money will be used to meet a variety of community needs.



CORPORATE GOVERNANCE

Remgro is a long-term investor, forging strategic alliances on a partnership basis while endeavouring to add value.

The Company endorses the principles of the King Report's Code of Corporate Practices and Conduct. Various projects have already been launched to ensure compliance with the revised requirements as contained in the King 2 Report.

CORPORATE STRUCTURE

The Company is an investment holding company.

Subsidiaries which are not wholly-owned are mainly listed companies with independent Boards of Directors on which this Company has non-executive representation. Other non-subsidiary investments comprise both listed and unlisted companies which are not controlled by this Company and which are mostly associated companies due to significant influence and Board representation.

The Company's activities are, therefore, mainly concentrated on the management of investments and the provision of support, than of being involved in the day-to-day management of business units of those investees. The Company is a long-term investor, forging strategic alliances on a partnership basis while endeavouring to add value where possible.

All the Company's listed subsidiaries and associates endorse the Code of Corporate Practices and Conduct. The Company continues to encourage full compliance where possible and disclosure where not.

BOARD OF DIRECTORS

The Board, which meets at least six times a year, consists of sixteen directors, eleven of whom are non-executive. Details of the directors are provided on page 2 of the Annual Report.

The Non-executive Chairman of the Board is Mr Johann Rupert.

BOARD COMMITTEES

The Company has an Executive Committee which meets between Board meetings to deal with issues delegated by the main Board.

The Audit Committee, which consists of four non-executive and one executive director, meets four times a year to deal with issues relating to risk management and internal control including internal and external audit, accounting policies and financial reporting within the mandate given of the Board. The committee is chaired by a non-executive director and meetings are attended by the Chief Executive Officer as well as both the external and internal auditors.

The Remuneration Committee consists of five non-executive directors.

SERVICE COMPANY

An agreement was concluded with a service company, M&I Management Services (Proprietary) Limited (M&I), to render management and support services to Remgro. The shareholders of M&I are employees of M&I who own all the issued ordinary shares. Rembrandt Trust (Proprietary) Limited owns all the "A" ordinary shares of M&I. The "A" ordinary shares only have voting rights but have no rights to the income or assets of M&I.

Remgro pays fees to M&I which cover the overhead costs of the management of Remgro. These fees will not exceed 0.463% per year of the market capitalisation of Remgro, calculated on a monthly average basis. This percentage may not be exceeded without the approval of 75% of all classes of shareholders of Remgro. The fees for the past year are disclosed in note 14 to the annual financial statements.

EMPLOYMENT EQUITY

The service company, M&I, strives to afford all staff the opportunity to realise their full potential, in accordance with the Employment Equity Act.

A Steering Committee and various Work Groups, together with M&I's management, are involved in determining training and development needs and in the implementation and monitoring of a labour plan. Special attention is given to those groups which, because of historic reasons, might be in a disadvantaged position.



CORPORATE GOVERNANCE

The service company believes that the quality of its staff affords it an important sustainable competitive advantage. Therefore it believes that its success does not lie in the uniformity of its staff but in the diversity and development of their collective talents. For that, space and opportunities will always be created.

RISK MANAGEMENT

The Board, in giving effect to its risk management responsibilities, has approved the maintenance of an entity wide risk management programme.

The objective of the risk management strategy is to maximise opportunity, within the confines of the Group's risk appetite, whilst minimising the Company's cost of risk, which includes:

- ↪ Cost of internal control
- ↪ Risk financing cost
- ↪ Losses incurred
- ↪ Cost of assurance providers

This programme, which prescribes to international control criteria, incorporates the following structured processes:

- ↪ Communication of the risk management strategy including the Company's value systems, culture, management philosophies and delegated responsibilities
- ↪ A system of continuous risk identification, including emerging risks and opportunities
- ↪ Risk assessment processes measuring both the effectiveness of control (likelihood of occurrence) and estimated maximum loss (potential impact)
- ↪ Duly integrated combined assurance programmes monitoring the effectiveness and efficiency of control
- ↪ Continuous control enhancement, and
- ↪ The optimisation of risk financing activities

Being an investment company, the Group distinguishes between risk inherent to the Company and its wholly-owned subsidiaries and that of the companies it invests in.

A Group Risk Management forum was established to ensure best practice amongst investee companies, where appropriate.

INTERNAL CONTROL

The directors are responsible for the Company's system of internal control, which is designed to provide reasonable, but not absolute, assurance against material misstatement and loss. Internal control is broadly defined as a process, effected by a company's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of efficiency and effectiveness of operations, sound financial controls and compliance with applicable laws and regulations. The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

The Company has an internal audit function which has been contracted out to M&I Risk Management and Internal Audit. This department meets the requirements and standards of the Institute of Internal Auditors for the professional practising of internal audit. The head of the department reports administratively to the Chief Executive Officer of Remgro and has unlimited access to the Audit Committee as well as the Chairman of the Group. The head of the department is also the chairman of the Group's Risk Management and Internal Audit Forum. The department endorses a risk-based audit approach, as contained in the Internal Audit Mandate approved by the Board.

The Audit Committee has reviewed the risk management programmes and systems of internal control of the Company and its wholly-owned subsidiaries for the financial year to 31 March 2002. The directors are of the opinion that, based on inquiries made and the reports from the internal and external auditors, the risk management programmes and systems of internal control were effective for the period under review.

The Audit Committee has also satisfied itself that there are effective audit committees functioning at the Company's non wholly-owned subsidiaries and associated companies.



STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements included in this Annual Report. The independent auditors are responsible for reporting on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa, on the going concern basis and incorporate full and responsible disclosure. The annual financial statements are based upon appropriate accounting policies which, with the exception of accounting for property, plant and equipment, investment properties and employee benefits are in accordance with those of the previous year and supported by reasonable and prudent judgements and estimates.

The directors are of the opinion that the Group will continue as a going concern in the future.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman



Thys Visser
Chief Executive Officer/Deputy Chairman

Stellenbosch
19 June 2002

CERTIFICATE BY THE COMPANY SECRETARY

I, Mariza Lubbe, being the Company Secretary of Remgro Limited hereby certify that all returns required of a public company have, in respect of the year under review, been lodged with the Registrar of Companies and that all such returns are true, correct and up-to-date.



Mariza Lubbe
Secretary

Stellenbosch
19 June 2002



REPORT OF THE INDEPENDENT AUDITORS

to the members of Remgro Limited

We have audited the annual financial statements and Group annual financial statements of Remgro Limited set out on pages 19 to 56 for the year ended 31 March 2002. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:


- ✎ examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements,
- ✎ assessing the accounting principles used and significant estimates made by management, and
- ✎ evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Company and Group at 31 March 2002 and the results of their operations, changes in equity and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Price Waterhouse Coopers Inc.

PRICEWATERHOUSECOOPERS 

Registered Accountants and Auditors

Chartered Accountants (SA)

Stellenbosch

19 June 2002



REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2002

Dear Shareholder

The Board has pleasure in reporting on the activities and financial results for the year under review.

NATURE OF ACTIVITIES

The Company is an investment holding company. The Group derives its cash income mainly from dividends and interest. The consolidated annual financial statements also incorporate the equity accounted attributable income of associated companies.

The Group's interests consist mainly of investments in tobacco products, banking and financial services, printing and packaging, engineering and motor components, adhesives, life assurance, medical services, mining, petroleum products, food, wine and spirits and various other trade mark products.

GENERAL REVIEW

Operating results

Year ended 31 March:	2002	2001
Headline earnings (R million)	4 277	3 195
– per share (cents)	819.3	612.1
– diluted (cents)	817.8	611.6
Basic earnings – net profit for the year (R million)	3 532	6 574
– per share (cents)	676.6	1 259.4
– diluted (cents)	675.3	1 258.5
Dividends (R million)*	1 597	845
– ordinary – per share (cents)	206.00	162.00
– special – per share (cents)	100.00	

* The final dividend of 133 cents (2001: 106 cents) per share and the special dividend of 100 cents per share were declared after the year-end and were therefore not provided for in the annual financial statements.

Investments

The most important changes during the year under review were as follows:

Lenco Holdings Limited (Lenco)

During May 2001, Lenco unbundled its shareholding in Malbak and thereafter, in terms of an offer made to minority shareholders, became a wholly-owned subsidiary of Lenco (Proprietary) Limited. The latter was subsequently put into voluntary liquidation and the assets were distributed to the two shareholders of Lenco (Proprietary) Limited in such a manner that Remgro received Malbak shares and the other shareholder all the shares in Lenco.

Malbak Limited (Malbak)

As a result of the liquidation of Lenco (Proprietary) Limited and further acquisitions, Remgro's direct interest in Malbak increased by 9.1% to 58.0%.

During the past financial year, Malbak and Nampak Limited (Nampak) issued a joint cautionary announcement stating that the two companies entered into negotiations regarding a possible merger.

It was subsequently announced that an agreement had been reached that Nampak, subject to certain suspensive conditions, will make a formal offer to Malbak shareholders to acquire their total shareholding of Malbak.

The transaction has been approved conditionally by the Competition Authorities. Certain further suspensive conditions have yet to be met.

Due to the potential dilution of Remgro's effective interest in the larger packaging group, Malbak was not consolidated in the year under review but equity accounted as in the past.



REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2002

Trans Hex Group Limited (Trans Hex)

On 28 February 2002, Trans Hex issued 16 million unsecured 13.5% participating compulsory convertible debentures to Mvelaphanda Diamonds (Proprietary) Limited (Mvelaphanda). After conversion of these debentures Mvelaphanda will have an interest of approximately 19.4% in Trans Hex. On 31 March 2002, Remgro's diluted interest was 35.2%.

Mvelaphanda also has an option to acquire 5 million shares in Trans Hex from Remgro which could further dilute Remgro's interest to 30.2%.

Robertsons Holdings (Proprietary) Limited (Robertsons)

On 12 September 2001 it was announced that Robertsons and Unilever Plc (Unilever) had agreed in principle to restructure their interests in the existing joint venture between Robertsons and Bestfoods Europe. This proposal was a direct result of Unilever's acquisition of Bestfoods' global interests.

All the necessary conditions were met and the new Unilever Bestfoods Robertsons venture, in which Robertsons holds 41%, was established with effect from 1 April 2002.

Medi-Clinic Corporation Limited (Medi-Clinic)

As a result of the buy-back of shares by Medi-Clinic, the interest in Medi-Clinic as at 31 March 2002 was 52.3%. As previously reported, the interest in excess of 50% is considered to be temporary as a result of personnel options which have not yet been exercised and would dilute the interest, before the buy-back of the shares held in treasury, to 50% or less. Medi-Clinic has therefore not been consolidated as a subsidiary company, but, as in the past, has been equity accounted as an associated company.

Subsequent to the year-end:

Standard Bank Investment Corporation Limited (Stanbic)

The 3.1 million Stanbic shares received during April 2000 by way of a dividend in specie from the Gencor Limited unbundling, was sold during May 2002. A capital surplus of R78 million was realised and will be accounted for as an exceptional item.

FirstRand Limited (FirstRand)

During May 2002 a further investment of R111 million (0.24%) was made in FirstRand.

GROUP FINANCIAL REVIEW

Prior year adjustments

Changes in accounting policy

The accounting policy in respect of accounting for investment properties has been changed to comply with the amended South African Statement of Generally Accepted Accounting Practice (AC 135). Investment properties are accounted for as long-term investments and are stated at cost less accumulated depreciation. Buildings are depreciated on a straight-line basis over their expected useful lives. This represents a change in accounting policy as investment properties were previously accounted for at cost.

Rainbow Chicken Limited has changed its accounting policy in respect of property, plant and equipment. Effective 1 April 2001, land and buildings are accounted for on the historical cost basis whereas previously they were revalued.

During 2002 the Group implemented AC 116 (revised) in respect of employee benefits.



Remgro's comparative figures have been restated as follows:

Restatement of comparative figures

Year ended
31 March 2001
Cents per share

Income statement

Headline earnings as previously reported	615.1
Change in accounting policy	(3.0)
Restated headline earnings	612.1

R million

Balance sheet

Reduction in property, plant and equipment and investment properties	215
Reduction in investments	18
Reduction in interest of own members	149
Reduction in minority interest	98
Increase in liabilities	14

Balance sheet

The analyses of "Equity" and of "Source of headline earnings" below reflect the divisions into which the interests have been classified. Each division represents the main business sector of the investments classified thereunder. No adjustment has been made where companies are mainly active in one sector but also have interests in other sectors.

