Remgro
Limited

ANNUAL REPORT

2003

CONTENTS

Remgro Limited

REGISTRATION NUMBER 1968/006415/06
ISIN ZAE000026480 SHARE CODE REM

CORPORATE STRUCTURE

The Company is an investment holding company established with effect from 1 April 2000, after the restructuring of the former Rembrandt Group Limited.

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.

Refer to the General Review for a more comprehensive summary of the activities of the individual investments.

GROUP STRUCTURE

AT 31 MARCH 2003

REMGRO LIMITED

	ASSOCIATED COMPANIES		SUBSIDIARY COMPANIES	
TRADE MARK INTERESTS	British American Tobacco**	9%		
	Distell Group	30%		
FINANCIAL SERVICES	FirstRand	10%		
	RMB Holdings	23%		
	Absa Group	9%		
	Sage Group	16%		
MINING INTERESTS	Gencor	11%		
	Trans Hex Group	41%		
INDUSTRIAL INTERESTS	Unilever Bestfoods Robertsons*	41%	Transvaal Sugar*	100%
	Henkel SA*	50%	Wispeco*	100%
	Nampak	14%	Rainbow Chicken	54%
	Total South Africa*	34%		
	Dorbyl	42%		
	Air Products SA*	50%		
CORPORATE AND OTHER INTERESTS			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 off.
** Unlisted companies*
*** Foreign company (United Kingdom)*
Annexures A and B provide further information of subsidiary companies and investments.

SALIENT FEATURES – FINANCIAL RESULTS

	2003	2002
HEADLINE EARNINGS	**R4 914 million**	R4 252 million
BASIC EARNINGS – NET PROFIT FOR THE YEAR	**R8 744 million**	R3 507 million
Number of 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 number of shares in issue	**522 000 002**	522 000 002
Shares repurchased and held in treasury		
– Ordinary shares of 1 cent each	**(11 616 128)**	–
	510 383 874	522 000 002
Weighted number of shares in issue	**519 565 424**	522 000 002
HEADLINE EARNINGS PER SHARE	**945.8c**	814.5c
BASIC EARNINGS PER SHARE	**1 682.9c**	671.8c
Dividends per share		
– Ordinary	**248.00c**	206.00c
– Special	**–**	100.00c
Net asset value per share		
(attributable to own members)		
– at book value	**R54.49**	R46.10
Tobacco interests	**R18.31**	R14.36
Other investments	**R36.18**	R31.74
– at intrinsic value	**R76.91**	R89.50
Tobacco interests	**R38.21**	R51.12
Other investments	**R38.70**	R38.38
Exchange rates		
Pound sterling/SA rand exchange rate – weighted average for the year	**15.0678**	13.5592
– at 31 March	**12.4915**	16.2056
Stock exchange prices		
Closing price per share at 31 March	**R51.45**	R63.00

Cash flow	**2003 R million**	2002 R million
Net cash flow from operating activities	**3 372**	2 204
Dividends paid – ordinary	**(1 152)**	(934)
– special	**(522)**	–
Investing activities	**(2 042)**	(235)
Financing activities	**(82)**	(158)
Net increase/(decrease) in cash and cash equivalents	**(426)**	877

SEVEN YEAR CONSOLIDATED FINANCIAL REVIEW

	2003	2002	2001	2000	1999	1998	1997
	R million	R million	R million	R million	R million	R million	R million
				Pro forma	*Pro forma*	*Pro forma*	*Pro forma*
Revenue	**11 212**	8 441	7 358	5 738	10 381	9 091	6 815
Operating profit	**1 262**	792	571	448	469	337	378
Finance costs	**(45)**	(58)	(67)	(36)	(65)	(95)	(103)
Profit from normal operations	**1 217**	734	504	412	404	242	275
Amortisation of goodwill	**(166)**	(138)	–	–	–	–	–
Impairment of assets	**(24)**	–	–	–	–	–	–
Exceptional items	**1 245**	(20)	1 523	202	(25)	(122)	307
Profit before tax	**2 272**	576	2 027	614	379	120	582
Taxation	**(302)**	(173)	(109)	(100)	(114)	(119)	(99)
Profit after tax of the Company and its subsidiaries	**1 970**	403	1 918	514	265	1	483
Share in after-tax profit of associated companies	**7 262**	3 255	4 765	1 733	2 178	1 793	1 556
Profit from normal operations	**4 421**	3 881	2 901	2 307			
Amortisation of goodwill	**(308)**	(276)	(159)	(33)			
Impairment of assets	**(63)**	–	–	–			
Exceptional items	**3 212**	(350)	2 023	(541)			
Group profit after tax	**9 232**	3 658	6 683	2 247	2 443	1 794	2 039
Minority interest	**(488)**	(151)	(109)	(76)	(107)	(36)	(107)
Net profit for the year	**8 744**	3 507	6 574	2 171	2 336	1 758	1 932
Reconciliation of headline earnings:							
Basic earnings – net profit for the year	**8 744**	3 507	6 574	2 171	2 336	1 758	1 932
Plus/(minus) – portion attributable to own members:							
– Amortisation of goodwill	**473**	414	159	33	–	–	–
– Impairment of assets	**72**	–	–	–	–	–	–
– Exceptional items	**(4 354)**	351	(3 541)	333	23	96	(273)
– Net surplus, after taxation, on the disposal of property, plant and equipment	**(21)**	(35)	(6)	(29)	(20)	(2)	(2)
– Other	**–**	15	9	–	–	–	–
Headline earnings	**4 914**	4 252	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	522 000
Repurchased shares ('000)	**11 616**	–	–	–	–	–	–
Total number of weighted shares in issue ('000)	**519 565**	522 000	522 000	522 000	522 000	522 000	522 000
Headline earnings per share (cents)	**945.8**	814.5	612.1	480.5	448.1	354.8	317.4
Basic earnings per share (cents)	**1 682.9**	671.8	1 259.4	415.9	447.5	336.8	370.1
Dividends per share (cents)							
– Ordinary	**248.00**	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	**54.49**	46.10	37.14	24.05			
– allowing for market value/directors' valuation of investments and subsidiary companies (intrinsic value)	**76.91**	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 apportioned 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 to 2003 figures in respect of exceptional items are not comparable with those of the prior years. Currently, exceptional items are disclosed before taxation while previously it was reported after taxation.

ANALYSIS OF SHAREHOLDERS

AT 31 MARCH 2003

	Number of share-holders	% of share-holders	Number of shares	% of shares issued
Distribution of shareholders				
Ordinary shares				
Public shareholders	25 659	99.89	483 425 532	99.37
Non-public shareholders				
Directors and their associates	28	0.11	3 068 118	0.63
	25 687	100.00	486 493 650	100.00

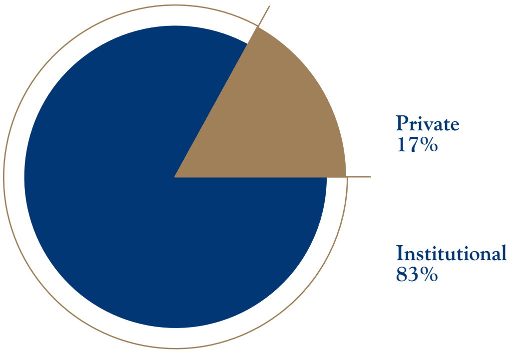
	%	Number of shares
Major beneficial shareholders		
Ordinary shares		
Public Investment Commissioner	12.46	60 606 914
Old Mutual Life Assurance Company SA	10.14	49 353 063
Other	77.40	376 533 673
	100.00	486 493 650
B ordinary shares		
Rembrandt Trust (Pty) Limited	100.00	35 506 352
Total		522 000 002

No other shareholders held an interest of more than 5% in your Company on 31 March 2003.

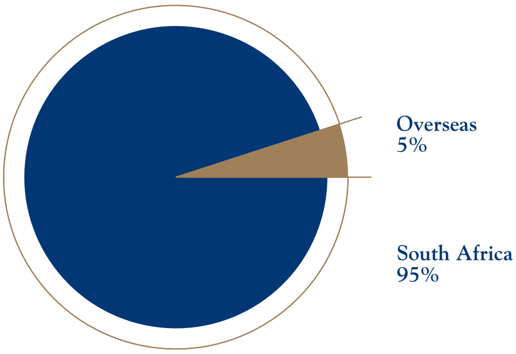
JSE Securities Exchange South Africa	2003	2002	2001
Market capitalisation at 31 March (R million)			
– Ordinary shares only	**25 030**	30 649	22 865
Price (cents per share)			
– 31 March	**5 145**	6 300	4 700
– Highest	**7 399**	6 650	5 550
– Lowest	**5 145**	4 780	3 850
Number of shares traded ('000)	**218 938**	203 231	78 267

Additional information (2003)

Institutional and private shareholding in Remgro Limited ordinary shares



Overseas and local shareholding in Remgro Limited ordinary shares



Interest of the directors in the issued capital of the Company

Ordinary shares

	Direct		Indirect		
	Beneficial	Non-beneficial	Beneficial	Non-beneficial	Total
31 March 2003					
P E Beyers	**34 024**	**–**	**7 000**	**–**	**41 024**
W E Bührmann	**37 527**	**–**	**–**	**–**	**37 527**
G D de Jager	**1 740**	**–**	**28 300**	**–**	**30 040**
J W Dreyer	**8 996**	**–**	**–**	**–**	**8 996**
D M Falck	**200**	**–**	**18 133**	**–**	**18 333**
P K Harris	**–**	**–**	**57 118**	**–**	**57 118**
E de la H Hertzog	**228 245**	**–**	**1 499 885**	**4 484**	**1 732 614**
E Molobi	**174**	**–**	**–**	**–**	**174**
J F Mouton	**–**	**–**	**20 000**	**–**	**20 000**
J A Preller	**26 141**	**–**	**–**	**–**	**26 141**
J P Rupert	**–**	**–**	**270 001**	**–**	**270 001**
P G Steyn	**51 474**	**–**	**635 596**	**–**	**687 070**
T van Wyk	**42 996**	**–**	**5 000**	**–**	**47 996**
M H Visser	**2 888**	**–**	**88 196**	**–**	**91 084**
	434 405	**–**	**2 629 229**	**4 484**	**3 068 118**
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
J P 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

B ordinary shares

Mr J P 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 remained unchanged.