	2002		2001	
	R million	R per share	R million	R per share
Equity employed				
Interest of own members	24 047	46.07	19 387	37.14
Employment of equity				
Trade mark interests	8 117	15.55	5 359	10.26
Financial services	8 222	15.75	7 549	14.46
Industrial interests	4 169	7.99	3 459	6.63
Mining interests	722	1.38	687	1.32
Corporate finance and other interests	2 817	5.40	2 333	4.47
	24 047	46.07	19 387	37.14

Income statement

	2002		2001	
	R million	%	R million	%
Source of headline earnings				
Trade mark interests	2 167	51	1 598	50
Financial services	958	22	241	8
Industrial interests	570	13	364	11
Mining interests	306	7	823	26
Corporate finance and other interests	276	7	169	5
	4 277	100	3 195	100



REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2002

	2002 R million	2001 R million
Composition of headline earnings		
Subsidiary companies and joint ventures	414	296
Profits	420	296
Losses	6	*
Associated companies	3 863	2 899
Profits	3 914	2 908
Losses	51	9
	4 277	3 195

* Amounts smaller than R500 000

COMPANY NET PROFIT AND APPROPRIATION

The Company's own distributable reserves at the beginning of the year amounted to	7 350	7 328
Net profit for the year	1 584	314
Dividend No 2 of 106.00c per share paid in August 2001	(553)	–
Dividend No 3 of 73.00c per share paid in January 2002 (2001: 56.00c)	(381)	(292)
The Company's own distributable reserves carried forward to the following year amounted to	8 000	7 350

SHARE CAPITAL

During the year the trustees of the Remgro Share Scheme (the 'scheme') offered ordinary shares to participants as follows:
(Also refer note 25)

Date	Offer price (Rand)	Number of shares offered	Number of shares accepted on 31 March 2002
2/4/2001	47.00	29 094	29 094
1/9/2001	59.70	20 102	20 102
25/9/2001	54.10	18 984	18 984
1/11/2001	64.10	3 452	3 452
1/12/2001	62.80	469	469
1/1/2002	65.00	394	394
1/2/2002	62.30	13 543	853
1/3/2002	64.00	11 433	–
		97 471	73 348**

** Refer note 7

The offers are valid for one year from the date of the offer. The scheme is a deferred purchase scheme and payment is made in three equal annual instalments of which the first instalment is only payable after three years. Participants have no right to delivery, voting or dividends on shares before payment has been made. Participants may choose to pay on a later date with the resultant deferment of rights. Payment must, however, be made within ten years.



SERVICE COMPANY

In 2000, an agreement was concluded with a service company, M&I Management Services (Proprietary) Limited (M&I), to render management and support services to Remgro. The shareholders of M&I are employees of M&I who own all the issued ordinary shares. Rembrandt Trust (Proprietary) Limited owns all the "A" ordinary shares of M&I. The "A" ordinary shares only have voting rights but have no rights to the income or assets of M&I.

Remgro pays fees to M&I which cover the overhead costs of the management of Remgro. These fees will not exceed 0.463% per year of the market capitalisation of Remgro, calculated on a monthly average basis. This percentage may not be exceeded without the approval of 75% of all classes of shareholders of Remgro. The fees for the past year are disclosed in note 14 to the annual financial statements.

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Proprietary) Limited holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.2 % of the total votes.

An analysis of the shareholders appears on page 57.

SUBSIDIARY COMPANIES AND INVESTMENTS

Particulars of subsidiary companies, associated companies and other investments are disclosed in Annexures A and B.

DIRECTORS

Mr P K Harris was appointed as director on 28 November 2001.

The names of the directors appear on page 2.

In terms of the provision of the Articles of Association, Messrs P E Beyers, W E Bührmann, J W Dreyer, P K Harris, T van Wyk, Dr E de la H Hertzog and Mrs J A Preller retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

The following directors of the Company served on Committees of the Board during the past financial year:

Audit Committee: Messrs D M Falck, P J Erasmus, J F Mouton, F Robertson and P G Steyn.

Remuneration Committee: Messrs Johann Rupert, P J Erasmus, J F Mouton and F Robertson.

On 6 March 2002, Mr P K Harris was appointed as member of the Remuneration Committee.

DIRECTORS' INTERESTS

At 31 March 2002 the aggregate of the direct and indirect interests of the directors in the issued share capital of the Company amounted to 0.63% (2001: 0.62%).

An analysis of Directors' interests in the issued capital of the Company appears on page 58.

DIRECTORS' EMOLUMENTS

The Board recommends that directors' fees for services rendered as directors during the past financial year be fixed at R499 000 (2001: R411 000).



REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2002

ACQUISITION OF SHARES OF THE COMPANY

It is recommended that a general authority be granted to the Board to acquire, should circumstances warrant it, the Company's own shares and to approve the acquisition of shares in the Company by any of its subsidiaries, subject to the provisions of the Companies Act 61 of 1973, as amended, and the Listing Requirements of the JSE Securities Exchange South Africa (JSE).

Special resolutions to this effect are incorporated in the notice of the Annual General Meeting that appears on page 61.

DIVIDENDS

Dividend No 4

A final dividend of 133 cents (2001: 106.00 cents) per share was declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each, for the financial year ended 31 March 2002.

Together with the interim dividend of 73 cents (2001: 56.00 cents) per share paid during January 2002, total dividends for the financial year amounted to 206 cents (2001: 162 cents) per share.

Special Dividend

A special dividend of 100 cents per share was declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each.

Payment

The final and special dividend are payable to shareholders of the Company registered at the close of business on Friday, 16 August 2002.

On payment date, Monday 19 August 2002, if so mandated, dividends due to holders of certificated securities will either be transferred electronically to bank accounts, or alternatively, cheques will be posted to their registered addresses.

Dividends in respect of dematerialised shareholdings will be credited to shareholders' accounts with their Central Securities Depository Participant (CSDP) or broker.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Friday, 2 August 2002 and Friday, 16 August 2002, both days inclusive.

SECRETARY

On 28 November 2001, Mrs M Lubbe was appointed as Company Secretary in the place of Mr J C Engelbrecht who has retired.

The name and address of the Company Secretary appears on page 59.

APPROVAL

The annual financial statements set out on page 19 to 56 have been approved by the Board.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman



Thys Visser
Chief Executive Officer/Deputy Chairman

Stellenbosch
19 June 2002



ACCOUNTING POLICIES

for the year ended 31 March 2002

The annual financial statements are prepared mainly on the historical cost basis in accordance with South African Statements of Generally Accepted Accounting Practice and incorporate the following principal accounting policies which, with the exception of accounting for property, plant and equipment, investment properties and employee benefits are consistent in all respects with those of the previous year:

(I) **CONSOLIDATION, PROPORTIONATE CONSOLIDATION AND EQUITY ACCOUNTING**

Preference shares and debentures which are compulsorily convertible, are regarded as part of the permanent equity capital of a company for the purposes of consolidation, proportionate consolidation and equity accounting. In cases where the Group's controlling interest is only of a temporary nature the particular companies are not consolidated but accounted for according to the equity method as associated companies.

Consolidation – subsidiary companies

All companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, are included in the consolidated financial statements in the accepted manner.

The results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from or to the date on which effective control was obtained or ceased.

Proportionate consolidation – joint ventures

All jointly controlled ventures are accounted for according to the proportionate consolidation method. In terms of this method the attributable share of assets, liabilities, income, expenditure and cash flow are included in the consolidated statements. The share of retained income is transferred to non-distributable reserves.

Equity accounting – associated companies

Companies which are neither subsidiaries nor joint ventures, but in which a long-term interest is held and over whose financial and operating policies a significant influence can be exercised, are accounted for according to the equity method as associated companies. Certain associated companies have year-ends which differ from that of the Company. In such circumstances the results of listed and certain unlisted companies are accounted for from the latest published information and management accounts as at year-end, respectively. The Group's share of retained income is transferred to non-distributable reserves. The Group's share of other movements in the reserves of associated companies are accounted for as changes in consolidated non-distributable reserves.

The results of associated companies acquired or disposed of are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal.

(II) **PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION**

Capitalised leased assets – assets leased in terms of finance lease agreements are capitalised at their equivalent cash consideration. Depreciation is provided on the straight-line basis over the expected useful lives of the capital leased assets. Finance charges are written off over the term of the lease in accordance with the effective interest rate method. Leases of assets in terms of which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are accounted for in normal income.

Preproduction costs and interest – preproduction costs as well as interest on borrowings directly related to major capital projects under construction are capitalised until such assets are brought into a working condition for their intended use.

Land and buildings – are stated at cost. On 1 April 2001 a subsidiary company changed its accounting policy in respect of the valuation of land and buildings. These assets are accounted for on the historical cost basis whereas previously they were revalued. The comparative figures for the year ended 31 March 2001 have been restated. Buildings are depreciated on a straight-line basis over their expected useful lives. Leasehold improvements are stated at cost and are written off over the periods of the leases.

Machinery, equipment, office equipment and vehicles – are stated at cost and are depreciated on a straight-line basis over their expected useful lives.

Crops – are stated at cost. Cost consists of the aggregate of agricultural establishment and development costs. Agricultural establishment costs represent the costs incurred in establishing sugar cane and other perennial crops and are not amortised. Agricultural development costs consist of planting and other development costs. These costs are capitalised in the first year of planting and costs during the years thereafter are written off directly against income. Ongoing cultivation costs are expensed as incurred.

Where assets are identified as being impaired, that is when the recoverable amount has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. Such amounts written off are accounted for in normal income.



ACCOUNTING POLICIES

for the year ended 31 March 2002

(III) INVESTMENT PROPERTIES

Investment properties are held to generate rental income and appreciate capital value. Investment properties are treated as long-term investments and are carried at cost less accumulated depreciation. Buildings are depreciated on a straight-line basis over their expected useful lives. This represents a change in accounting policy as investment properties have previously been accounted for at cost. The comparative figures for the year ended 31 March 2001 have been restated.

Investment properties are valued by external independent professional valuers every third year. Where assets are identified as being impaired the carrying amount is reduced. Such amounts written off are accounted for in normal income.

(IV) INTANGIBLE ASSETS

Goodwill – on the acquisition of an investment, fair values at the date of acquisition are attributed to the identifiable separable assets and liabilities acquired.

The goodwill or negative goodwill is the difference between the cost of the investments and the reasonable value of attributable net assets of the subsidiary companies, joint ventures and associated companies at the acquisition dates. Goodwill or negative goodwill is reported in the balance sheet as non-current assets and amortised using the straight-line method over its estimated useful life, not exceeding twenty years. Where the net assets of subsidiary companies, joint ventures and associated companies at the date of acquisition exceed the cost of investments acquired, this excess is accounted for as negative goodwill.

Trade marks – the costs of trade marks which are established and developed by the Group itself are expensed as incurred. The value thereof is consequently not reflected in the annual financial statements. The costs of trade marks which have been purchased are written off on a straight-line basis over their expected useful lives, which is twenty years.

Research and development costs – research and development costs are written off against income as incurred. Where the asset recognition criteria have been met, development expenditure is capitalised and written off over the expected useful life of the product.

(V) INVESTMENTS

Associated companies – are stated at cost after adjustment for goodwill. In the consolidated annual financial statements the share of post-acquisition reserves and retained income, accounted for according to the equity method, is included in the carrying value.

Other long-term investments – are stated at cost, less amounts written off for declines in value considered not to be of a temporary nature. Such amounts written off are accounted for as exceptional items.

Portfolio investments – are stated at cost less amounts written off for declines in value considered not to be of a temporary nature. Such amounts written off and profits and losses on realisation, are accounted for in normal income.

(VI) INVENTORIES AND CONTRACTS IN PROGRESS

Inventories are stated at the lower of cost or net realisable value. The basis of determining cost is the first-in-first-out cost method. Where applicable, provision is made for slow-moving and redundant inventories. Work in progress and finished goods include direct costs and an appropriate allocation of manufacturing overheads.

(VII) TAXATION

Deferred taxation is provided for at current rates using the balance sheet liability method. Full provision is made for all temporary differences between the taxation base of an asset or liability and its balance sheet carrying amount. No deferred tax liability is recognised in those circumstances where the initial recognition of an asset or liability has no impact on accounting profit or taxable income. Assets are not raised in respect of deferred taxation on assessed losses, unless it is probable that future taxable profits will be available against which the deferred taxation asset can be realised in the foreseeable future.

Secondary taxation on companies is provided for in respect of dividend payments, net of dividends received or receivable and is recognised as a taxation charge for the year.

(VIII) FOREIGN CURRENCIES

Transactions in foreign currencies are accounted for at the rates of exchange ruling on the dates of the transactions. Foreign currency monetary items at year-end are translated to SA rand at the rates of exchange ruling at that date. Exchange differences that arise as a result thereof, are accounted for in income together with realised exchange differences on forward exchange contracts.

Assets, liabilities and reserves of foreign entities at year-end are translated to SA rand at the rates of exchange ruling at that date. Operating results of foreign subsidiaries and income of foreign associated companies are translated to SA rand at the average of the exchange rates prevailing during the year for each of the currencies concerned. Differences arising on translation are accounted for in reserves as exchange rate adjustments.



(IX) FINANCIAL INSTRUMENTS

Financial instruments include those carried on the balance sheet and off-balance sheet instruments.

Financial instruments carried on the balance sheet include cash and cash equivalents, investments, trade and other receivables, trade and other payables, provisions, leases and borrowings.

Certain group companies are also parties to financial instruments that reduce exposure to fluctuations in foreign currency exchange rates. These instruments, which mainly comprise forward exchange contracts, are not recognised in the financial statements on inception.

Fair values and the recognition methods of the different financial instruments are disclosed in the notes to the financial statements. Fair values represent an approximation of possible values, which may differ from the value that will be finally realised.

Where the redemption of loans is provided for by means of investments in financial instruments which allow for the contractual right of set-off against the loan and it is expected that the loan will be settled in this way, the related balance sheet items are set-off against one another.

(X) PROVISIONS

Provisions are recognised when a legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to leave are recognised when they accrue to employees involved. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

(XI) EMPLOYEE BENEFITS

Pension obligations – Companies in the Group provide defined benefit and defined contribution plans for the benefit of employees, the assets of which are held in separate trustee-administered funds. These plans are funded by payments from the employees and the Group, taking into account recommendations of independent qualified actuaries.

For the defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement to spread the regular costs over the service lives of the employees in accordance with advice of qualified actuaries who carry out a full valuation of the plans every three years. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities that have terms to maturity approximating the terms of the related liability.

The net surplus or deficit of the benefit obligation is the difference between the present value of the funded obligations and the fair value of the plan assets.

All actuarial gains and losses are spread forward over the average remaining service lives of the employees. During 2002 the Group implemented AC 116 (revised), and thus restated the comparative figures for the year ended 31 March 2001.

The Group's contribution to the defined contribution pension plans is charged to the income statement in the year in which they relate.

Post-retirement medical obligations – the Group provides post-retirement medical benefits to its retirees. The entitlement to post-retirement medical benefits is based on the employees remaining in service up to retirement age and the completion of a minimum service period.

The expected costs of these benefits are accumulated over the period of employment, using accounting methodology similar to that for defined pension plans. Valuation of these obligations is carried out by independent qualified actuaries.

(XII) CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in short-term interest-bearing loans.

(XIII) REVENUE RECOGNITION

The sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred. Revenue arising from services is recognised when the service is rendered. Interest is recognised on a time proportion basis (taking into account the principal outstanding, the effective rate and the period), unless collectability is in doubt. Dividends are recognised when the right to receive payment is established.



BALANCE SHEETS

at 31 March 2002

		CONSOLIDATED		THE COMPANY	
		2002	2001	2002	2001
	Notes	R million	R million	R million	R million
ASSETS					
Non-current assets					
Property, plant and equipment	1	2 056	2 007	–	–
Investment properties	2	20	20	–	–
Goodwill and trade marks	3	2 687	2 834	–	–
Investments – Associated companies	4	16 958	13 164	–	–
– Other	5	115	115	8 009	7 357
Loans		12	10	–	–
Deferred taxation	18	17	9	–	–
		21 865	18 159	8 009	7 357
Current assets					
		4 435	3 395	1	2
Inventories	6	616	538	–	–
Trade and other receivables		1 117	1 029	–	–
Taxation		5	18	1	2
Cash and cash equivalents		2 697	1 810	–	–
Total assets		26 300	21 554	8 010	7 359
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	7	8	8	8	8
Reserves	8	24 039	19 379	8 000	7 350
Interest of own members		24 047	19 387	8 008	7 358
Minority interest		945	790	–	–
Total shareholders' equity		24 992	20 177	8 008	7 358
Non-current liabilities					
		210	310	–	–
Retirement benefits	9	74	53	–	–
Long-term interest-bearing loans	10	41	211	–	–
Deferred taxation	18	95	46	–	–
Current liabilities		1 098	1 067	2	1
Trade and other payables		859	858	2	1
Short-term interest-bearing loans	11	110	89	–	–
Provisions	12	82	84	–	–
Taxation		47	36	–	–
Total equity and liabilities		26 300	21 554	8 010	7 359



INCOME STATEMENTS

for the year ended 31 March 2002

		CONSOLIDATED		THE COMPANY	
		2002	2001	2002	2001
	Notes	R million	R million	R million	R million
Revenue of the Company and its subsidiaries	13	8 441	7 358	1 589	302
Operating profit	14 & 15	816	571	1 584	314
Finance costs		58	67	–	–
Profit from normal operations	14	758	504	1 584	314
Amortisation of goodwill	16	(138)	–		
Exceptional items	17	(20)	1 523	–	–
Profit before tax		600	2 027	1 584	314
Taxation	18	172	109	–	–
Profit after taxation of the Company and its subsidiaries		428	1 918	1 584	314
Share of after-tax profit of associated companies	19	3255	4 765		
Profit from normal operations		3 881	2 901		
Amortisation of goodwill	16	(276)	(159)		
Exceptional items	17	(350)	2 023		
Group profit after tax		3 683	6 683	1 584	314
Minority interest	20	151	109		
Net profit for the year		3 532	6 574	1 584	314
Reconciliation of headline earnings:					
Basic earnings – net profit for the year		3 532	6 574		
Plus/(minus) – portion attributable to own members:					
– Amortisation of goodwill	16	414	159		
– Exceptional items	17	351	(3 541)		
– Net surplus, after taxation, on the disposal of property, plant and equipment		(35)	(6)		
– Other		15	9		
Headline earnings		4 277	3 195		
Earnings per share					
		Cents	Cents		
Headline earnings per share	21	819.3	612.1		
– Diluted		817.8	611.6		
Basic earnings per share	21	676.6	1 259.4		
– Diluted		675.3	1 258.5		



STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2002

	CONSOLIDATED				
	Issued capital R million	Equity accounted reserves R million	Other non- distributable reserves R million	Distributable reserves R million	Total R million
2002					
Balances at 1 April – as previously reported	8	8 009	266	11 253	19 536
Prior year adjustments		(17)	(115)	(17)	(149)
Adjusted balances at 1 April	8	7 992	151	11 236	19 387
Net profit for the year				3 532	3 532
Dividends paid				(934)	(934)
Exchange rate adjustments		1 996	98	37	2 131
Change in interests in subsidiary companies, associated companies and joint ventures		36	(34)	(1)	1
Change in reserves of associated companies and other non-distributable reserves		(65)	(5)		(70)
Income of associated companies retained		1 844		(1 844)	–
Transfer between reserves		31	19	(50)	–
Balances at 31 March	8	11 834	229	11 976	24 047
2001					
Balances at 1 April – as previously reported	8	7 375	31	5 142	12 556
Prior year adjustments			(115)	(18)	(133)
Adjusted balances at 1 April	8	7 375	(84)	5 124	12 423
Net profit for the year				6 574	6 574
Dividends paid				(292)	(292)
Exchange rate adjustments		533	44	315	892
Change in interests in subsidiary companies, associated companies and joint ventures		(3 355)	3 305	(1)	(51)
Change in reserves of associated companies		(159)			(159)
Income of associated companies retained		3 598		(3 598)	–
Transfer between reserves			(3 114)	3 114	–
Balances at 31 March	8	7 992	151	11 236	19 387

	THE COMPANY	
	2002 R million	2001 R million
Balances at 1 April	7 358	7 336
Issued capital	8	8
Distributable reserves	7 350	7 328
Net profit for the year	1 584	314
Dividends paid	(934)	(292)
Balances at 31 March	8 008	7 358



CASH FLOW STATEMENTS

for the year ended 31 March 2002

		CONSOLIDATED		THE COMPANY	
		2002	2001	2002	2001
	Notes	R million	R million	R million	R million
Cash flows – operating activities					
Net operating profit before taxation		600	2 027	1 584	314
Adjustments	22.1	225	(1 390)	(1 584)	(319)
Operating profit/(loss) before working capital changes		825	637	–	(5)
Working capital changes	22.2	(314)	(236)	1	–
Cash generated from/(utilised in) operations		511	401	1	(5)
Interest received		235	108	–	–
Interest paid		(58)	(67)	–	–
Dividends received	22.3	1 627	1 155	1 584	301
Dividends paid	22.4	(968)	(303)	(934)	(292)
Taxation (paid)/received	22.5	(111)	(116)	1	(2)
Net cash inflow from operating activities		1 236	1 178	652	2
Cash flows – investing activities		(201)	356	–	48
Proceeds on disposal of property, plant and equipment		22	32	–	–
Additions to property, plant and equipment		(145)	(136)	–	–
Replacement of property, plant and equipment		(40)	(40)	–	–
Additions to investments		(86)	(12)	–	–
Proceeds on disposal of investments		7	258	–	45
Proceeds on disposal of business		–	26	–	3
Capital proceeds of investments		41	228	–	–
Cash flows– financing activities		(158)	(631)	(652)	(58)
(Increase)/decrease in loans to subsidiary companies		–	–	(652)	595
Decrease in interest-free loans		–	(653)	–	(653)
(Increase)/decrease in interest-bearing debt		(158)	22	–	–
Net increase/(decrease) in cash and cash equivalents		877	903	–	(8)
Cash and cash equivalents at the beginning of the year		1 800	897	–	8
Cash and cash equivalents at the end of the year		2 677	1 800	–	–
Cash and cash equivalents – per balance sheet		2 697	1 810		
Bank overdraft		(20)	(10)		



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2002

I. PROPERTY, PLANT AND EQUIPMENT

	2002			2001		
	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
	R million	R million	R million	R million	R million	R million
Land and buildings	914	190	724	820	161	659
Capital expansion in progress	60	–	60	86	–	86
Machinery and equipment	2 206	1 079	1 127	2 041	923	1 118
Vehicles	141	93	48	141	92	49
Office equipment	3	2	1	5	3	2
Crops	96	–	96	93	–	93
	3 420	1 364	2 056	3 186	1 179	2 007

Depreciation rates are as follows:

	2002 %	2001 %
Buildings	2 – 10	2 – 10
Machinery and equipment	4 – 33½	4 – 33½
Vehicles	7½ – 33½	7½ – 33½
Office equipment	8½ – 33½	8½ – 33½

Reconciliation of carrying value at the beginning and end of the year

	Land and buildings R million	Machinery and equipment R million	Crops R million	2002 R million	2001 R million
Balances at 1 April – as previously reported	954	1 169	93	2 216	2 233
Prior year adjustments	(209)	–	–	(209)	(213)
Adjusted balances at 1 April	745	1 169	93	2 007	2 020
Additions	88	94	3	185	172
Disposals	(12)	(5)	–	(17)	(17)
Depreciation	(24)	(160)	–	(184)	(169)
Impairment	–	*	*	*	(16)
Other	(13)	78	–	65	17
Balances at 31 March	784	1 176	96	2 056	2 007

* Amounts smaller than R500 000

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by property, plant and equipment with a book value of R452 million (2001: R467 million).

The registers containing details of land and buildings are available for inspection by members or their proxies at the registered offices of the companies to which the relevant properties belong. The directors are of the opinion that the market value of buildings exceeds the book value.