DIRECTORATE

NON-EXECUTIVE DIRECTORS

J P Rupert (53) ‡
Chairman

Attendance
3 out of 5 Board meetings
2 out of 3 Remuneration Committee meetings

Directorships
Chairman of Compagnie Financière Richemont SA, VenFin Limited and Business Partners Limited. Member of the International Advisory Board of DaimlerChrysler.

P E Beyers (53)
Businessman

Attendance
5 out of 5 Board meetings

Directorships
Distell Group Limited, Richemont Société Anonyme and VenFin Limited.

G D de Jager (52) Δ
Businessman

Attendance
4 out of 5 Board meetings

Directorships
Lenco Corporate Finance (Pty) Limited.

J W Dreyer (52)
Businessman

Attendance
4 out of 5 Board meetings

Directorships
Avis Southern Africa Limited, RMB Holdings Limited and VenFin Limited.

P K Harris (53) ‡ Δ
Businessman

Attendance
3 out of 5 Board meetings
1 out of 3 Remuneration Committee meetings

Directorships
Chief Executive Officer of FirstRand Banking Group.

E de la H Hertzog (53)
Businessman

Attendance
5 out of 5 Board meetings

Directorships
Chairman of Medi-Clinic Corporation Limited. Serves on the Board of Distell Group Limited, Total South Africa (Pty) Limited and Trans Hex Group Limited.

E Molobi (58) Δ
Businessman

Attendance
1 out of 5 Board meetings

Directorships
Chairman of Kagiso Trust Investment Company (Pty) Limited.

J F Mouton (56) * ‡ Δ
Businessman

Attendance
5 out of 5 Board meetings
3 out of 4 Audit Committee meetings
3 out of 3 Remuneration Committee meetings

Directorships
Chairman of PSG Group Limited, Capitec Bank Limited and other companies in the PSG group and director of Steinhoff International Limited.

F Robertson (48) * ‡ Δ
Businessman

Attendance
5 out of 5 Board meetings
4 out of 4 Audit Committee meetings
3 out of 3 Remuneration Committee meetings

Directorships
Chairman of Lion of Africa Insurance Company Limited and Lion of Africa Life Assurance Company Limited and Executive Deputy Chairman of Brimstone Investments Corporation Limited and director of South African Tourism.

P G Steyn (69) * Δ
Businessman

Attendance
5 out of 5 Board meetings
4 out of 4 Audit Committee meetings

EXECUTIVE DIRECTORS

M H Visser (49)
Deputy Chairman and Chief Executive Officer

Qualification: BComm (Hons), CA(SA)
Years of service with the Group: 23

Attendance
5 out of 5 Board meetings
6 out of 6 Executive Committee meetings

Directorships
British American Tobacco Plc, Distell Group Limited, Nampak Limited, Unilever Bestfoods (Robertsons) Holdings LLC and Chairman of Rainbow Chicken Limited.

W E Bührmann (48)
Investments

Qualification: BComm, CA(SA)
Years of service with the Group: 16

Attendance
4 out of 5 Board meetings
5 out of 6 Executive Committee meetings

Directorships
Air Products SA (Pty) Limited, Dorbyl Limited, Gencor Limited, Medi-Clinic Corporation Limited, Rainbow Chicken Limited, Transvaal Sugar Limited, Trans Hex Group Limited and Wispeco Holdings Limited.

D M Falck (57) # *
Group Finance

Qualification: CA(SA)
Years of service with the Group: 31

Attendance
5 out of 5 Board meetings
5 out of 6 Executive Committee meetings
4 out of 4 Audit Committee meetings

Directorships
RMB Holdings Limited, FirstRand Limited, FirstRand Bank Limited and Total South Africa (Pty) Limited.

J A Preller (Mrs) (53)
Corporate Affairs

Qualification: BEcon
Years of service with the Group: 31

Attendance
5 out of 5 Board meetings
6 out of 6 Executive Committee meetings

T van Wyk (55)
Investments

Qualification: BComm, LLB, LLM, H Dip Tax
Years of service with the Group: 13

Attendance
5 out of 5 Board meetings
6 out of 6 Executive Committee meetings

Directorships
Absa Group Limited, Air Products SA (Pty) Limited, Dorbyl Limited, Sage Group Limited and Wispeco Holdings Limited.

Member of the **Executive Committee**
* Member of the **Audit and Risk Committee**
‡ Member of the **Remuneration and Nomination Committee**
Δ Independent non-executive director

GENERAL REVIEW

Headline earnings per share increased by 16.1% from 814.5c to 945.8c

Headline earnings

Headline earnings for the year to 31 March 2003 grew by 15.6% from R4 252 million to R4 914 million.

Headline earnings per share, however, increased by 16.1% from 814.5c to 945.8c reflecting the "uplift" resulting from the share repurchase programme.

During the year under review, a wholly-owned subsidiary acquired 11.6 million Remgro ordinary shares in the open market, representing 2.4% of the issued ordinary share capital of the Company. The total purchase consideration amounted to R704 million at an average of R60.64 per ordinary share. The shares have not been cancelled and are held as treasury stock.

We have regularly in the past drawn attention to the fact that currency movements could have a significant impact on the Group's earnings. In particular, British American Tobacco Plc's (BAT) Sterling profit contribution, translated into South African rands, amounts to almost 50% of Remgro's total headline earnings.

The favourable currency impact on translation of BAT's contribution to headline earnings as set out in the table below, has declined from R427 million during 2002 to R243 million for the year under review.

Financial year:	**2003**	2002
Average exchange rate (£/R)	**15.0678**	13.5592
Closing exchange rate at year-end (£/R)	**12.4915**	16.2056
BAT contribution (£m)	**161**	154
BAT contribution (Rm)	**2 423**	2 088
Favourable currency impact (Rm)	**243**	427

It should be noted that BAT's profit contribution is translated at an average exchange rate. If the average for the year to 31 March 2004 was to be equal to the current £/R spot rate, which is lower (i.e. stronger rand) compared to the average rate for the past year, it will result in an unfavourable currency impact during the new financial year.

Basic earnings

Basic earnings per share increased by a substantial 151% to 1 682.9 cents. Basic earnings reflects earnings after goodwill amortisation and inclusion of non-recurring exceptional items. During the current year, attributable after-tax exceptional items amounted to R4 293 million. These included large exceptional gains such as:

- R310 million in respect of the disposal of the interest in Malbak Limited in exchange for shares in Nampak Limited.
- R408 million relating to the restructuring of the Bestfoods Robertsons joint venture resulting in a revised holding in the enlarged Unilever Bestfoods Robertsons venture.
- R270 million on the disposal of the Robertsons Homecare interests.
- R3 204 million in respect of the revaluation gain arising on R&R Holdings' ownership of BAT preference shares following the issue of call warrants on such preference shares.

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 41.6% from R1 986 million to R2 813 million or 541.4 cents per share, mainly as a result of an increase in dividends received from associated companies. The latter amounted to R2 203 million compared to R1 508 million in 2001/2002, mainly due to higher dividends from R&R Holdings, FirstRand Limited and RMB Holdings Limited.

The balance sheet reflects cash and cash equivalents of R2 286 million at 31 March 2003. Of this, R647 million is attributable to Rainbow Chicken, Transvaal Sugar and Medi-Clinic Corporation. Cash at the centre amounted to R1 639 million.

Dividends

Ordinary dividends of 248 cents per share were declared for the year, compared to 206 cents the previous year. This represents an increase of 20.4%. The dividends are covered 3.8 times by headline earnings and 2.2 times by cash earnings, against 4.0 times and 1.8 times respectively the previous year.

Net asset value

In the past we have reported the underlying, or "intrinsic", net asset value of the Group at year-end, which differs from the book value of net assets shown in the balance sheet. Such valuation includes all investments, incorporating subsidiary and associated companies, either at listed market value or, in the case of unlisted investments, at directors' valuation. The net assets of wholly-owned non-investment subsidiary companies, consisting mainly of monetary items, are included at book value.

The intrinsic net asset value as at the end of March 2003, amounted to R76.91 per share compared to R89.50 and R64.32 per share at 31 March 2002 and 2001 respectively. A schedule setting out the calculation of the intrinsic net asset value per share as at 31 March 2003 has been included at the end of this review.

The table below reflects a comparison of the relative performance of the Remgro intrinsic net asset value per share in relation to certain selected JSE indices.

No account has been taken of dividends declared on the Remgro shares.

	2003	2002	2001
Remgro intrinsic			
net asset value			
– Rand per share	**76.91**	89.50	64.32
JSE – All share index	**7 680**	11 015	8 094
– Fin & Ind 30 index	**6 682**	9 713	9 464
– Financial 15 index	**2 744**	3 415	3 758

Comparative performance	**1 year to 31 March 2003 % year-on-year**	2 years to 31 March 2003 % comp p.a.
Remgro intrinsic		
net asset value	**– 14.1**	+ 9.3
JSE – All share index	**– 30.3**	– 2.6
– Fin & Ind 30 index	**– 31.2**	– 16.0
– Financial 15 index	**– 19.6**	– 14.5

TRADE MARK INTERESTS

Contribution to headline earnings:

- R2 498 million (2002: R2 167 million)
  - Increase 15.3%

Percentage of headline earnings:

- 51% (2002: 51%)

Tobacco

R&R HOLDINGS: Effective interest 33⅓% (2002: 33⅓%)

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

In January 2003, R&R issued secured call warrants exercisable into ordinary shares of BAT in 2004. This transaction effectively locked in the value of the 120.9 million convertible redeemable preference shares which R&R has in BAT and which it was obliged to either sell or tender for redemption in June 2004 at the redemption price of 675 pence per share. Together with the gross warrant premium of 34.29 pence per share received in January 2003, the value locked in amounted to 709.29 pence per share, before costs. R&R also holds 604.3 million BAT ordinary shares.