2. INVESTMENT PROPERTIES

	Cost R million	2002 Accumulated depreciation R million	Net value R million	Cost R million	2001 Accumulated depreciation R million	Net value R million
Land	3	–	3	3	–	3
Buildings	23	6	17	22	5	17
	26	6	20	25	5	20

Depreciation rates are as follows:

	2002 %	2001 %
Buildings	2	2

Reconciliation of carrying value at the beginning and end of the year

	Land R million	Buildings R million	2002 R million	2001 R million
Balances at 1 April – as previously reported	3	23	26	26
Prior year adjustments	–	(6)	(6)	(6)
Adjusted balances at 1 April	3	17	20	20
Additions	–	*	*	4
Depreciation	–	*	*	*
Business disposed	–	–	–	(4)
Balances at 31 March	3	17	20	20

* Amounts smaller than R500 000

The fair value of the investment properties at 31 March 1999 was R86 million. These valuations were done on a market-related basis by an independent qualified assessor. The valuation of investment properties as at 1 October 2001 for capital gains tax purposes is still in process.

The registers containing details of investment properties are available for inspection by members or their proxies at the registered offices of the companies to which the relevant properties belong.

3. GOODWILL AND TRADE MARKS

	Cost or valuation R million	2002 Accumulated amortisation R million	Net value R million	Cost or valuation R million	2001 Accumulated amortisation R million	Net value R million
Goodwill	2 759	138	2 621	2 759	–	2 759
Trade marks	146	80	66	144	69	75
	2 905	218	2 687	2 903	69	2 834

Amortisation rates are as follows:

	2002 %	2001 %
Goodwill	5	5
Trade marks	4 – 6 $\frac{2}{3}$	4 – 6 $\frac{2}{3}$

Reconciliation of carrying value at the beginning and end of the year

	Goodwill R million	Trade marks R million	2002 R million	2001 R million
Balances at the beginning of the year	2 759	75	2 834	80
Additions	*	–	*	2 760
Disposals	–	(1)	(1)	–
Amortisation	(138)	(9)	(147)	(7)
Other	–	1	1	1
Balances at the end of the year	2 621	66	2 687	2 834

* Amounts smaller than R500 000



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2002

4. INVESTMENTS – ASSOCIATED COMPANIES
(Annexures B & C)

	Listed	2002	Total	Listed	2001	Total
	R million	Unlisted	R million	R million	Unlisted	R million
Shares – at cost less goodwill	4 466	359	4 825	4 414	471	4 885
Equity adjustment	2 300	9 781	12 081	1 366	6 871	8 237
Carrying value	6 766	10 140	16 906	5 780	7 342	13 122
Debentures and long-term loans	–	52	52	–	42	42
	6 766	10 192	16 958	5 780	7 384	13 164
Market values of listed investments	10 786		10 786	9 943		9 943
Directors' valuation of unlisted investments		30 895	30 895		18 442	18 442
Market values and directors' valuation	10 786	30 895	41 681	9 943	18 442	28 385
Excess of market values and directors' valuation over the book value of investments and appropriate goodwill: – attributable to own members			22 102			12 462

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R29 070 million (2001: R17 796 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

In prior years the valuations of the other unlisted investments that do not hold listed shares were done internally on a conservative basis. The 31 March 2002 valuations of the more important of those investments were based on the opinions of independent professional experts.

Valuations of unlisted investments as at 1 October 2001 for the purpose of capital gains tax is currently being performed by an independent professional expert and have not yet been completed.

	2002	2001
	R million	R million
5. INVESTMENTS – SUBSIDIARY COMPANIES AND OTHER (Annexures A & B)		
5.1 The Company		
Unlisted subsidiary companies and other:		
Advances and loans	8 009	7 357



5. INVESTMENTS – SUBSIDIARY COMPANIES AND OTHER (*continued*)

	<i>Listed</i> R million	2002 <i>Unlisted</i> R million	<i>Total</i> R million	<i>Listed</i> R million	2001 <i>Unlisted</i> R million	<i>Total</i> R million
5.2 Consolidated						
Investments – Other						
Shares – at cost	50	65	115	50	65	115
Market values of listed investments	136		136	131		131
Directors' valuation of unlisted investments		73	73		75	75
Market values and directors' valuation	136	73	209	131	75	206
Excess of market values and directors' valuation over the book value of investments:						
– attributable to own members			94			90
– attributable to minority			*			1
			94			91

* Amounts smaller than R500 000

	2002 R million	2001 R million
6. INVENTORIES		
Raw materials	387	302
Finished products	164	171
Work in progress	11	13
Consumable stores	54	52
	616	538

Included above is inventory valued at R1 million (2001: R3 million) that has been written down to net realisable value.

	2002 R million	2001 R million
7. SHARE CAPITAL		
Authorised		
512 493 650 Ordinary shares of 1 cent each	5.1	5.1
40 506 352 B ordinary shares of 10 cents each	4.1	4.1
	9.2	9.2
Issued		
486 493 650 (2001: 486 493 650) Ordinary shares of 1 cent each	4.9	4.9
35 506 352 (2001: 35 506 352) B ordinary shares of 10 cents each	3.5	3.5
	8.4	8.4



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2002

7. SHARE CAPITAL (continued)

Each ordinary share has one vote

Each B ordinary share has ten votes.

The unissued capital of the Company consists of 26 000 000 ordinary shares and 5 000 000 B ordinary shares that both have been reserved for the Remgro Share Scheme. At a general meeting, the Company has placed these shares under the control of the Board of Directors of the Company as a general authority in terms of section 221(2) of the Companies Act, 1973 (Act 61 of 1973), as amended (the Act), subject to the provisions of the Act and the Rules and Requirements of the JSE until the next Annual General Meeting of the Company, for allotment and issue to such persons and on such conditions as the Directors may deem fit.

The present position of the Remgro Share Scheme is as follows:

	Average offer price	Number of shares
Ordinary shares offered and accepted:		
Previous financial year	44.13	3 879 290
Current financial year	53.50	73 348
Total accepted on 31 March 2002	44.31	3 952 638

Details in respect of the share scheme and the current year's offers are disclosed in the Report of the Board of Directors.

	2002 R million	2001 R million
8. RESERVES		
8.1 Composition of reserves		
The Company:		
Distributable reserves	8 000	7 350
Subsidiary companies and joint ventures	4 205	4 037
Non-distributable reserves	229	151
Distributable reserves	3 976	3 886
Associated companies:		
Non-distributable reserves	11 834	7 992
	24 039	19 379
Included in general capital reserves are:		
Statutory non-distributable reserves	9	9

**8.2 Included in the respective reserves
above are reserves arising on
exchange rate translation**

	General capital reserves R million	Equity accounted reserves R million	Unappro- priated profit R million	2002 Total R million	2001 Total R million
Balances at 1 April	45	2 458	–	2 503	1 611
Exchange rate adjustments during the year	98	1 996	37	2 131	892
Transfer of equity adjustment		58	(58)	–	–
Balances at 31 March	143	4 512	(21)	4 634	2 503



9. RETIREMENT BENEFITS

9.1 Retirement benefits

The Company and its subsidiaries have various defined benefit pension funds, defined contribution pension funds and defined contribution provident funds which are privately administered independent of the finances of the Group. All the funds are governed by the Pension Funds Act, 1956. All salaried employees are obliged to accept membership of one of these funds.

The defined benefit pension funds are actuarially valued every three years and reviewed every year by independent actuaries according to the projected unit credit method. The other funds are financially reviewed every year.

	Assets	
	2002	2001
	R million	R million
Balance sheet		
Amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	(248)	(271)
Fair value of plan assets	324	316
Funded position	76	45
Unrecognised actuarial profits	(27)	*
Pension fund surplus limitation**	(49)	(45)
Net asset in balance sheet	Nil	Nil
Movement for the year:		
Balances at 1 April	–	–
Pension fund surplus limitation**	(4)	(5)
Total expense	(14)	(10)
Contributions	18	15
Balances at 31 March	Nil	Nil

* Amounts smaller than R500 000

** The pension fund surplus is not recognised as an asset in the balance sheet as the process of allocating these surpluses according to the Pension Fund Act is not yet finalised.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2002

		Assets	
		2002	2001
		R million	R million
9. RETIREMENT BENEFITS (continued)			
9.1 Retirement benefits (continued)			
Income statement			
Amounts recognised in the income statement are as follows:			
Current service costs	(17)	(15)	
Interest on liability	(38)	(33)	
Expected return on plan assets	41	38	
Recognised net actuarial profits/(losses) in the year	*	–	
Total expense	(14)	(10)	
Pension fund surplus limitation	(4)	(5)	
Totals included in staff costs	(18)	(15)	
Actual return on plan assets	59	41	
* Amounts smaller than R500 000			
Principal actuarial assumptions on balance sheet date		%	%
Discount rate	11.5	14.5	
Expected rates of return on plan assets	11.5 – 12.0	14.5 – 15.0	
Future salary increases	8.0 – 10.5	11.0 – 13.5	
Future pension increases	6.5	9.5	
Inflation rate	6.5	9.5	
		Liabilities	
		2002	2001
		R million	R million
9.2 Post-retirement medical benefits			
Balance sheet			
Amounts recognised in the balance sheet are as follows:			
Present value of funded obligations	74	53	
Movement for the year:			
Balances at 1 April – as previously reported	33	31	
Prior year adjustment	20	20	
Adjusted balances at the beginning of the year	53	51	
Total expense in the income statement recognised	22	4	
Contributions	(1)	(2)	
Balances at 31 March	74	53	



		Liabilities	
		2002	2001
		R million	R million
9.	RETIREMENT BENEFITS (<i>continued</i>)		
9.2	Post-retirement medical benefits (<i>continued</i>)		
	Income statement		
	Amounts recognised in the income statement are as follows:		
	Current service costs	11	2
	Interest on liability	5	2
	Recognised net actuarial profits/(losses) in the year	6	*
	Totals included in staff costs	22	4
	*Amounts smaller than R500 000		
	Principal actuarial assumptions on balance sheet date	%	%
	Discount rate	10.5 – 13.0	11.3 – 13.0
	Future salary increases	8.3 – 10.0	9.6 – 10.0
	Annual increase in health costs	11.0 – 12.6	10.0 – 11.0
		2002	2001
		R million	R million
10.	LONG-TERM INTEREST-BEARING LOANS		
	25 year redeemable debentures bearing an effective interest rate of 15.38% per annum. The net liability, after deduction of an investment of R72 million in related financial instruments amounts to	–	73
	Net liabilities, after deduction of an investment of R106 million (2001: R89 million) in related financial instruments, resulting from various capitalised finance leases and instalment sale agreements payable in monthly, six monthly and annual instalments at effective interest rates of between 6.56% and 19.52% per annum, amount to	118	182
	These liabilities are secured by machinery and equipment with a net book value of R452 million (2001: R467 million).		
	Sundry loans with varying interest rates and terms	13	15
		131	270
	Instalments payable within one year transferred to short-term interest-bearing loans	90	59
		41	211
	Payable – two to five years	41	139
	Payable thereafter	–	72
		41	211



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	2002 R million	2001 R million
11. SHORT-TERM INTEREST-BEARING LOANS		
Short-term loans	–	20
Long-term interest-bearing loans payable within one year	90	59
Bank overdrafts	20	10
	110	89

	<i>Legal disputes</i> R million	<i>Leave pay</i> R million	<i>Other*</i> R million	2002 R million	2001 R million
12. PROVISIONS					
Balances at 1 April	12	35	37	84	85
Exchange rate differences	–	–	4	4	–
Additional provisions	18	3	13	34	18
Unused amounts – reversed	–	–	(20)	(20)	(15)
	30	38	34	102	88
Utilised during the year	–	(2)	(18)	(20)	(4)
Balances at 31 March	30	36	16	82	84

* Various smaller provisions

	2002 R million	2001 R million
13. REVENUE		
Revenue of the Company and its subsidiary companies consists of net sales of products, completed contracts and identifiable portions of contracts delivered to customers, fees, rentals, as well as dividends and interest. Intergroup transactions are eliminated.		
Due to the nature and composition of the Group, financial ratios based on revenue are not considered to be meaningful.		
Revenue, excluding dividends and interest	6 729	5 735
Dividends and interest	1 712	1 623
Total revenue	8 441	7 358



* Amounts smaller than R500 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2002

	THE COMPANY		CONSOLIDATED	
	2002	2001	2002	2001
	R million	R million	R million	R million
15. DIVIDEND INCOME				
Included in operating profit				
Listed	–	–	3	29
Unlisted – Subsidiary companies	1 584	301		
– Other	–	–	5	4
	1 584	301	8	33
Dividends from associated companies set-off against investments			1 469	1 482
			2002	2001
			R million	R million
16. AMORTISATION OF GOODWILL				
Subsidiary companies			138	–
Associated companies			276	159
			414	159
17. EXCEPTIONAL ITEMS				
Exceptional items of subsidiary companies:				
Restructuring costs and discontinuance of operations			*	(7)
Net capital surplus/(loss) on the sale of investments and businesses			(18)	1 518
Net capital surplus on the sale of property, plant and equipment			–	16
Other			(2)	(4)
Total before taxation – per income statement			(20)	1 523
Taxation			18	(3)
Total after taxation			(2)	1 520
Attributable to minorities			1	(2)
Attributable to own members			(1)	1 518
Share of exceptional items of associated companies – per income statement			(350)	2 023
Restructuring costs			(148)	(273)
Capital surplus with redemption of convertible preference shares in British American Tobacco Plc.			–	2 202
Net capital loss on sale of investments and businesses			(250)	–
Other			(19)	(43)
Taxation thereon			65	123
Attributable to minorities of associated companies			2	14
Total			(351)	3 541

* Amounts smaller than R500 000



	2002 R million	2001 R million
18. TAXATION		
18.1 Taxation in income statement		
Current	130	106
– current year – South African normal taxation	110	69
– Foreign taxation	35	41
	145	110
– previous year – South African normal taxation	(19)	(2)
– Foreign taxation	4	(2)
Secondary tax on companies	5	3
Deferred – current year	43	(10)
– previous year	(6)	10
	172	109
18.2 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate		
	%	%
Effective tax rate	28.7	5.4
Reduction/(increase) in standard rate as a result of:		
Permanent differences	(6.8)	22.0
Foreign taxation	(1.9)	(0.6)
Timing differences not provided for	(6.1)	–
Taxation in respect of previous years	3.4	(0.3)
Taxation losses of prior years utilised	12.3	5.2
Tax losses that can be utilised in future years	1.2	(1.5)
Secondary tax on companies	(0.8)	(0.2)
Standard rate	30.0	30.0
18.3 Deferred taxation		
Taxation liabilities		
Deferred taxation in respect of:		
Property, plant and equipment	116	103
Inventories	81	74
Provisions	(67)	(51)
Other	95	117
Tax losses utilised	(130)	(197)
	95	46
Deferred tax asset		
Deferred taxation in respect of:		
Taxation losses utilised	(17)	(9)
Net deferred taxation	78	37



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for the year ended 31 March 2002

	2002 R million	2001 R million
18. TAXATION (continued)		
18.3 Deferred taxation (continued)		
The movement between balances at the beginning and end of the year of deferred taxation can be analysed as follows:		
Beginning of the year		
As previously reported	37	42
Prior year adjustments	*	(6)
Adjusted balance	37	36
Movements during the year attributable to:		
Property, plant and equipment	13	(11)
Inventories	7	–
Provisions	(16)	(31)
Other	(22)	(6)
Tax losses utilised	59	49
	78	37
* Amounts smaller than R500 000		
18.4 Tax losses		
Estimated tax losses available for set-off against future taxable income	492	779
Tax losses utilised during the year to reduce deferred taxation	223	192
18.5 Secondary taxation on companies (STC)		
The STC credits on 31 March, which could be set-off against future dividend payments, amount to	2 741	2 044
– The Company	990	340
– Wholly-owned subsidiary companies	1 751	1 704



	2002 R million	2001 R million
19. EQUITY ADJUSTMENT		
Share of net profit of associated companies:		
Operating profit	6 161	4 569
Amortisation of goodwill	(276)	(159)
Exceptional items	(417)	1 886
Share of net profit of associated companies – before taxation	5 468	6 296
Taxation	(1 984)	(1 278)
Normal operations	(2 049)	(1 401)
Exceptional items	65	123
After taxation	3 484	5 018
Share of minority of associated companies	(229)	(253)
Share of net attributable profit of associated companies	3 255	4 765
Dividends received from associated companies	1 469	1 482
Share of net profit retained by associated companies	1 786	3 283
Exchange rate differences on translation between average rates and year-end rates	58	315
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	1 844	3 598
Portion of the share of net profit/(loss) after exceptional items and amortisation, retained by associated companies, that has been accounted for from unaudited interim reports and management accounts	467	263
The accounting policies of associated companies do not necessarily correspond with those of the Company. No adjustments are made as the effect is not significant.		
	2002 R million	2001 R million
20. MINORITY INTEREST		
Subsidiaries and joint ventures	151	109
Share of minority interest of associated companies	229	253
	380	362



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for the year ended 31 March 2002

21. EARNINGS PER SHARE

Earnings per share

In determining the headline and basic earnings per share the total number of shares in issue was taken into account.

Diluted earnings per share

In determining the diluted headline and basic earnings per share the total number of shares in issue was adjusted for the dilutive effect of the shares offered to participants by the Remgro Share Scheme. No adjustment was made to earnings.

The difference between the shares accepted by the participants and the number of shares deemed to be issued at a fair value, is regarded as an issue of shares for no consideration. These imputed shares amounted to 1 010 516 (2001: 381 837) and was added to the total number of issued shares to determine the dilutive effect.

	CONSOLIDATED		THE COMPANY	
	2002	2001	2002	2001
	R million	R million	R million	R million
22. CASH FLOW INFORMATION				
22.1 Adjustments				
Depreciation, amortisation of goodwill and trade marks	331	176	–	–
Other	42	43	–	–
Movement in provisions	19	1	–	–
Interest received	(235)	(108)	–	–
Interest paid	58	67	–	–
Dividends received	(8)	(33)	(1 584)	(301)
Capital loss/(surplus) on the sale of investments	18	(1 536)	–	(18)
	225	(1 390)	(1 584)	(319)
22.2 Decrease/(increase) in working capital				
Decrease/(increase) in inventories	(78)	(70)	–	–
Decrease/(increase) in trade and other receivables	(237)	(179)	–	–
(Decrease)/increase in trade and other payables	1	13	1	–
	(314)	(236)	1	–
22.3 Reconciliation of dividends received				
Receivable at the beginning of the year	153	66	–	–
Per income statement	8	34	1 584	301
Dividends from associated companies set-off against investments	1 469	1 480	–	–
Dividends not received in cash	–	(272)	–	–
Receivable at the end of the year	(3)	(153)	–	–
Cash received	1 627	1 155	1 584	301



	CONSOLIDATED		THE COMPANY	
	2002 R million	2001 R million	2002 R million	2001 R million
22. CASH FLOW INFORMATION (continued)				
22.4 Reconciliation of dividends paid				
Per statement of changes in equity	(934)	(292)	(934)	(292)
Paid by subsidiary companies to minority	(34)	(11)		
Cash paid	(968)	(303)	(934)	(292)
22.5 Taxation paid is reconciled with the amount disclosed in the income statement as follows				
Paid in advance at the beginning of the year	18	18	2	–
Unpaid at the beginning of the year	(36)	(40)	–	–
Per income statement	(135)	(112)	–	–
– normal income	(148)	(106)	–	–
– exceptional items	18	(3)	–	–
– STC	(5)	(3)	–	–
Unpaid at the end of the year	47	36	–	–
Paid in advance at the end of the year	(5)	(18)	(1)	(2)
Cash paid	(111)	(116)	1	(2)
			2002 R million	2001 R million
23. STAFF COSTS				
– of subsidiary companies				
Salaries and wages			967	922
Retirement benefits			5	5
Pension costs – defined contribution			38	49
Pension costs – defined benefit			18	15
Other post-retirement benefits			22	4
Other			76	68
			1 126	1 063
			Number	Number
Persons employed by subsidiary companies at year-end:				
South Africa			10 950	11 580
Abroad			1 139	1 129
			12 089	12 709



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for the year ended 31 March 2002

24. DIRECTORS' EMOLUMENTS

	Executive R'000	2002 Non- executive R'000	Total R'000	Executive R'000	2001 Non- executive R'000	Total R'000
Salaries and fees	5 782.3	229.0	6 011.3	4 246.1	141.0	4 387.1
Retirement fund contributions	984.5		984.5	899.1		899.1
Other benefits	887.2		887.2	827.8		827.8
	7 654.0	229.0	7 883.0	5 973.0	141.0	6 114.0
Paid by:						
The Company			229.0			141.0
Management company			7 654.0			5 973.0
			7 883.0			6 114.0
		Salaries and fees R'000	Retirement fund R'000	Other benefits ⁽⁶⁾ R'000	2002 Total R'000	2001 Total R'000
Executive						
W E Bührmann		820.1	162.7	172.2	1 155.0	1 100.0
D M Falck ⁽¹⁾		941.3	137.1	171.6	1 250.0	875.0
J A Preller		674.1	109.9	146.0	930.0	750.0
M H Visser ⁽²⁾		2 577.7	422.2	199.1	3 199.0	2 213.0
T van Wyk		769.1	152.6	198.3	1 120.0	1 035.0
Sub-total		5 782.3	984.5	887.2	7 654.0	5 973.0
			Retirement fund R'000	Other R'000	2002 Total R'000	2001 Total R'000
Non-executive						
G D de Jager		30.0			30.0	30.0
P J Erasmus ⁽³⁾		45.0			45.0	45.0
P K Harris ⁽⁴⁾		10.0			10.0	–
E Molobi		30.0			30.0	30.0
J F Mouton ⁽⁵⁾		39.0			39.0	–
F Robertson ⁽⁵⁾		39.0			39.0	–
P G Steyn ⁽¹⁾		36.0			36.0	36.0
Sub-total		229.0			229.0	141.0
Total		6 011.3	984.5	887.2	7 883.0	6 114.0

1. Messrs D M Falck and P G Steyn are members of the Audit Committee.

2. Mr M H Visser earns an extra director's fee of GBP50 000 per annum from British American Tobacco Plc, an associated company.

3. Mr P J Erasmus is Chairman of the Audit Committee and a member of the Remuneration Committee.

4. Mr P K Harris is a member of the Remuneration Committee.

5. Messrs J F Mouton and F Robertson are members of the Audit Committee and members of the Remuneration Committee.

6. Benefits include medical aid contributions and vehicle benefits.



24. DIRECTORS' EMOLUMENTS (*continued*)

Certain of the non-executive directors are employees of M&I Management Services (Pty) Limited (M&I), a service company that supplies management services to this Company (Remgro). Remgro pays a monthly service fee to M&I. The emoluments of these non-executive directors paid by M&I were as follows:

	<i>Salaries and fees R'000</i>	<i>Retirement fund R'000</i>	<i>Other benefits R'000</i>	<i>2002 Total R'000</i>	<i>2001 Total R'000</i>
Non-executive					
P E Beyers	826.8	164.0	89.2	1 080.0	1 000.0
J W Dreyer	1 007.0	199.8	89.2	1 296.0	1 200.0
E de la H Hertzog	448.9	84.5	66.6	600.0	500.0
J P Rupert*	1 585.7	314.5	199.8	2 100.0	1 500.0
	3 868.4	762.8	444.8	5 076.0	4 200.0

* Mr J P Rupert is Chairman of the Remuneration Committee.

25. REMGRO SHARE SCHEME

No shares were offered to directors in the financial year ending 31 March 2002. (Also refer to the Report of the Board of Directors):

Current status

– ordinary shares

Participant	<i>Shares accepted prior to 31 March 2001</i>	<i>Offer price (Rand)</i>	<i>Number of shares paid and delivered</i>	<i>Balance of shares accepted as at 31 March 2002</i>
Executive				
W E Bührmann	275 229	43.6	none	275 229
D M Falck	458 716	43.6	none	458 716
J A Preller	73 394	43.6	none	73 394
M H Visser	733 945	43.6	none	733 945
T van Wyk	33 195	48.2	none	33 195
T van Wyk	73 394	43.6	none	73 394
Sub-total	1 647 873			1 647 873
Non-executive				
P E Beyers	286 697	43.6	none	286 697
J W Dreyer	286 697	43.6	none	286 697
E de la H Hertzog	172 018	43.6	none	172 018
J P Rupert	414 938	48.2	none	414 938
Sub-total	1 160 350			1 160 350
Total	2 808 223			2 808 223



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	2002 R million	2001 R million
26. COMMITMENTS		
Capital commitments	112	100
Uncompleted contracts for capital expenditure	48	25
Capital expenditure authorised but not yet contracted	64	75
Operating lease commitments	238	105
Due within one year	34	30
Due – two to five years	188	56
Due thereafter	16	19
	350	205

Above-mentioned commitments will be financed by internal sources and borrowed funds.