As a consequence of the warrant issue, the preference shares are now treated as a debt instrument in the consolidated accounts of R&R and are no longer equity accounted. For the nine months ended 31 December 2002, R&R's effective interest in BAT, reflecting the holding of both ordinary and preference shares, was 31.5%. For the three-month period ended 31 March 2003, R&R has accounted for its 27.9% effective interest in BAT ordinary shares under the equity method and, in respect of the preference shares, has recorded the movement in the present value of the shares as investment income. Similarly, this movement in net present value effectively became an investment expense for BAT in accounting terms and therefore, for purposes of equity accounting the interest in the ordinary shares, R&R reduced BAT's attributable profit for the quarter ended 31 March 2003 accordingly.

Whilst R&R has applied IAS 39 (Financial Instruments: Recognition and Measurement) in accordance with International Financial Reporting Standards, the South African equivalent,

GENERAL REVIEW

AC 133, was not yet applicable to Remgro in the year under review. This required Remgro to make the necessary adjustments to the reported results of R&R for the difference in accounting policies. Had R&R not applied IAS 39, the conversion rights embedded in the preference shares would not have been valued, and consequently these conversion rights, represented by the warrant premium, would have been accounted for as income either proportionately over the remaining term of the preference shares, or in one amount upon their redemption in June 2004. Accordingly, the net warrant premium, amounting to £30 million, has been deferred in accounting for Remgro's share of the results of R&R for the year to 31 March 2003. With AC 133 subsequently becoming applicable to Remgro, the deferred income will be included in equity accounted income in the ensuing financial year.

Linked to the realisation of the value of the preference shares and their reclassification, R&R recorded an exceptional gain during the year under review, Remgro's share of which amounted to R3 204.4 million.

After elimination of exceptional items and goodwill amortisation and the necessary adjustments referred to above, R&R's contribution to Remgro's headline earnings is made up as set out in the table alongside.

BAT had shipments of 777 billion cigarettes in the year to 31 December 2002 representing a global market share of 14.6%. It has a robust position in all regions worldwide which, together with the broad based portfolio of international, regional and local brands, provides the platform for achieving global leadership of the tobacco business. Growth in profit is achieved by a continuous focus on increasing its share in the key growth consumer segments of international and premium priced brands.

For BAT the most encouraging aspect of the results for the year was the impressive growth in their global drive brands. Dunhill, Kent, Lucky Strike and Pall Mall grew by 8% between them. Dunhill in particular performed well with sales exceeding 30 billion cigarettes for the first time. Although Lucky Strike declined in 2002 as a result of the planned reduction in duty-free sales, the brand should return to growth in 2003 whilst Dunhill, Kent and Pall Mall should maintain their progress.

	2003 £ million	2002 £ million
Attributable profit as reported by BAT for the year ended 31 December 2002	1 152	1 010
Less: attributable profit as reported by BAT for the quarter ended 31 March 2002 (2002: to 31 March 2001)	(229)	(226)
Add: attributable profit as reported by BAT for the quarter ended 31 March 2003 (2002: to 31 March 2002)	235	229
Adjustments:		
– to eliminate goodwill amortisation	380	390
– to eliminate exceptional items reported by BAT	–	53
	1 538	1 456
– movement in present value of BAT preference shares and dividends	(10)	–
Adjusted attributable profit of BAT for the twelve months ended 31 March	1 528	1 456
R&R's 31.5% share of the adjusted attributable profit of BAT for the twelve months to 31 March 2002	–	459
R&R's 31.5% share of the adjusted attributable profit of BAT for the period 1 April 2002 to 31 December 2002	380	–
R&R's 27.9% share of the adjusted attributable profit of BAT for the period 1 January 2003 to 31 March 2003	89	–
Movement in present value of BAT preference shares and dividends	10	–
R&R's other income	3	3
R&R's headline earnings for the year ended 31 March	482	462
Remgro's 33⅓% share thereof	161	154
	R million	R million
Translated at an average £/R rate of 15.0678 (2002: 13.5592)	2 423	2 088

Within BAT's regions, America-Pacific's operating profit was in line with the prior year, reflecting the net effect of a good performance from all its regional markets offset by the adverse exchange rate movements. Asia-Pacific, along with the Africa and Middle East regions, suffered from the planned reduction in duty-free sales with profits down £46 million and £50 million respectively. Latin America performed well given the exceptionally difficult economic circumstances and political uncertainty in many countries during the year with profits down £35 million, reflecting lower volumes and a significant weakening of the region's major currencies against Sterling. Europe's operating profit was £42 million higher as a result of solid market performances in Russia, Ukraine, Poland, Hungary, France and Switzerland. This was despite a significant loss of profit from the dissolution of the UK partnership, a price war in Romania and excise tax increases in Germany.

In the year to 31 December 2002, BAT's adjusted earnings per share, arguably the best measure of the company's underlying performance, grew by 8% as a result of lower net interest expense, an improved tax position and lower minority charges. These results were achieved despite a 3% decline in operating profit caused by the impact of weak currencies and the planned decline in duty-free sales, but at comparable rates of exchange operating profits were up by 3%.

Wine and Spirits

DISTELL: Effective interest 30.0% (2002: 30.0%)

Distell Group Limited (Distell) contributed R76 million to Remgro's headline earnings, compared to R79 million in the previous year. This relates to Distell's two consecutive six-month periods ended 31 December 2002.

Distell reported sales volume growth for most of its major brands for the six months ended 31 December 2002. International sales revenue increased by 30.7% and comprised 21.6% of total sales revenue. Distell's trading income increased substantially by 52.3%. This was largely the result of increased sales revenue, a favourable sales mix and improved production efficiencies. The increase in trading income was however negated by the unfavourable effect of the strengthening in the value of the rand towards the end of 2002.

On 18 June 2003 the Competition Tribunal finally approved the merger between Stellenbosch Farmers' Winery Group Limited and Distillers Corporation (SA) Limited, subject to Distell relinquishing control of two of its brands in the South African spirits market, i.e. the Martell and KWV brands.

FINANCIAL SERVICES

Contribution to headline earnings:

- R1 121 million (2002: R958 million)
  - Increase 17.0%

Percentage of headline earnings:

- 23% (2002: 23%)

FIRSTRAND and RMBH

Both FirstRand Limited (FirstRand) and RMB Holdings Limited (RMBH) have June year-ends and therefore their results for the twelve months to 31 December 2002 were equity accounted by Remgro in the year under review.

Resulting from the rand's strength, FirstRand reported exceptional translation losses amounting to R528 million for the twelve months to 31 December 2002 (2001: R650 million gain). Remgro's portion of these translation losses was R90 million (2002: R110 million gain) – R50 million through its direct interest in FirstRand, and R40 million indirectly through its interest in RMBH.

FIRSTRAND: Effective direct interest 9.6% (2002: 9.3%)

FirstRand's contribution to Remgro's headline earnings was R424 million (2002: R437 million). This excludes the indirect contribution of FirstRand through Remgro's interest in RMBH.

For the six months ended 31 December 2002 FirstRand's headline earnings decreased by 19.3% to R2 223 million (2001: R2 754 million). FirstRand's core operational headline earnings, before taking into account the exceptional translation loss mentioned above, increased by 26.7% to R2 585 million.

During this period FirstRand's Retail Banking division reflected growth of 26% over the corresponding period. This increase is due to scale benefits achieved as a result of organic growth as well as growth resulting from the acquisition of the mortgage loan books from BoE Limited and Saambou Bank Limited during the first half of 2002.

GENERAL REVIEW

RMBH: Effective interest 23.1% (2002: 23.1%)

RMBH's contribution to Remgro's headline earnings was R371 million (2002: R384 million). For the twelve months ended 31 December 2002, 90.7% (2001: 92.3%) of RMBH's headline earnings was derived from FirstRand while 9.3% (2001: 7.7%) was contributed by its other interests.

RMBH's other interests include RMB Structured Insurance Limited, OUTsurance Limited (OUTsurance), Glenrand M.I.B Limited and Global Resorts (SA) (Pty) Limited (GRSA). OUTsurance reported an exceptional six months to December 2002 with record sales volumes and profitability being achieved.

On 22 May 2003 it was announced that the proposed transaction whereby RMBH intended selling its 48.4% interest in GRSA to a consortium backed by Mettalon Corporation Limited, was terminated due to certain conditions precedent not being met within the contracted time periods.

ABSA: Effective interest 9.4% (2002: 9.4%)

Absa Group Limited's (Absa) contribution to Remgro's headline earnings was R324 million (2002: R179 million).

Absa's headline earnings for the year ended 31 March 2003 increased by 82.3% to R3 441 million. This high growth stems from the low earnings base of the previous financial year which resulted from losses suffered by its microlending subsidiary, Unifer Holdings Limited (Unifer). Excluding the impact of Unifer, Absa's headline earnings increased by 19.8%. Commercial banking showed good advances growth of 11.9%. This performance was primarily driven by growth in Bankfin's advances. Wholesale domestic advances increased by 1.7%.

SAGE: Effective interest 16.2% (2002: 16.3%)

Effective 31 December 2002, Sage Group Limited's (Sage) financial year-end was changed from March to December. For the nine months ended 31 December 2002, Sage reported a GAAP headline loss of R48 million (twelve months ended 31 March 2002: R251 million). Due to the fact that Remgro's portion of Sage's accumulated losses exceeds its carrying value, Remgro did not account for its portion of Sage's results for the nine months ended 31 December 2002. In 2001/2002 Remgro's portion of Sage's headline loss was R42 million.

On 9 April 2003 Sage announced that the company planned to raise additional capital amounting to R350 million. This will be achieved by an issue of shares to a consortium of investors, represented by, and including, AVASA Holdings Limited, as well as a rights issue to all shareholders of Sage.