27. BORROWING POWERS

There are no limitations to the borrowing powers of the Company and its subsidiaries in respect of loans and guaranteed debts.

28. FINANCIAL INSTRUMENTS**28.1 Credit risk**

Financial assets which are subject to credit risk consist mainly of cash and cash equivalents and trade and other receivables. Cash and cash equivalents are placed with various financial institutions subject to approved limits. All these institutions are of a high standing. Trade and other receivables are disclosed net of a provision for doubtful debt.

28.2 Interest rate risk

Subsidiary companies generally adopt a policy of ensuring that their borrowings are at market related rates to address their interest rate risk.

28.3 Forward exchange contracts

Subsidiary companies undertake transactions denominated in foreign currency and therefore exposures to exchange rate fluctuations arise. If deemed necessary, these exposures are hedged through the use of forward exchange contracts.

The following material forward exchange contracts existed at 31 March 2002:

<i>Foreign currency</i>	<i>Currency amount million</i>	<i>Average forward rate</i>	<i>Rand amount R million</i>
Buy: USA dollar (USD)	2.9	11.38	33.5
British pound (GBP)	0.5	16.50	8.0
European euro	2.9	9.87	28.9
Other			1.1
Sell: USA dollar (USD)	14.3	11.36	162.4
European euro	2.8	9.82	27.2
Other			0.3

28.4 Fair value

On 31 March 2002 and 2001 the fair value of financial instruments equals their carrying value.



	2002 R million	2001 R million
29. GUARANTEES AND CONTINGENT LIABILITIES		
29.1 Guarantees		
Guarantees by subsidiary companies	79	21
29.2 Contingent liabilities		
Put option	13	19
Legal actions pending	52	26
Other	12	1
	77	46

30. RELATED PARTIES

Transactions

Related party transactions are concluded on an arms-length basis.

Subsidiaries

Details of investments in and income from subsidiaries are disclosed in notes 5 and 15 respectively, and in Annexure A.

Associated companies

Details of investments in and income from associated companies are disclosed in notes 4 and 19 respectively, as well as in Annexures B and C. Interest income from associated companies amounted to R87 million (2001: R48 million) and is included in interest received. Interest paid to associated companies amounted to R10 million (2001: R9 million) and is included in finance costs.

Directors

Details of directors' emoluments and shareholding in the Company are disclosed in notes 24 and 25 and in the Report of the Board of Directors.

Shareholders

Details of the principal shareholder appear in the Report of the Board of Directors. A detail analysis of shareholders appears on page 57 of the Annual Report.



ANNEXURE A

Principal subsidiary companies at 31 March 2002

NAME OF COMPANY	ISSUED CAPITAL R (unless other- wise stated)	EFFECTIVE INTEREST		HELD BY COMPANY			
		2002	2001	SHARES		LOAN	
unless otherwise stated		%	%	2002 R	2001 R	2002 R million	2001 R million
Trade mark interests							
Remgro International Holdings (Pty) Limited	2	100.0	100.0	2	2		
Remgro Investments Limited – Jersey	(GBP) 1 201 610	100.0	100.0				
Financial services							
Financial Securities Limited	250 000	100.0	100.0	250 000	250 000		
Industrial interests							
Industrial Partnership Investments Limited	125 000	100.0	100.0	125 000	125 000		
Hunt Leuchars & Hepburn Holdings Limited	* (1) 590 415 000	72.4	72.5				
– held by Hunt Leuchars & Hepburn Holdings Limited:							
– Robertsons Holdings (Pty) Limited (100%)		72.4	72.5				
– Transvaal Sugar Limited (100%)		72.4	72.5				
Rainbow Chicken Limited	* (1) 1 084 108 000	55.7	55.9				
Wispeco Holdings Limited	5 000 000	100.0	100.0				
Mining interests							
Partnership in Mining Limited	100	100.0	100.0	100	100		
Tegniese Mynbeleggings Limited	2	100.0	100.0				
GFSA Holdings Limited	120 000	100.0	100.0				
Corporate finance and other interests							
Eikenlust (Pty) Limited	100	100.0	100.0				
Entek Investments Limited	810 630	62.1	60.9				
Historical Homes of South Africa Limited	555 000	51.4	51.4				
M.E.I. Investments (Pty) Limited	2	100.0	100.0				
Remgro Finance and Services Limited	100	100.0	100.0				
Remgro Finance Corporation Limited	300 000	100.0	100.0				
Remgro Loan Corporation Limited	700	100.0	100.0			7 997	7 345
Remgro South Africa (Pty) Limited	48 614	100.0	100.0	96 506	96 506	12	12
Stellenryck Trust Limited	700	100.0	100.0				
TTR Holdings (Pty) Limited	7	100.0	100.0	7	7		
Note 5.1:				471 615	471 615	8 009	7 357

* Listed companies

(1) Issued capital includes both ordinary shares and compulsory convertible preference shares. Effective interest is calculated on a fully diluted basis.

Details of sundry subsidiary companies which are not material to the evaluation of the business of the Group, are not shown.

(GBP) British pound.



ANNEXURE B

Principal investments at 31 March 2002

NAME OF COMPANY		LISTED		UNLISTED		2001	
		2002	2001	2002	2001	2001	2001
		SHARES HELD	EFFECTIVE INTEREST %	SHARES HELD	EFFECTIVE INTEREST %	SHARES HELD	EFFECTIVE INTEREST %
Incorporated in South Africa unless otherwise stated							
Trade mark interests							
R&R Holdings Soc.An. – Luxembourg	(1)						
– ordinary shares				316 000	33.3	316 000	33.3
– debentures				870 516	33.3	870 516	33.3
– held by R&R Holdings Soc.An.:							
– British American Tobacco Plc. – UK (31.5%)	(1)		10.5				
Remgro-KWV Beleggings Limited	(2)			50	50.0	50	50.0
– held by Remgro-KWV Beleggings Limited:							
– Distell Group Limited (60%)			30.0				
Financial services							
RMB Holdings Limited	(1)	274 109 670	23.1	274 109 670	23.1		
– held by RMB Holdings Limited:							
– FirstRand Limited (32.8%)			7.6				
FirstRand Limited	(1)	507 636 856	9.3	507 636 856	9.3		
Sagecor (Pty) Limited	(1)			2 992	50.0	2 992	50.0
– held by Sagecor (Pty) Limited:							
– Sage Group Limited (17.7%)			8.9				
Sage Group Limited	(1)	10 724 315	7.1	10 724 315	7.3		
Universa (Pty) Limited	(1)						
– ordinary shares				7 875	39.4	7 875	39.4
– preference shares				2 705 643	35.5	2 705 643	35.5
– held by Universa (Pty) Limited:							
– ABSA Group Limited (22.9%)			9.4				
Industrial interests							
Air Products South Africa (Pty) Limited	(1)			4 500 000	50.0	4 500 000	50.0
Dorbyl Limited	(1)	14 058 346	42.6	14 058 346	41.4		
Henkel South Africa (Pty) Limited	(2)						
– ordinary shares				4 812 500	50.0	4 812 500	50.0
– preference ordinary shares				12 550 000	50.0	12 550 000	50.0
Lenco Holdings Limited	(1)		–				
– held by Lenco Holdings Limited:							
– Malbak Limited			–				
Malbak Limited	* (1)	276 742 707	58.0	233 454 540	48.9		
Total South Africa (Pty) Limited	(2)			15 500 000	34.4	15 500 000	34.4
Mining interests							
Gencor Limited	(2)	37 995 039	10.9	37 995 039	10.9		
Trans Hex Group Limited	(1)	35 215 000	35.2	35 215 000	42.7		
Other interests							
Medi-Clinic Corporation Limited	* (1)	178 577 982	52.3	178 577 982	51.1		
Business Partners Limited	#			28 696 220	16.0	28 696 220	16.0

Financial period:

(1) Twelve months to 31 March 2002

(2) Twelve months to 31 December 2001

Not an associated company.

* Medi-Clinic and Malbak: Temporarily over 50%.

UK – United Kingdom.

Details of investments which are not material to the evaluation of the business of the Group, are not shown.



ANNEXURE C

Significant associated companies – additional information

	RMB HOLDINGS (FINANCIAL SERVICES) 2002	FIRSTRAND (FINANCIAL SERVICES) 2002	ABSA GROUP LIMITED (FINANCIAL SERVICES) 2002	2001	R&R (TOBACCO INTERESTS) 2002	2001
Effective interest	23.1%	9.3%	9.4%	9.5%	33 ⅓%	33 ⅓%
	Note 1 R million	Note 1 R million	R million	R million	R million	R million
Carrying value of investments after writedown of goodwill	2 335	1 707	1 445	1 337	7 497	4 743
Share of retained equity income						
– Current year	204	395	108	183	2 754	2 985
Normal income	383	439	179	234	2 088	1 539
Dividends	(105)	(132)	(77)	(63)	(850)	(654)
Exceptional items and goodwill amortisation	(58)	(12)	(19)	–	(279)	1 891
Other changes in reserves and exchange rates	(16)	100	25	12	1 795	209
– Cumulative	204	395	1 205	1 097	7 497	4 743
<i>Summarised financial information:</i>	Per Interim Report 31/12/2001	Per Interim Report 31/12/2001	Per Annual Report 31/03/2002 31/03/2001		Per Annual Report 31/03/2002 31/03/2001	
					Note 2	Note 2
BALANCE SHEET						
Assets						
Net insurance related assets	–	3 676	–	–	–	–
Net advances, loans and bank related securities	1 510	26 292	1 241	8 955	–	–
Intangible assets	3 691	1 350	66	164	106 082	81 644
Property, plant and equipment and other	17	2 600	14 601	5 199	43 399	29 656
Investments and loans	6 642	2 258	3 972	3 003	12 738	8 304
Net current assets/(liabilities)	(6)	(10 494)	–	–	19 819	13 470
	11 854	25 682	19 880	17 321	182 038	133 074
Equity and liabilities						
Shareholders' funds and long-term debt	11 854	25 682	19 880	17 321	182 038	133 074
	12 months ended 31/12/2001	12 months ended 31/12/2001	12 months ended 31/03/2002	12 months ended 31/03/2001	12 months ended 31/03/2002	12 months ended 31/03/2001
					Note 3	Note 3
INCOME STATEMENT						
Headline earnings	1 661	4 691	1 888	2 446	6 264	4 844
Net profit for the year	1 410	4 575	1 686	2 442	5 427	11 140
Dividends paid	616	1 293	810	668	2 550	1 962

There are no loans to these associated companies.

Note 1: No comparative figures are presented for RMB Holdings Limited and FirstRand Limited as these investments were acquired effective 1 January 2001.

Note 2: In the audited balance sheet of R&R, its interest in British American Tobacco Plc (BAT) is only shown as a single item representing the carrying value thereof as an equity accounted associated company. So as to disclose more meaningful information, BAT's abridged balance sheet is presented above instead. This balance sheet is at 31 December as BAT has not included a balance sheet in its quarterly report to 31 March.

Note 3: Headline earnings and net profit for the year relates to the income statement of R&R which includes its share of the net profit of BAT.