Remgro's maximum exposure in terms of the underwriting agreement amounts to R92.5 million.

INDUSTRIAL INTERESTS

Contribution to headline earnings:

- R696 million (2002: R570 million)
  - Increase 22.1%

Percentage of headline earnings:

- 14% (2002: 13%)

The schemes of arrangement in terms of which Industrial Partnership Investments Limited (IPI), a wholly-owned subsidiary of Remgro, acquired all the ordinary and preference shares in Hunt Leuchars & Hepburn Holdings Limited (HL&H) not held by it, were sanctioned by the High Court of South Africa on 22 October 2002. The total purchase consideration amounted to R985.6 million.

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

The new Unilever Bestfoods Robertsons (UBR) venture, in which Robertsons holds 41%, was established with effect from 1 April 2002. From that date the interest in UBR has been equity accounted. In the past the interest in the former Bestfoods Robertsons joint venture was consolidated proportionately.

UNILEVER BESTFOODS ROBERTSONS:

Effective interest 41.0% (2002: 0%)

The UBR venture covers the territories of Southern Africa and Israel, and it manufactures and markets an extensive range of food products, enjoying market leadership in most of its major categories. The overriding objectives of the new venture are to deliver above-average, top-line growth and increased value through the realisation of synergies, increased scale and enhanced resources in leading brands, people, experience and innovative capabilities.

In South Africa, well-known international and local brands include *Robertsons* herbs and spices, *Knorr* soups, *Aromat* seasonings, *Skippy*, *Bovril* and *Marmite* spreads, *Rama* and *Flora* margarine, *Melrose* cheese, *Lipton* and *Joko* tea, and *Mrs Ball's* culinary products.

Notwithstanding difficult economies in several of the territories included in the venture, good progress has been made during the first year of operation. In Israel, trading conditions have become progressively more difficult due to the escalation of political unrest in the country and a gradual slowdown of the economy. The Israeli operation has to some extent managed to offset these difficulties by achieving good growth in retail sales.

UBR's contribution to Remgro's headline earnings was R54 million. The contribution from the former Bestfoods Robertsons joint venture in 2001/2002 was R91 million. These results are however not directly comparable due to the fact that UBR incurred exceptional restructuring expenses against its headline earnings during the year under review. Excluding the impact of these exceptional items, UBR's contribution to Remgro's headline earnings would have been R106 million.

TSB: Effective interest 100% (2002: 72.4%)

Transvaal Sugar Limited (TSB) is primarily involved in cane growing and the production, transport and marketing of refined and brown sugar and animal feed. Citrus and tea are also grown on the company's estates.

The primary area of operation is the Nkomazi region in the Mpumalanga Lowveld. Sugar production operations are situated near Malelane and Komatipoort, while citrus is grown on TSB's estates in the same region.

Refined and brown sugar products are sold under the Selati brand name, while citrus is being marketed in the overseas markets under the Komati Fruits brand name. Approximately 48% of the sugar production is exported. Other products include Molatek animal feed and Senteeko black tea, which are sold on the local market.

The sugar industry's production increased by 15.3% to 2.75 million tons in 2002/2003, whereas TSB's sugar production increased by 14.6% during the same period. Cane production on TSB's own estates amounted to a best ever 0.85 million tons of cane compared to 0.76 million tons the previous year.

The citrus operations benefited from an aggressive marketing effort, the return of export prices to normal levels and the normalisation of export markets. A total of 36.2 thousand tons of oranges and grapefruit were exported versus 28.5 thousand tons the previous year.

TSB achieved record results for its 2003 year with headline earnings of R105.7 million (2002: R72.4 million).

Operating profit has shown an improvement of R25.6 million or 15.6%. This marked improvement was mainly contributed to by focused management attention to productivity enhancements and cost containment, as well as excellent climatic conditions which resulted in a record sugar production.

Despite increased competition in the national market, TSB was able to maintain its market share. TSB's contribution to Remgro's headline earnings was R94 million (2002: R55 million).

RAINBOW: Effective interest 54.5% (2002: 55.7%)

Rainbow Chicken Limited's (Rainbow) contribution to Remgro's headline earnings increased from R86 million in the previous year to R152 million in the period under review.

Its headline earnings grew by 77.9% from R154.7 million to R275.2 million on revenue which, including the impact of volume and mix improvements in feedmilling, breeding and boiler operations, increased by 23.8%, from R3.0 billion to R3.8 billion. The significant increase in revenue was predominantly attributable to the recovery of higher feed raw material input costs in sales prices.

Rainbow reported that its optimisation strategy, although in its early stages, is progressing as planned and benefits are already beginning to be realised in terms of both cost efficiencies and better realisations as a result of an enhanced product mix.

GENERAL REVIEW

AIR PRODUCTS: *Effective interest 50% (2002: 50%)*

Air Products South Africa (Proprietary) Limited's (Air Products) contribution to Remgro's headline earnings was R44 million compared to R42 million in the previous year.

In the year under review Air Products continued to experience strong growth in all the segments in which it operates following the commissioning of major capital projects the previous year.

DORBYL: *Effective interest 42.4% (2002: 42.6%)*

Dorbyl Limited's (Dorbyl) contribution to Remgro's headline earnings was R41 million (2002: R47 million). This contribution excludes special dividends amounting to R141 million declared by Dorbyl as a result of its disposal programme set out hereunder.

During the past year the core focus of Dorbyl has been considerably narrowed and to this end a significant number of disposals have been made. Dorbyl's interest in parts distributor Midas Limited was sold to a management consortium with effect from 1 June 2002. In addition, Dorbyl Engineering was sold to a management consortium with a black empowerment partner effective August/September 2002.

Due to the significant disposals referred to above, Dorbyl's turnover for the year ended 31 March 2003 declined by 34% to R2.9 billion, while operating income decreased by 15% to R143.8 million. The continuing operations, however, reflected significantly higher operating profits for the year when compared to those of the previous year.

Subsequent to 31 March 2003, Dorbyl disposed of its local Global Roofing Solutions division.

TOTAL SOUTH AFRICA: *Effective interest 34.4% (2002: 34.4%)*

Total South Africa (Proprietary) Limited's financial position has remained sound during its 2002 financial year and its retail market share continued to grow. Its contribution to Remgro's headline earnings was R95 million (2002: R92 million).

On 30 April 2003 a new economic empowerment grouping, Tosaco (Pty) Limited (Tosaco), effectively acquired a 25% shareholding of Total South Africa. This partnership was finalised after negotiations lasting more than a year. It was structured to ensure a sustainable transaction, compliant with the Petroleum and Liquid Fuels Charter on empowering historically disadvantaged South Africans, with specific emphasis on enhancing the Total South Africa value chain and empowering Tosaco in all aspects thereof with a strong operational involvement in the South African oil industry.

The three shareholders of Total South Africa prior to the transaction, which consisted of the French-based oil giant Total, Remgro and Old Mutual, also played a key role in facilitating this empowerment transaction. Total France reduced its equity stake to 50.1%, Remgro agreed to dilute its shareholding from 34.4% to 24.9%, and Old Mutual agreed to sell its 8% participation back to Total South Africa, thus making it possible for Tosaco to acquire 25% of Total South Africa's share capital.

MALBAK and NAMPAK

The merger between Malbak Limited (Malbak) and Nampak Limited (Nampak) was successfully concluded during August 2002. Since then Remgro's interest in Nampak has been 13.5%.

Malbak's results were equity accounted for the four months to 31 July 2002 and that of the enlarged Nampak for the eight months to 31 March 2003.

NAMPAK: *Effective interest 13.5% (2002: 0%)*

Nampak's contribution to Remgro's headline earnings was R88 million. Together with Malbak's earnings for the first four months, the packaging interests contributed R131 million for the year under review (2002: R101 million).

For the six months ended 31 March 2003 Nampak reported an increase in headline earnings of 56% to R468.9 million (2002: R301.3 million). During this period Nampak's divisions achieved overall real volume growth of approximately 2%. In South Africa the continuation of exports by its local businesses was a major contributor to this growth.

On 7 May 2003 it was announced that Nampak had sold its 51% interest in NamITech to Allied Technologies Limited for R522.5 million. This transaction is subject to a number of conditions, including approval of the competition authorities.

WISPECO: Effective interest 100% (2002: 100%)

Wispeco Holdings Limited's (Wispeco) contribution to Remgro's headline earnings was R28 million (2002: R27 million). It should however be noted that headline earnings for Wispeco's previous financial year included the creation of a deferred tax asset of R7.5 million (with a corresponding credit in its income statement), while that of the current year included a deferred tax expense amounting to R11.4 million.

Wispeco's profit before tax grew by 87.3% from R20.8 million to R39.0 million. Overall production efficiencies at Wispeco improved steadily, contributing towards satisfactory financial results.

MINING INTERESTS

Contribution to headline earnings:

- R322 million (2002: R306 million)
  - Increase 5.2%

Percentage of headline earnings:

- 7% (2002: 7%)

GENCOR: Effective interest 10.9% (2002: 10.9%)

Gencor Limited's (Gencor) contribution to Remgro's headline earnings was R223 million (2002: R231 million). These figures relate to Gencor's twelve months to 31 December 2002.

Gencor reported attributable profits of R927 million for the six months ended 31 December 2002 which was 9.5% lower than the R1 024 million achieved in the corresponding previous six months. This decrease was mainly due to the lower income from Impala Platinum Holdings Limited (Impala).

The unbundling of Gencor's interest in Impala by way of a dividend in specie was approved by Gencor's shareholders on 25 April 2003. Gencor shareholders received their Impala shares on 18 June 2003. In terms of the Listings Requirements of the JSE Securities Exchange South Africa, Gencor's listing will be suspended six months after the proposed unbundling. Remgro's interest in Impala will be approximately 5.0% and it will no longer be equity accounted.

TRANS HEX: Effective interest 41.1% (2002: 41.9%)

Trans Hex Group Limited's (Trans Hex) contribution to Remgro's headline earnings was R96 million (2002: R75 million).

Trans Hex's headline earnings increased by 29.9% from R176.7 million in 2002 to R229.6 million in 2003. Despite challenging world economic conditions, steady rough diamond demand with limited seasonal pricing variations contributed to record diamond sales of $104 million, being an increase of 27% in dollar terms over the previous year.

CORPORATE FINANCE AND OTHER INTERESTS

Contribution to headline earnings:

- R277 million (2002: R251 million)
  - Increase 10.4%

Percentage of headline earnings:

- 5% (2002: 6%)

CORPORATE: Effective interest 100% (2002: 100%)

The central treasury division's contribution to Remgro's headline earnings increased from R143 million to R152 million. This was mainly the result of higher interest rates than the previous year, as well as higher cash balances during the first half of the financial year.

Net corporate costs, including donations, increased by R6 million from R57 million in 2002 to R63 million in 2003.

MEDI-CLINIC: Effective interest 52.4% (2002: 52.3%)

Medi-Clinic Corporation Limited's (Medi-Clinic) contribution to Remgro's headline earnings was R191 million (2002: R158 million).

Medi-Clinic's turnover, which consists entirely of hospital fees levied, increased by 20% to R2 924 million (2002: R2 438 million), while headline earnings increased by 18% to R366 million (2002: R309 million) during the year under review.

On 1 December 2002 Medi-Clinic, in conjunction with Nozala Investments (Proprietary) Limited, Mvelaphanda Capital (Proprietary) Limited and Utlwanang Holdings (Proprietary) Limited (a consortium of black medical professionals), acquired

GENERAL REVIEW

the Curamed Group (Curamed). Curamed is a group of six Pretoria-based specialist hospitals comprising approximately 700 beds of which about 150 were commissioned in early June 2003. Medi-Clinic financed its black economic empowerment partners in this transaction on commercial terms to the amount of R49 million, pending external finance being granted.

In addition to the 9 million shares acquired during its previous financial year, Medi-Clinic acquired a further 2 million of its own shares during the year under review. These shares will be held in treasury and a total of 1 689 600 shares have already been utilised in terms of its share option scheme.

ACKNOWLEDGEMENT

To all of those who contributed to the performance 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.

In particular, we express our gratitude to Mr P J Erasmus who retired from the Board on 28 August 2002, for his valuable contribution over more than 45 years.

Johann Rupert **Thys Visser**

Stellenbosch
24 June 2003

INTRINSIC NET ASSET VALUE

AT 31 MARCH 2003

	Notes	Shares held million	Closing price	£ million	Exchange rate	31 March 2003 R million
Trade mark interests						
R&R Holdings				1 561.2	(12.4915)	19 502
– BAT ordinary shares		201.4	(591.5p)	1 191.5		
– BAT preference shares	1	40.3	(672.9p)	271.1		
– BAT dividends received/accrued	2			85.1		
– Other net assets				13.5		
Distell Group		58.7	(1 200c)			704
Financial services						
Absa Group		61.4	(2 940c)			1 805
FirstRand		520.7	(650c)			3 385
RMB Holdings		274.1	(930c)			2 549
Sage Group		10.8	(154c)			17
Sagecor	3					9
Industrial interests						
Rainbow		143.1	(325c)			465
TSB	3					1 009
Unilever Bestfoods Robertsons	3					1 442
Wispeco	3					186
Air Products South Africa	3					423
Dorbyl		14.0	(1 620c)			228
Henkel South Africa	3					13
Nampak		86.8	(1 150c)			998
Total South Africa	3					1 198
Mining interests						
Gencor		38.0	(3 500c)			1 330
Trans Hex Group		35.2	(1 700c)			599
Other interests						
Caxton		7.8	(556c)			43
Medi-Clinic		178.6	(750c)			1 339
Sundry investments and loans						229
Other net assets						143
Cash at the centre	4					1 639
Intrinsic value						39 255
Issued shares less shares repurchased (million)						510.4
INTRINSIC VALUE PER SHARE						R76.91

Notes

1. The BAT preference shares have been valued on the discounted present value method.
2. Remgro's share of the BAT dividends is repatriated to South Africa annually after year-end.
3. The unlisted investments are at directors' valuation.
4. Cash at the centre excludes cash held by subsidiaries and associates that are separately valued above.

CORPORATE GOVERNANCE

Remgro endorses, and is fully committed to comply with, the principles of the King Report's Code of Corporate Practices and Conduct.

The Company is an investment holding company. Reference to "the Company" also means the Company and its wholly-owned subsidiaries. It operates on a decentralised business model, as explained on page 1. Each entity in which the Company is invested has its own governance structures. In giving effect to its risk management responsibilities, Remgro has also approved the maintenance of a broader risk management review programme to ensure a coherent governance approach throughout the Group.

All the Company's listed subsidiaries and associated companies endorse the Code of Corporate Practices and Conduct where applicable. The Company encourages full compliance where possible and disclosure where not.

Board charter

The Board has adopted a formal charter which has been implemented to:

- identify, define and record the responsibilities, functions and composition of the Board, and to
- serve as a reference to new directors.

The charter has been endorsed by all directors of Remgro Limited.

Composition of the Board

Remgro has a fully functional board to lead and control the Group. The Board currently consists of five executive and ten non-executive directors of whom six are independent.

The Board shall not comprise fewer than four or more than sixteen directors or any other number as the directors may from time to time determine.

The roles of the chairman and the chief executive officer are separated. The chairman is a non-executive director but is not independent.

Board members are listed on pages 6 and 7.

Role and responsibilities

The Board is ultimately accountable for the performance and affairs of the Company. It provides strategic direction. In directing the Group, the Board exercises leadership, integrity and judgement based on fairness, accountability, responsibility and transparency so as to achieve continuing prosperity for the Group.

After approving operational and investment plans and strategies, the Board empowers executive management to implement these and to provide timely, accurate and relevant feedback on progress made.

The Board remains accountable for the overall success of the approved strategies, based on values, objectives and stakeholder requirements, and for the process and policy to ensure the integrity of risk management and internal controls. The Board is the focal point of the Group's corporate governance and is also responsible for ensuring that it complies with all relevant laws, regulations and codes of best business practices.

The Board is responsible for monitoring the operational and investment performance of the Group including relevant financial and non-financial aspects. It is also responsible for ensuring that procedures and practices are in place which will protect the Company's assets and reputation.

The Board has established the following subcommittees to assist it in discharging its duties and responsibilities:

- ***The Remuneration and Nomination Committee***, consisting of four non-executive directors, advises the Board on the remuneration of all directors and members of senior management and is responsible for succession planning. Additionally, it annually participates in evaluating the performance of directors, the effectiveness of the Board as well as that of the Audit and Risk Committee. The committee is also responsible for nominating directors. The chairman of the Board is chairman of this committee. The chief executive officer attends meetings only by invitation.

  The committee has a formal mandate and its effectiveness is judged by the Board in terms thereof.

  Directors do not have long-term contracts or exceptional benefits associated with the termination of services.
- ***The Audit and Risk Committee***, consisting of three non-executive directors and one executive director, reviews the adequacy and effectiveness of the following: the financial

reporting process; the system of internal control; the management of financial, investment, technological and operating risks; risk funding; the internal and external audit processes; the Company's process for monitoring compliance with laws and regulations; its own code of business conduct; and procedures implemented to safeguard the Company's assets. An independent non-executive director is chairman of the committee.

The committee has a formal mandate and its effectiveness is judged by the Board in terms thereof.

- ***The Executive Committee***, consisting of all five executive directors, meets regularly between Board meetings to deal with issues delegated by the main Board.

The Board is responsible for the appointment of new directors and for the orientation of new directors.

Non-executive directors are selected for their broader knowledge and experience and are expected to contribute effectively to decision-making and the formulation of policy.

Executive directors contribute their detailed insight to day-to-day operations enabling the Board to identify goals, provide direction and determine the feasibility of the strategies proposed. These directors are generally responsible for taking and implementing all operational decisions.

The Board annually reviews and assesses the mix of skills and experience offered by Board members as well as its composition in the light of the country's demographics to ensure that it is adequately equipped to achieve the Company's objectives and to create shareholder value over the long term.

Meetings and quorum

The articles of association requires three directors to form a quorum for Board meetings. A majority of members, preferably with significant representation of the non-executive directors, are required to attend all committee meetings.

The Remgro Board meets at least six times a year. The Audit and Risk Committee meets at least four times a year, and the Remuneration and Nomination Committee meets at least once a year.

Materiality and approval framework

Issues of a material or strategic nature, which can impact on the reputation of the Company, are referred to the Board. All other issues, as mandated by the Board, are dealt with at senior management level.

The minutes of all the committee meetings are circulated to the members of the Board. Issues that require the Board's attention or a Board resolution, are highlighted and included as agenda items for the next Board meeting.

Remuneration principles

The Company's policy that guides the remuneration of all directors and senior management is aimed at:

- retaining the services of existing directors and senior management
- attracting potential directors and senior managers
- providing directors and senior management with remuneration that is fair and just
- ensuring that no discrimination occurs
- recognising and encouraging exceptional and value-added performance

In line with these objectives, the Remuneration and Nomination Committee annually reviews and evaluates the performance of each director and member of senior management, and determines their annual salary adjustments. For this purpose it also refers to salary surveys compiled by independent organisations.

Duties of directors

The provisions of the Companies Act place certain duties on directors and stipulate that they should apply the necessary care and skill in fulfilling their duties. To ensure that this is achieved, best practice principles, as contained in the King Report on Corporate Governance for South Africa (King II), are applied.

The Companies Act does not differentiate between executive and non-executive directors and requires that the directors:

- prepare annual financial statements that fairly represent the Company's state of affairs and its profit or loss position for the period under review;
- select suitable accounting policies and apply them consistently;
- state whether applicable accounting standards have been followed; and
- make judgements and estimates that are reasonable and prudent.