ANNEXURE D

Information on business and geographical segments for the year ended 31 March 2002

	Trade mark interests R million	Financial services R million	Industrial interests R million	Mining interests R million	Corporate finance and other interests R million	CONSOLI- DATED 2002 Total R million
BUSINESS SEGMENTAL ANALYSIS						
Revenue of the Company and its subsidiaries	895	339	6 849	96	262	8 441
Operating profit	–	2	589	1	166	758
Amortisation of goodwill						(138)
Exceptional items						(20)
						600
Taxation						172
Profit after taxation of the Company and its subsidiaries						428
Share of after-tax profit of associated companies						3 255
Profit from normal operations	2 168	944	305	306	158	3 881
Amortisation of goodwill						(276)
Exceptional items						(350)
Group profit after tax						3 683
Minority interest						151
Net profit for the year						3 532
Headline earnings	2 167	958	570	306	276	4 277
OTHER INFORMATION						
Segment assets	1	2 735	4 279	32	2 273	9 320
Investments in associated companies	8 116	5 487	2 110	690	555	16 958
						26 278
Taxation – Deferred						17
– Current						5
Consolidated total assets						26 300
Segment liabilities	–	–	1 157	–	9	1 166
Taxation – Deferred						95
– Current						47
Consolidated total liabilities						1 308
Additions to property, plant and equipment	–	–	185	–	–	185
Depreciation and amortisation	214	194	200	–	–	608

The interests of the Group have been classified into five main operating divisions/business segments – trade mark interests, financial services, industrial interests, mining interests and corporate finance/other interests. Each segment represents the main business sector of the investments classified thereunder. No adjustment has been made where companies are mainly active in one sector but have also interests in other sectors.

Income and expenses, as well as the attributable portion of the income from associated companies are directly attributable to the segment.

Segment assets mainly include cash and cash equivalents, trade and other receivables, inventories, property, plant and equipment, intangible assets and other investments. Investments in associated companies, accounted for on the equity method, are stated separately.

Segment liabilities include all operating liabilities, except for taxation.

GEOGRAPHICAL SEGMENTAL ANALYSIS

The Group's interests can be divided into two main geographical areas, namely South Africa and abroad.

	Revenue 2002 R million	Headline earnings 2002 R million	Total assets 2002 R million
South Africa	6 347	2 189	18 780
Abroad	2 094	2 088	7 498
	8 441	4 277	26 278

Total assets include assets and investments in associated companies, but exclude deferred tax assets and taxation paid in advance.



ANNEXURE D

Information on business and geographical segments for the year ended 31 March 2001

	Trade mark interests R million	Financial services R million	Industrial interests R million	Mining interests R million	Corporate finance and other interests R million	CONSOLI- DATED 2001 Total R million
BUSINESS SEGMENTAL ANALYSIS						
Revenue of the Company and its subsidiaries	685	90	5 756	683	144	7 358
Operating profit	–	2	410	28	64	504
Amortisation of goodwill						–
Exceptional items						1 523
						2 027
Taxation						109
Profit after taxation of the Company and its subsidiaries						1 918
Share of after-tax profit of associated companies						4 765
Profit from normal operations	1 599	239	143	794	126	2 901
Amortisation of goodwill						(159)
Exceptional items						2 023
Group profit after tax						6 683
Minority interest						109
Net profit for the year						6 574
Headline earnings	1 598	241	364	823	169	3 195
OTHER INFORMATION						
Segment assets	–	2 766	3 807	182	1 608	8 363
Investments in associated companies	5 360	4 798	1 746	505	755	13 164
						21 527
Taxation – Deferred						9
– Current						18
Consolidated total assets						21 554
Segment liabilities	–	16	1 245	–	34	1 295
Taxation – Deferred						46
– Current						36
Consolidated total liabilities						1 377
Additions to property, plant and equipment	–	–	173	–	4	177
Depreciation and amortisation	155	1	179	–	–	335

The interests of the Group have been classified into five main operating divisions/business segments – trade mark interests, financial services, industrial interests, mining interests and corporate finance/other interests. Each segment represents the main business sector of the investments classified thereunder. No adjustment has been made where companies are mainly active in one sector but have also interests in other sectors.

Income and expenses, as well as the attributable portion of the income from associated companies are directly attributable to the segment.

Segment assets mainly include cash and cash equivalents, trade and other receivables, inventories, property, plant and equipment, intangible assets and other investments. Investments in associated companies, accounted for on the equity method, are stated separately.

Segment liabilities include all operating liabilities, except for taxation.

GEOGRAPHICAL SEGMENTAL ANALYSIS

The Group's interests can be divided into two main geographical areas, namely South Africa and abroad.

	Revenue 2001 R million	Headline earnings 2001 R million	Total assets 2001 R million
South Africa	5 452	1 656	16 784
Abroad	1 906	1 539	4 743
	7 358	3 195	21 527

Total assets include assets and investments in associated companies, but exclude deferred tax assets and taxation paid in advance.



ANALYSIS OF SHAREHOLDERS

at 31 March 2002

	Number of share- holders	% of share- holders	Number of shares	% of shares issued
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	17 070	99.8	483 412 586	99.37
Non-public shareholders				
Directors and their associates	27	0.2	3 081 064	0.63
	17 097	100.0	486 493 650	100.00

	%	Number of shares
MAJOR SHAREHOLDERS		
Ordinary shares		
Public Investment Commissioner	11.45	55 700 682
Old Mutual Life Assurance Company SA	10.43	50 729 711
Other	78.12	380 063 257
	100.00	486 493 650

B ordinary shares

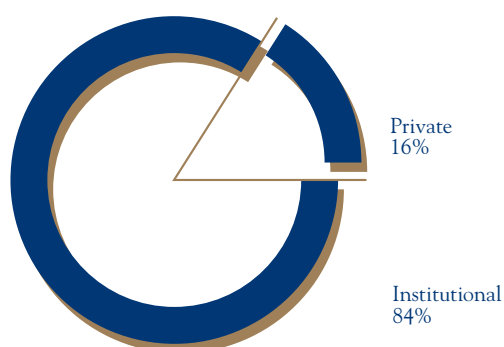
Rembrandt Trust (Pty) Limited	100.00
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In terms of the principles of disclosure in accordance with section 140A(8)(a) of the Companies Act 61 of 1973, as amended, no other shareholder held an interest of more than 5% in your Company on 31 March 2002.

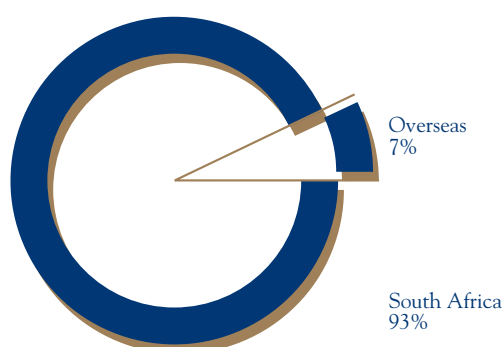
JSE Securities Exchange South Africa	2002	2001
Market capitalisation at 31 March (R million)	30 649	22 865
Price (cents per share)		
– 31 March	6 300	4 700
– Highest	6 650	5 550
– Lowest	4 780	3 850
Number of shares traded (000's)	203 231	78 267

ADDITIONAL INFORMATION (2002)

INSTITUTIONAL AND PRIVATE SHAREHOLDING IN REMGRO LIMITED



OVERSEAS AND LOCAL INVESTMENTS IN REMGRO LIMITED SHARES



ANALYSIS OF SHAREHOLDERS

at 31 March 2002

Interest of the directors in the issued capital of the Company

Ordinary shares

	Direct		Indirect			% of
	Beneficial	Non-beneficial	Beneficial	Non-beneficial	Total	shares issued
31 March 2002						
P E Beyers	–	–	49 024	–	49 024	
W E Bührmann	26 745	–	10 782	–	37 527	
G D de Jager	1 740	–	–	–	1 740	
J W Dreyer	4 298	–	3 698	–	7 996	
P J Erasmus	38 730	–	–	–	38 730	
D M Falck	200	–	18 133	–	18 333	
P K Harris	–	–	57 118	–	57 118	
E de la H Hertzog	202 383	–	1 525 747	4 484	1 732 614	
E Molobi	174	–	–	–	174	
J F Mouton	–	–	20 000	–	20 000	
J A Preller	18 280	–	7 861	–	26 141	
Johann Rupert	–	–	270 001	–	270 001	
P G Steyn	51 474	–	635 596	–	687 070	
T van Wyk	29 992	–	18 004	–	47 996	
M H Visser	2 888	–	88 196	–	91 084	
	376 904	–	2 704 160	4 484	3 085 548	0.63%

31 March 2001

P E Beyers	–	–	34 024	–	34 024	
W E Bührmann	174	–	37 353	–	37 527	
G D de Jager	1 000	–	–	–	1 000	
J W Dreyer	600	–	7 396	–	7 996	
P J Erasmus	38 730	–	–	–	38 730	
D M Falck	14 034	–	18 940	–	32 974	
E de la H Hertzog	163 512	21 603	1 551 610	5 352	1 742 077	
E Molobi	174	–	–	–	174	
J A Preller	10 418	–	15 723	–	26 141	
Johann Rupert	44 490	–	225 511	–	270 001	
P G Steyn	51 474	–	635 596	–	687 070	
T van Wyk	16 987	–	26 009	–	42 996	
M H Visser	2 888	–	88 196	–	91 084	
	344 481	21 603	2 640 358	5 352	3 011 794	0.62%

B ordinary shares

Mr Johann Rupert is a director of Rembrandt Trust (Pty) Limited which owns all the issued unlisted B ordinary shares.

Since the end of the financial year to the date of this report the interest of directors have increased by 28 600 ordinary shares.



SHARE TRANSACTIONS TOTALLY ELECTRONIC (STRATE)

The Company's shares were transferred to the new STRATE system of electronic settlement on 12 November 2001.

Shareholders who have not yet dematerialised their shares are advised to do so immediately, or at least before the closure of the Dispossessed Members Fund. It is not the intention of STRATE to continue with this fund after September 2002.

ADMINISTRATION

SECRETARY

M Lubbe (Mrs)

BUSINESS ADDRESS AND REGISTERED OFFICE

Carpe Diem Office Park
Quantum Street
Techno Park
Stellenbosch
7600

PO Box 456
Stellenbosch
7599

TRANSFER SECRETARIES

Computershare Investor Services Limited
41 Fox Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107

AUDITORS

PricewaterhouseCoopers Inc.

LISTING

JSE Securities Exchange South Africa
Sector: Financial – Investment Companies

AMERICAN DEPOSITARY RECEIPT (ADR) PROGRAM

Cusip number 75956M107
ADR to ordinary share 1:1

Depositary:

The Bank of New York
620 Avenue of the Americas
New York NY 10011

SPONSOR

Rand Merchant Bank Corporate Finance

WEBSITE

www.remgro.com



DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	31 March
Annual General Meeting	Tuesday, 27 August 2002
Financial reports	
Announcement of interim results	November
Interim report	December
Announcement of annual reports	June
Annual financial statements	July
Dividends	
Interim dividend	
– declared	November
– paid	January
Final dividend	
– declared	June
– paid	August



NOTICE TO SHAREHOLDERS

The 2002 Annual General Meeting of the Company will be held on Tuesday, 27 August 2002 at 15:30 in the Auditorium of the Oude Libertas Centre, Oude Libertas Road, Stellenbosch, to:

1. consider and approve the annual financial statements for the year ended 31 March 2002;
2. determine the directors' emoluments for the past financial year;
3. elect directors in the place of Messrs P E Beyers, W E Bührmann, J W Dreyer, T van Wyk, P K Harris, Dr E de la H Hertzog and Mrs J A Preller who retire in terms of the provisions of the Articles of Association. These directors are eligible and offer themselves for re-election;
4. consider and, if approved, pass the following resolutions with or without modification:

4.1 Special resolution number 1

"RESOLVED THAT the Board of Directors be authorised, up to and including the date of the next Annual General Meeting, to approve the purchase of shares in the Company by any subsidiary of the Company, provided that:

- the sponsor to the Company provides a letter on the adequacy of working capital in terms of section 2.14 of the Listings Requirements of the JSE Securities Exchange South Africa ("the Listings Requirements") prior to any repurchases being implemented on the open market of the JSE Securities Exchange South Africa ("JSE");
- the shares be purchased in the open market as defined by the JSE;
- the general authority shall not extend beyond 15 months from the date of this resolution;
- the general authority shall be limited to that percentage of the Company's issued share capital of that class, at the time the authority is granted, as the Listings Requirements may from time to time allow the Company to repurchase, provided that such percentage shall not exceed 20%;
- a paid press release giving such details as may be required in terms of the Listings Requirements be published when any subsidiary of the Company has cumulatively repurchased 3% of the shares in issue; and
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction was agreed,

and shall be subject to the provisions of the Companies Act 61 of 1973, as amended ("the Act") and the Listings Requirements."