CORPORATE GOVERNANCE

In terms of the legislation they also have a duty to:

- keep proper accounting records;
- take steps to safeguard the assets of the Company;
- prevent and detect fraud and other irregularities;
- implement a system of internal control and review its effectiveness;
- disclose conflicts of interest; and
- disclose information truthfully.

The Board is also responsible for formulating the Company's communication policy and to ensure that spokespersons adhere to it. This responsibility includes clear, balanced and truthful communication to shareholders and relevant stakeholders.

Conflicts

Mechanisms are in place to recognise, respond to and manage any potential conflicts of interest. Directors are required to sign, at least once a year, a declaration stating that they are not aware of any conflicts of interest that may exist due to their interest in or association with any other company. In addition, the Companies Act also requires directors to disclose interests in contracts that are of significance to the Company's business.

All information not disclosed publicly, which directors acquire in the performance of their duties, must be treated as confidential, and directors may not use, or appear to use, such information for personal advantage or for the advantage of third parties.

All directors of the Company are required to comply with the Remgro Code of Conduct and the requirements of the JSE Securities Exchange South Africa (JSE) regarding inside information, transactions and disclosure of transactions.

Company Secretary and professional advice

All directors are entitled to seek independent professional advice concerning the affairs of the Group, at the Company's expense.

All directors have unlimited access to the services of the Company Secretary, who is responsible to the Board for ensuring that proper corporate governance principles are adhered to. Board orientation or training is done when appropriate.

Going concern

The Board must at least once a year consider the going concern status of the Group with reference to the following:

- Net available funds and the liquidity thereof
- The Group's residual risk profile
- World economic events
- The following year's strategic/business plan and budgets
- The Group's current financial position

The Board, having reflected on the above, is satisfied that, for the year under review, it executed the required actions contained in the charter satisfactorily.

Risk management and internal control

Risk management is a process whereby specific risks are terminated, transferred or tolerated by means of the planning, implementing and controlling of activities and resources to minimise the impact of all risks to acceptable levels.

Internal control is a process to manage certain risks and to achieve efficiency and effectiveness of operations, sound financial controls and compliance with applicable laws and regulations. It provides reasonable, but not absolute, assurance against material misstatement and loss.

In addressing its risk management and internal control responsibilities the Board has formalised the practices adopted by Remgro in an Enterprise-wide Risk Management Methodology, which incorporates recognised control frameworks and the recommendations contained in King II. The Board has satisfied itself as to the effectiveness and efficiency of this process.

The Enterprise-wide Risk Management Methodology consists of the following six stages:

- ***Corporate governance***

An important part of Remgro's corporate governance strategy aims to exploit judiciously the opportunities presented to the Group in accordance with its risk appetite, whilst striving to increase the entity's capacity to retain risk whilst minimising its cost of risk.

Key to this is the communication, recommendation, support and implementation of appropriate strategies, policies, procedures and corporate values within the Group.

In defining the strategic plan for sustainable wealth creation, cognisance is taken of Remgro's risk appetite, which is influenced by economic cycles, global events, available assets, risk financing strategies, etc.

Group risk analysis

The purpose of the Group risk analysis is to, as far as possible and with the assistance of the various companies, determine and interpret the structures, interrelations and objectives of the various key activities of the entities within the Group. It is formally conducted annually and is subject to continuous review.

This analysis recognises objectives per key activity, identified risk, potential impact of such risks, probability of occurrence of the identified risks and the controls and procedures in place to timeously identify and respond to new emerging risks.

Activity risk assessment

The activity risk assessments are performed at key activity level to further refine the risk profile developed under the Group risk analysis.

This process includes prioritisation of analysed risks in terms of significance to objectives, benchmarking of existing controls to risk profiles and changes in the control environment.

Risk financing

It is Remgro's policy that the financing of residual risk takes place subsequent to the implementation of prudent risk management initiatives aimed at reducing exposure to acceptable levels in accordance with the Group's risk appetite.

In this regard, Remgro's strategy is to limit the risk financing activities to catastrophe levels only once adequate risk retention levels have been created.

Integrated assurance

Corporate governance models advocate the integration of internal and external audit initiatives. Over and above this, the Board wants to ensure that their initiatives are also integrated with the control measures related to management and other activities.

In this regard integrated assurance providers use Risk Minimiser® to ensure that these initiatives support the Group's Control Self-assessment Methodology.

The various assurance providers to the Board comprise:

- The Executive Committee, executive directors and senior management
- The Audit and Risk Committee

In addition to the responsibilities mandated by the Board in its charter to the Audit and Risk Committee in respect of the Company and its wholly-owned subsidiaries, the committee also aims, as far as possible, to be fully informed regarding effective risk management and internal control assurances processes of non-wholly-owned subsidiaries and associated companies.

If and when required, this committee will, through Remgro's representatives on those boards or through any other appropriate means, bring as much influence to bear as possible to have the responsible parties take the necessary corrective action.

Internal audit

The Company has an internal audit function which has been outsourced to the service company's Risk Management and Internal Audit department. It is an effective independent appraisal function and employs a risk-based audit approach, formally defined in line with the Institute of Internal Auditors' (IIA) definition of internal auditing in a charter approved by the Audit Committee.

The head of this department has direct access to the chairman of the Audit Committee as well as to the chairman of the Group. The head of this department is also the chairperson of the Group's Risk Management and Internal Audit Forum established to promote best practice throughout the Group.

External audit

The Company's external auditors attend all Audit Committee meetings and have direct access to the chairman of the Audit Committee. Their audit coverage is adequately integrated with the Internal Audit functions without their scope being restricted.

Other services provided by the auditing firm mainly comprise tax matters and are effected by a department independent to the audit partners.

CORPORATE GOVERNANCE

- Tax Committee

  The Tax Committee, which is a management committee consisting of senior officers and executive directors, meets regularly to attend to the implications of all relevant tax amendments with a view to ensure optimal tax planning and compliance with relevant legislation.

- Risk Funding Committee

  The Risk Funding Committee, which is a management committee, deals with pure risk, risk funding strategies and related matters.

Management of risk

Remgro and its service company, as well as various group companies, have selected Risk Minimiser® as the appropriate computerised risk management tool, using control self-assessment to manage the risks within its various core key activities.

Risk Minimiser® is designed to empower management, through control and risk self-assessment capability, to enable informed decision-making and plan for contingencies. The system confirms compliance with key controls, drives real-time risk profiles, reports incidents and non-compliances on an exception basis whilst distributing all relevant laws, policies and procedures to accountable management.

The process of risk management has also been incorporated into the daily activities of the service company. The system incorporates self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. It is subject to regular internal and external audit reviews.

The Company has a safety, security, health and environment committee addressing pertinent matters. The Company Secretary, along with the Group Risk Manager and the Tax Committee, addresses certain compliance risks.

The Audit and Risk 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 2003. 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 and Risk Committee has also satisfied itself that there are effective audit committees functioning at the Company's significant non-wholly-owned subsidiaries and associated companies.

HIV/Aids policy

During February 2003, the GLOBAL Reporting Initiative™ (GRI) published a resource document to serve as a reporting guidance on HIV/Aids. Because the GRI chose South Africa as the development area for this resource document, which will eventually become a technical protocol, Remgro chose it as its reporting standard on this matter.

From the perspective of an investment holding company, the risk of HIV/Aids comprises two elements, namely:

Group risk

Given the potential impact of HIV/Aids on the markets, on human capital cost of employment and on the operational processes of the various businesses invested in, this risk is managed within the governance structures of the various companies.

Remgro monitors the progress of these policies and strategies as against best practice standards.

Company risk

The service company, M&I Management Services (Proprietary) Limited (M&I), has a formal Aids policy and has committed itself to manage actively the pandemic, and the business risks associated with it. Its policy makes provision, inter alia, for the following:

- Compliance with all legal requirements as far as HIV/Aids is concerned
- No discrimination against employees or potential employees based on their HIV status
- Strict confidential treatment of information on the HIV status of employees
- General measures to prevent accidental infection

Remedi Medical Aid Scheme, of which most of M&I's staff are members, has a management plan for HIV/Aids and employees can participate in it by choice.

Dealings in securities

In accordance with the Listings Requirements of the JSE, the Company has adopted a code of conduct for insider trading. During the closed period directors and designated employees are prohibited from dealing in the Company's securities. The closed period endures from the end of a financial reporting period until the publication of financial results for that period. Additional closed periods may be declared from time to time if circumstances so warrant.

Group ethics

Dr Anton Rupert, the founding Chairman of the Rembrandt Group, which today includes Remgro Limited, more than 40 years ago drew up guidelines for doing business successfully. These included:

- Honesty
- Correctness
- Courtesy
- Service
- Mutual support
- Faith
- Transparency
- Integrity in all dealings with stakeholders
- Respect for company property, assets and the law

The above guidelines developed into what is today Remgro's value system. The Company fundamentally believes that these values incorporate the spirit whereby it strives to be a good corporate citizen. It furthermore believes that ethical behaviour stems from the values system communicated from and demonstrated by the Board of Directors.

Remgro's commitment to ethical behaviour is contained in the following widely published documents:

- Code of ethics
- Code of conduct
- Fraud prevention policy
- Internet policy
- Disciplinary code

The Board was responsible for the establishment and distribution of these documents with compliance being monitored by means of management structures, internal audit, and the Group's central forensic function including hotlines.

Access to information

Remgro complies with the regulations of the Promotion of Access to Information Act (Act No 2 of 2000) which ensure the constitutional right of access to information required for the exercising or protection of any rights.

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 16 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.

In accordance with the requirements of the Employment Equity Act, M&I Group Services submitted during the past year its third labour plan to the Department of Labour.

Because of the nature of its operations, to provide inter alia core services to Remgro, M&I's work force is characterised by the following:

- A high level of expertise within the top structure of the organisation and in various specialised divisions
- A young employee profile, especially with regard to management
- A low turnover rate of staff and, consequently, limited opportunities for new appointments

In view of the constraints inherent in an investment holding company, M&I has, from the outset, chosen a five-year period for its labour plan to allow sufficient time to add value to its labour force.

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 these, space and opportunity will always be created.

SUSTAINABILITY REPORT

SERVICE TO THE COMMUNITY

Corporate citizenship, namely the commitment of business to contribute to sustainable economic development, has always been part of our Group's business philosophy. This includes working with employees, their families, the local community and society at large to improve their quality of life.

The Company's viewpoint, as far as its business and its community service programme are concerned, is to make a meaningful contribution and to add value. Donations are often made over a term to provide beneficiaries with a measure of security. They are also not spread over such a broad area that the extent and effect become negligible.

In accordance with this approach, the Company is currently involved in the following projects and institutions:

ENTREPRENEURSHIP AND TRAINING

In partnership with VenFin, the Company has made a substantial investment in two notable educational and job creating projects: the *SA College for Tourism* at Graaff Reinet and the *Southern African Wildlife College* near the border of the Kruger National Park.

SA College for Tourism **–** This college, initiated by Dr Anton Rupert, was officially opened by the wife of the President, Mrs Zanele Mbeki, on 18 October 2002. She praised the College at Graaff Reinet for its initiative in creating career opportunities for black women in the age group 25 – 35.

The College was established as one of four pillars identified by the Peace Parks Foundation for a successful transnational park strategy to attract ever-increasing numbers of foreign tourists to Southern Africa. The pillar the College represents is accommodation – the training of students from previously disadvantaged communities for careers in the hospitality industry.

Last year 28 students followed courses in culinary arts; food and beverage studies; room division and front-of-house services; communication, marketing and tourism; entrepreneurship (business administration) and financial management. Three of the students were from Lesotho and the others from the Eastern Cape (12), Western Cape (6), Free State (3), Limpopo (2), Gauteng and KwaZulu-Natal.

South African Wildlife College **–** A report on the College's long-course programmes was published during the past year by two independent reviewers. It was most favourable.

Their research took them to 10 African countries. After interviewing 48 graduates and gathering information on approximately 20 others, it was found that 90% of the graduates had remained in the conservation field. Employers of these students recognised their training and increased their responsibilities, particularly in management areas. Positive results flowing from this recognition included the following: the establishment of an education centre for local schoolchildren, a library and a visitor centre (Zambia), the compilation and implementation of management plans for protected area management (Botswana and Kenya), and the development of conservation training programmes for communities (Mozambique and Zambia).

Scimathus **–** This is a project of the Institute for Mathematical and Science Teaching at the University of Stellenbosch. Its aim is to provide students from formerly disadvantaged communities with the opportunity to improve their efficiency in mathematics and science or accountancy in order to gain access to tertiary education.

Remgro is now in its third year of involvement with Scimathus and is grateful to report that the project has already made a difference in the lives of these students. The course is not without sacrifice on the part of the students. Some of them travel 90 km daily to attend classes.

Scimathus has set itself various goals, amongst which are: a well-functioning school with 60 black post-matric students; highly skilled teachers to guide the students and to engender a culture of learning among students so that, on completing the course, they will be able to enroll for degree programmes in the natural sciences, applied natural sciences and economic and management sciences at the University of Stellenbosch and other tertiary institutions.

SUSTAINABILITY REPORT

SERVICE TO THE COMMUNITY

Most of these goals have already been achieved and, thanks to the quality attention they received, many of last year's students were able to improve upon their matriculation results of the previous year.

ENVIRONMENT

WWF-South Africa – Remgro has been a corporate member of this conservation organisation since its establishment 35 years ago.

Over the past year WWF-SA has shifted its approach to a bigger focus on thematic programmes which include: oceans and coastal areas, freshwater, forests, grasslands, fynbos, succulent Karoo, species of special concern, toxics and environmental education.

The following are highlights of the past year:

- The most recent southern right whale survey (funded by The Green Trust for the second year in a row, and by WWF-SA for four years before that) indicated the highest number of whales ever seen in the 32-year history of the survey.
- WWF-SA hosted WWF's Africa and Madagascar Environmental Education Network meeting, which was attended by delegates from throughout Africa and Madagascar.
- The wild dog re-introduction project in Hluhluwe-Umfolozi continues successfully. Seven puppies were born last year.
- A total of R24 million of the required R30 million was raised for the Noordhoek Kommetjie wetlands to secure this missing link in the conservation spine of the Cape Peninsula.

CULTURAL DEVELOPMENT

Klein Karoo National Arts Festival (KKNK) – This festival is in its ninth year and Remgro's sponsorship of the festival in its third year. As a display window of the country's performing arts, the festival cannot be equalled.

In his sponsor's message to the festival, the Company's Chief Executive Officer said inter alia:

"It is a liberating thought that we are starting to realise that art has no colour. Of this, the Arts Festival is a worthy display window. It also serves as a mirror of society's hope, anxiety, despair and even feelings of guilt.

The value of such a festival for stimulating and weighing the beliefs and values of society, should not be underestimated. It can hardly be expected of artists to act as moral protectors or the conscience of society. However, their interpretation thereof can help to give perspective and a new dimension, and rid us of rigid stereotypes."

Parliamentary Millennium Project (PMP) – A donation has been made to this nation-building project that forms part of the South African and African Renaissance.

The project strives to create a common perspective and an acceptance of the realities in South Africa. It wants to build bridges of understanding and appreciation for the way in which everyone's experience of the past is helping to shape the present, with the ultimate goal of uniting all South Africans under the President's banner of *I am an African*, and to support the values embedded in the Constitution.

One of the pilot projects of the PMP was the exhibition, for the first time in public, of a digitalised version of the *Da Ming Hun Yi Tu*, a Chinese map of the entire continent of Africa, dating from 1389.

Stellenbosch Festival – In the 15th year of this festival, Remgro once again participated and sponsored a symphony concert by the Cape Philharmonic Orchestra, with Christopher Dowdeswell as conductor and Anton Nel as soloist.

The Festival enjoyed good publicity and an important contribution to the development of music was made through various workshops and master classes for students and pupils from all communities.

SPORT DEVELOPMENT

SA Golf Development Board (SAGDB) – Good progress has been made during the past year with the execution of the Board's business plan. Staff have been appointed to manage resources and to implement the proposed development strategy.

For the purpose of its activities, the SAGDB has divided the country into two manageable sections, which were again subdivided into ten regions. Of these regions Gauteng, Free State and Northern Cape, KwaZulu-Natal, Border and the Western Cape (including Boland) are fully operational. The Eastern Cape, Mpumalanga, Southern Cape, Limpopo and North West will become operational during 2003.

During the past year the Technikon Pretoria has assisted the SAGDB in drawing up a training programme for teachers of golf. This programme, comprising a three-year diploma course to be recognised by the South African Qualifications Board, will train teachers to teach golf to children.

Included in the teaching is a life skills programme incorporating the following core values: honesty, integrity, sportsmanship, respect, confidence, responsibility, perseverance, courtesy and judgement.

***Western Cape Cricket Academy* –** As founder-sponsor of the Academy, Remgro resumed its financial support of the Academy during the past year following BAT's withdrawal from the sponsorship.

The Academy, a joint undertaking between the Boland Cricket Board and the Western Province Cricket Association, is now in its tenth year and has reached, to a great extent, maturity as an institution. Long gone are the days of mutual rivalry between the two provinces. Good co-operation in the interest of cricket is now the overriding aim.

The Academy's relatively short history is characterised by many highlights, amongst which are the following: 20 players of the Boland Academy and 16 of the WP Academy have already been promoted to their respective provincial teams, while four players from the Boland and one from the WP have played for the SA national side.

At national level, especially after the World Cup Tournament, cricket is going through a process of reflection and introspection. Yet, at ground level, there can be peace of mind, especially in the Western Cape, where a solid foundation is being laid for players who, in future, could carry the flag at provincial and national level.

Community development

***Ikamva Labantu* –** In partnership with VenFin, Remgro is largely responsible for the administrative costs of this community organisation.

Ikamva Labantu has more than one thousand projects under its umbrella and the support it receives from Remgro and VenFin helps to give financial peace of mind to people who are at the frontline of poverty alleviation.

Commenting on this partnership in a recent report, Helen Lieberman, Director of Ikamva, said the following:

"This security has allowed us all to reach a point of development where we are able to be critical of our work, understand the need for transformation of the organisation and in doing so pledge to be more professional, effective and efficient."

"Thanks to this sponsorship," says Mr Sipho Puwani (Managing Director), "the organisation has stability; the staff members are motivated in the knowledge that there is sustainability; the organisation is focused on service delivery and identifying critical areas of intervention rather than striving for survival; and Ikamva now has the ability to attract and sustain competent staff."

Home-based care, school readiness programmes, child and family centres, skills development, care for senior citizens, special programmes for the disabled and the provision of wheelchairs are only a few of the many areas in which Ikamva Labantu is active.

***Organ Donor Foundation SA* –** The group from which Remgro developed has for 35 years been directly involved in the alleviation of health needs. From 1968 to 1993 it sustained financially a *Medical Shuttle Service* that provided medical assistance to Lesotho. During the 25 years the service was rendered, more than 5 000 operations were performed over weekends by volunteers from the medical profession in South Africa.

Since 1990 the Company has supported the *Gift of Life* programme of the Organ Donor Foundation of SA. Four flights, in which the staff of Falconair involve themselves with great distinction, are sponsored annually to transport life-giving organs for emergency operations.

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	31 March
Annual general meeting	26 August 2003
Financial reports	
Announcement of interim results	November
Interim report	December
Announcement of annual results	June
Annual financial statements	July
Dividends	
Interim dividend	
– declared	November
– paid	January
Final dividend	
– declared	June
– paid	August

Remgro
Limited

FINANCIAL REPORT
2003

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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 the requirements of the South African Companies Act, on the going concern basis and incorporate full and responsible disclosure. The annual financial statements are based upon appropriate accounting policies which are in accordance with those of the previous year and supported by reasonable and prudent judgements and estimates, with the exception of accounting for the Company's long-term share incentive scheme and the implementation of the South African Statement of Generally Accepted Accounting Practice, AC 433: Consolidation and equity method – Potential voting rights and allocation of ownership interests.