Explanatory note on special resolution number 1

Special resolution number 1 is proposed to enable the Board of Directors, up to and including the date of the next Annual General Meeting, but will not extend beyond 15 months from the date of this resolution, to approve the purchase of shares in the Company by any subsidiary of the Company, subject to the provisions of the Act and the Listings Requirements.

The effect of special resolution number 1 will be that the Board of Directors will, up to and including the date of the next Annual General Meeting, be entitled to approve the purchase of shares in the Company by any subsidiary of the Company, subject to the provisions of the Act and the Listings Requirements.



NOTICE TO SHAREHOLDERS

4.2 Special resolution number 2

“RESOLVED THAT the Board of Directors be authorised, up to and including the date of the next Annual General Meeting, to approve the purchase of its own shares by the Company, provided that:

- the sponsor to the Company provides a letter on the adequacy of working capital in terms of section 2.14 of the Listings Requirements prior to any repurchases being implemented on the open market of the JSE;
- the shares be purchased in the open market as defined by the JSE;
- the general authority shall not extend beyond 15 months from the date of this resolution;
- the general authority shall be limited to that percentage of the Company's issued share capital of that class, at the time the authority is granted, as the Listings Requirements may from time to time allow the Company to repurchase, provided that such percentage shall not exceed 20%;
- a paid press release giving such details as may be required in terms of the Listings Requirements be published when the Company has cumulatively repurchased 3% of the shares in issue; and
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction was agreed, and shall be subject to the provisions of the Act and the Listings Requirements.”

Explanatory note on special resolution number 2

Special resolution number 2 is proposed to enable the Board of Directors, up to and including the date of the next Annual General Meeting, to approve the purchase of its own shares by the Company, subject to the provisions of the Act and the Listings Requirements.

The effect of special resolution number 2 will be that the Board of Directors will, up to and including the date of the following Annual General Meeting, be entitled to approve the purchase by the Company of its own shares, subject to the provisions of the Act and the Listings Requirements.

It is the intention of the Board of Directors that they may use such authority should prevailing circumstances (including the tax dispensation and market conditions) in their opinion warrant it.

The directors undertake that they will not implement any such repurchase in the period of this general authority unless:

- the Company and its subsidiary companies will be able, in the ordinary course of business, to pay its debts;
- the consolidated assets of the Company and its subsidiary companies would exceed the consolidated liabilities of the Company and its subsidiary companies, respectively, both assets and liabilities being fairly valued in accordance with the accounting policies used in the latest annual financial statements and with South African Statements of Generally Accepted Accounting Practice;
- the Company and its subsidiary companies will have adequate capital and reserves; and
- the working capital of the Company and its subsidiary companies will be sufficient for their requirements.

4.3 Ordinary resolution number 1

“RESOLVED THAT the ordinary shares of one cent each and the B shares of ten cents each in the authorised but unissued share capital of the Company be and are hereby placed under the control of the Board of Directors of the Company as a general authority in terms of section 221(2) of the Act, subject to the provisions of the Act and the



Listings Requirements until the next Annual General Meeting, for allotment and issue to such persons and on such conditions as the Board of Directors may deem fit.”

4.4 Ordinary resolution number 2

“RESOLVED THAT the rules of the Company’s share scheme be amended with effect from the past financial year end of the Company, by substituting the following clause for the existing clause 9:

9 CAPITALISATION ISSUES, SPECIAL DIVIDENDS AND UNBUNDLINGS

- 9.1 If an employee has accepted an offer, he shall be entitled to participate in any capitalisation issues, special dividends and unbundlings in respect of such interest.
- 9.2 Prior to delivery of any interest to a participant, the trustees are and shall be entitled to receive and retain any capitalisation shares, special dividends and the proceeds of any unbundlings in respect of such interest provided that:
- 9.2.1 the trustees shall deliver to the participant any capitalisation shares and special dividends and the proceeds of any unbundlings to which a participant would have been entitled if the interest in question had already been delivered to him, when the participant becomes entitled to delivery of the interest in question;
- 9.2.2 the participant shall be liable for the payment of any stamp duty payable as a result of the transfer of the capitalisation shares and the proceeds of the unbundlings.
- 9.3 If a participant’s scheme shares have not been issued to the trustees at the time of a capitalisation issue or the payment of a special dividend or an unbundling, the directors shall be entitled to direct that the minimum time periods referred to in 4.1.2.1, 4.1.2.2 and 4.1.2.3 shall lapse and that the participant shall be entitled to delivery (by issue) of his scheme shares against payment of the purchase price.
- 9.4 For the purpose of this clause a special dividend means a dividend declared by the directors of the Company as a special dividend in addition to the ordinary dividend.”

Explanatory note on ordinary resolution number 2

Ordinary resolution number 2 is proposed to amend the rules of the Company’s share scheme to provide for special dividends.

5. transact such other business as may be transacted at an Annual General Meeting.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and speak and, at a poll, to vote in his/her stead. Such a proxy need not be a member of the Company.

By order of the Board of Directors.

M Lubbe

Secretary

Stellenbosch

19 June 2002



BRIEF GUIDELINES

for the use of the form of proxy and the voting instruction form

1. Remgro shareholders whose Remgro ordinary shares have not been dematerialised

- 1.1 If your Remgro ordinary shares have not been dematerialised, in other words if you are still the holder of a Remgro share certificate, you only have to complete the Form of Proxy if you wish to appoint a proxy to attend, speak and vote on your behalf at the Annual General Meeting.
- 1.2 If you plan on attending the Annual General Meeting in person or if you have no intention of voting at the Annual General Meeting, you do not have to complete the Form of Proxy.
- 1.3 Under no circumstances do you have to complete the Voting Instruction Form.

2. Remgro shareholders whose Remgro ordinary shares have been dematerialised

- 2.1 If your Remgro ordinary shares have been dematerialised, in other words if you no longer hold a Remgro share certificate, your decision on which form you will have to complete will depend on whether your dematerialised Remgro ordinary shares are registered in Remgro's electronic sub-register of members –
 - 2.1.1 in your own name (so-called “own name registration”); or
 - 2.1.2 in the name of your CSDP, broker or Computershare Custodial Services Limited in its capacity as your issuer-sponsored nominee (“Computershare”).
- 2.2 In the case of own name registration you only have to complete the Form of Proxy if you wish to appoint a proxy to attend, speak and vote on your behalf at the Annual General Meeting. If you plan on attending the Annual General Meeting in person, or if you have no intention of voting at the Annual General Meeting, you do not have to complete the Form of Proxy. Under no circumstances do you have to complete the Voting Instruction Form.
- 2.3 If your dematerialised Remgro ordinary shares are registered in Remgro's electronic sub-register of members in the name of your CSDP, broker or Computershare and you wish to vote at the Annual General Meeting but do not want to or cannot attend the Annual General Meeting in person, you must complete the Voting Instruction Form. If you wish to attend the Annual General Meeting in person you must request your designated CSDP, broker or Computershare to provide you with the necessary authority to do so. Under no circumstances do you have to complete the Form of Proxy.

3. For comprehensive information regarding the completion of the Form of Proxy and the Voting Instruction Form please see the instructions contained in these forms.



Remgro Limited

(Incorporated in the Republic of South Africa)
(Registration number 1968/6415/06)
(Share code: REM ISIN: ZAE000026480)
("The company")

FORM OF PROXY

for the year ended 31 March 2002

THIS FORM OF PROXY IS ONLY FOR USE BY:

1. REGISTERED MEMBERS WHO HAVE NOT YET DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES; AND
2. REGISTERED MEMBERS WHO HAVE ALREADY DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES AND ARE REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S SUB-REGISTER.*

* See explanatory note 3 overleaf

For completion by the aforesaid registered members who hold ordinary shares of the Company ("member") and who are unable to attend the 2002 annual general meeting of the Company to be held on Tuesday, 27 August 2002 at 15:30 in the Auditorium of the Oude Libertas Centre, Oude Libertas Road, Stellenbosch ("the Annual General Meeting").

I/We _____

being the holder/s of _____ ordinary shares in the Company, hereby appoint
(see instruction 1 overleaf)

1. _____ or, failing him/her,
2. _____ or, failing him/her,
3. the Chairman of the Annual General Meeting, as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the Annual General Meeting of the Company and at any adjournment thereof, as follows (see note 2 and instruction 2 overleaf):

	Insert an "X" or the number of votes exercisable (one vote per ordinary share).		
	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Approval of directors' emoluments			
3. Election of directors			
4.1 Special resolution number 1			
4.2 Special resolution number 2			
4.3 Ordinary resolution number 1			
4.4 Ordinary resolution number 2			

Signed at _____ on _____ 2002

Signature/s _____

Assisted by me _____
(where applicable)

Please read the notes and instructions overleaf.



Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered member of the Company.
2. Every member present in person or by proxy and entitled to vote at the Annual General Meeting of the Company shall, on a show of hands, have one vote only, irrespective of the number of shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.
3. Members registered in their own names are members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Custodial Services or Mercantile Bank as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own names.

Instructions on signing and lodging the form of proxy:

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided overleaf, with or without deleting "the Chairman of the Annual General Meeting", but any such deletion must be initialled by the member. Should this space be left blank, the proxy will be exercised by the Chairman of the Annual General Meeting. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's voting instructions to the proxy must be indicated by the insertion of an "X", or, the number of votes exercisable by that member in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting, as he/she thinks fit in respect of all the member's exercisable votes. A member or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the member or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
4. To be valid the completed forms of proxy must be lodged with the transfer secretaries of the Company, Computershare Investor Services Limited at 2nd Floor, Edura Building, 41 Fox Street, Johannesburg 2001, South Africa or posted to the transfer secretaries at PO Box 61051, Marshalltown 2107, South Africa, to be received by them not later than Friday, 23 August 2002 at 15:30 (South African time).
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairman of the Annual General Meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
8. The Chairman of the Annual General Meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a member wishes to vote.



Remgro Limited

(Incorporated in the Republic of South Africa)
(Registration number 1968/6415/06)
(Share code: REM ISIN: ZAE000026480)
("The company")

VOTING INSTRUCTION FORM

for the year ended 31 March 2002

THIS VOTING INSTRUCTION FORM IS ONLY FOR USE BY MEMBERS WHO HAVE ALREADY DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES AND ARE NOT REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S SUB-REGISTER.*

* See explanatory note 1 overleaf

For use in respect of the 2002 annual general meeting of the Company to be held on Tuesday, 27 August 2002 at 15:30 in the Auditorium of the Oude Libertas Centre, Oude Libertas Road, Stellenbosch ("the Annual General Meeting").

Members who have already dematerialised their Remgro Limited ordinary shares may use this form to advise their Central Securities Depository Participant (CSDP) or broker of their voting instructions on the proposed resolutions in the spaces provided below. However, should such members wish to attend the Annual General Meeting in person, they will need to request their CSDP or broker to provide them with the necessary authority to do so.

I/We _____

being a member(s) of the Company who has/have dematerialised my/our shares in Remgro Limited do hereby indicate in the spaces provided below to my/our CSDP/broker my/our voting instructions on the resolutions to be proposed at the Annual General Meeting and at any adjournment thereof.

Voting instruction	The number of votes exercisable (one vote per ordinary share).		
	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Approval of directors' emoluments			
3. Election of directors			
4.1 Special resolution number 1			
4.2 Special resolution number 2			
4.3 Ordinary resolution number 1			
4.4 Ordinary resolution number 2			

Signed at _____ on _____ 2002

Signature/s _____

Assisted by me _____
(where applicable)

Please read the notes overleaf.



Notes:

1. Members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Custodial Services or Mercantile Bank as their CSDP with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own names must complete the form of proxy.
2. Please indicate in the appropriate spaces above the number of votes to be cast. Each ordinary share carries the right to one vote.
3. All the votes need not be exercised neither need all votes be cast in the same way, but the total of the votes cast and in respect of which abstention is directed may not exceed the total of the votes exercisable.
4. Any alteration or correction made to this voting instruction form must be initialed by the signatory/ies.
5. When there are joint holders of shares, any one holder may sign the voting instruction form.
6. Completed voting instruction forms should be forwarded to the CSDP or broker through whom the ordinary shares have been dematerialised. Members should contact their CSDP or broker with regard to the cut-off time for lodging of voting instruction forms.