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
24 June 2003

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
24 June 2003

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 34 to 73 for the year ended 31 March 2003. 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 2003 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.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS

Registered Accountants and Auditors
Chartered Accountants (SA)

Stellenbosch
24 June 2003

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2003

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. Cash income is derived 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.

Results

Year ended 31 March:	**2003**	2002
Headline earnings (R million)	**4 914**	4 252
– per share (cents)	**945.8**	814.5
Basic earnings – net profit for the year (R million)	**8 744**	3 507
– per share (cents)	**1 682.9**	671.8
Dividends (R million)*	**1 295**	1 597
– ordinary – per share (cents)	**248.00**	206.00
– special – per share (cents)	**–**	100.00

* *The final dividend of 160 cents (2002: 133 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements.*

Investments

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

R&R Holdings SA, Luxembourg (R&R)

R&R owns 604.3 million ordinary shares and 120.9 million convertible redeemable participating preference shares in British American Tobacco Plc (BAT). The preference shares are to be redeemed for cash at a fixed price of 675 pence per share on 7 June 2004 unless sold prior to that date, in which case the preference shares would automatically convert to ordinary shares in BAT.

In January 2003, R&R issued call warrants, listed on the Luxembourg Stock Exchange, that give the holder of each warrant the right to receive from R&R one ordinary share in BAT on 28 May 2004, upon payment of 675 pence. The issue of the call warrants therefore irrevocably commits R&R to dispose of the BAT preference shares, either as a consequence of the exercise of the warrants or through the redemption of the shares by BAT. The call warrants realise the value of the option rights embedded in the preference shares.

Reflecting the finite life of the BAT preference share interest, R&R has, with effect from January 2003, accounted for these shares as debt rather than as an equity interest, carrying the preference shares at the discounted present value of the 675 pence receivable in June 2004, together with the present value of estimated dividends receivable thereon. The reclassification of the investment in BAT preference shares has resulted in R&R reporting an exceptional profit, i.e. the difference between the valuation and book value. Remgro's share of this profit amounts to R3 204.4 million and was accounted for as an exceptional item. For the nine months ended 31 December 2002, R&R's effective interest in BAT, reflecting the holding of both ordinary and preference shares, was 31.5%. For the three-month period ended 31 March 2003, R&R has accounted for its 27.9% effective interest in BAT ordinary shares under the equity method and, in respect of the preference shares, has recorded the movement in the present value of the shares as investment income. This is further elaborated on in the Tobacco section of the General Review.

Purchase of Remgro shares

During the year under review, Remgro's wholly-owned subsidiary company, Remgro Investments (Proprietary) Limited, acquired 11 616 128 ordinary shares for a total amount of R704.4 million or R60.64 per share. This represents 2.4% of the issued ordinary shares and are held as treasury shares.

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's unbundling were sold for R110.6 million during May 2002. The transaction realised an after-tax capital surplus of R77.1 million which was accounted for as an exceptional item.

FirstRand Limited (FirstRand)

During May 2002 a further investment of R111 million was made in FirstRand. Since then Remgro's direct interest in FirstRand amounts to 9.6%.

Malbak Limited (Malbak)

The scheme of arrangement between Malbak and its shareholders was sanctioned by the High Court of South Africa on 14 August 2002. In terms of this arrangement, Remgro received 74 374 104 Nampak Limited (Nampak) shares and R167.7 million in cash in exchange for its Malbak shares. The transaction realised an after-tax capital surplus of R310.4 million which was accounted for as an exceptional item. During August 2002 Remgro made a further investment of R159.0 million in Nampak. Since then Remgro's interest in Nampak amounts to 13.5%.

Malbak's results were equity accounted for the four months to 31 July 2002 and that of the enlarged Nampak for the eight months to 31 March 2003.

Universa (Proprietary) Limited (Universa)

On 20 August 2002 the Mine Employees Pension Fund and Sentinel Mining Industry Retirement Fund (collectively, the MPFs), Sage Group Limited (Sage) and Financial Securities Limited (FSL), a wholly-owned subsidiary of Remgro, (collectively, the Universa shareholders) and Sanlam Limited (Sanlam) announced that they had restructured the agreements between them in respect of their interests in Absa Group Limited (Absa). In addition, FSL, the MPFs and Sanlam have entered into a new Absa shareholders' agreement. Sage elected to withdraw from the previous Absa shareholders' agreement and no longer participates in the new Absa shareholding pool.

The unbundling of Universa's shareholding in Absa was finalised on 8 November 2002. An application for the voluntary liquidation of Universa was submitted on 22 January 2003. Remgro has a direct interest in Absa of 9.4%.

Hunt Leuchars & Hepburn Holdings Limited (HL&H)

The schemes of arrangement in terms of which Industrial Partnership Investments Limited (IPI), a wholly-owned subsidiary of Remgro, acquired all the ordinary and preference shares in HL&H not held by it, were sanctioned by the High Court of South Africa on 22 October 2002.

The listing of HL&H shares on the JSE Securities Exchange South Africa (JSE) was terminated on 28 October 2002. In terms of the schemes of arrangement, IPI acquired 60.0 million HL&H ordinary shares and 37.9 million HL&H preference shares on 4 November 2002 for a total consideration of R985.6 million. HL&H has since been a wholly-owned subsidiary of Remgro.

Robertsons Holdings (Proprietary) Limited (Robertsons)

During 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.

The new Unilever Bestfoods Robertsons (UBR) venture, in which Robertsons holds 41%, was established with effect from 1 April 2002. From that date the interest in UBR has been equity accounted for. In the past the interest in the former Bestfoods Robertsons joint venture was consolidated proportionately.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2003

Medi-Clinic Corporation Limited (Medi-Clinic)

The interest in Medi-Clinic on 31 March 2003 was 52.4%. Previously the interest in excess of 50% was considered to be temporary due to personnel options not yet exercised which could dilute the interest to below 50%. Because of the purchase of shares by Medi-Clinic this expected dilution will probably not take place and therefore, from 1 April 2002, Medi-Clinic has been consolidated as a subsidiary company.

Subsequent to the year-end:

Total South Africa (Proprietary) Limited

An empowerment transaction was announced recently. On 30 April 2003 the shareholders of Total South Africa, namely Total France, Remgro and Old Mutual, restructured their shareholding and Total South Africa issued 25% of its voting capital to Tosaco (Proprietary) Limited (Tosaco) in exchange for cash. Total France now holds 50.1%, Remgro 24.9% and Tosaco 25.0% of Total South Africa.

Gencor Limited (Gencor)

The unbundling of Gencor's interest in Impala Platinum Holdings Limited (Impala) by way of a dividend in specie was approved by Gencor's shareholders on 25 April 2003.

Gencor shareholders received their Impala shares on 18 June 2003. In terms of the Listings Requirements of the JSE, Gencor's listing will be suspended six months after the proposed unbundling. Remgro's interest in Impala will be approximately 5.0% and it will no longer be equity accounted.

Sage Group Limited (Sage)

On 9 April 2003 Sage announced that the company plans to raise additional capital to the amount of R350 million.

This will be accomplished by an issue of shares to a consortium of investors, represented by, and including, AVASA Holdings Limited, as well as a rights issue to all shareholders of Sage.

Remgro's maximum exposure in terms of the underwriting agreement amounts to R92.5 million.

GROUP FINANCIAL REVIEW

Prior year adjustments

Changes in accounting policy

The accounting policy in respect of the Company's long-term share incentive scheme (the "scheme") has been changed.

In the past, the diluted headline and basic earnings per share were based on the weighted number of shares in issue after adjustment for the dilutive effect of shares which were to be issued to participants in the scheme. The trustees of the Share Trust subsequently decided rather to acquire shares in the open market and 3 950 000 shares were purchased for an amount of R277 million in June 2002 for this purpose.

The estimated cost of the scheme, after taking into account dividends received on the relevant shares, is accounted for against income and headline earnings on a straight-line basis over a four-year period with a corresponding credit to equity. The comparative figures have been restated in respect of the portion attributable to the expired periods. The effect of the change in accounting policy on headline earnings and headline earnings per share was as follows:

Headline earnings	31 March 2002 R million
Previously reported	4 277
Net scheme cost for the year	(25)
Restated headline earnings	4 252

Net scheme cost for the year to 31 March 2003 amounts to R16 million.

Headline earnings per share	31 March 2002 Cents
Previously reported	819.3
Net scheme cost for the year	(4.8)
Restated headline earnings per share	814.5

Net scheme cost per share for the year to 31 March 2003 amounts to 3.1 cents.

AC 433

During the year under review the Company implemented AC 433: Consolidation and equity method – Potential voting rights and allocation of ownership interests. The effect on earnings for the year ended 31 March 2002 was not material, therefore the comparative income statement has not been restated.

Comparability

Certain balance sheet and income statement items are not directly comparable with those of the prior financial year due to:

a) the consolidation of Medi-Clinic as a subsidiary company from 1 April 2002. Previously it was equity accounted as an associated company, and

b) the equity accounting of the interest in Unilever Bestfoods Robertsons from 1 April 2002. Previously the interest in the former Bestfoods Robertsons joint venture was proportionately consolidated.

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.

	2003		2002	
	R million	**R per share**	R million	R per share
Equity employed				
Interest of own members	**27 809**	**54.49**	24 062	46.10
Employment of equity				
Trade mark interests	**10 001**	**19.59**	8 117	15.55
Financial services	**8 735**	**17.11**	8 222	15.75
Industrial interests	**5 877**	**11.52**	4 158	7.97
Mining interests	**866**	**1.70**	748	1.43
Corporate finance and other interests	**2 330**	**4.57**	2 817	5.40
	27 809	**54.49**	24 062	46.10

Income statement

	2003		2002	
	R million	**%**	R million	%
Source of headline earnings				
Trade mark interests	**2 498**	**51**	2 167	51
Financial services	**1 121**	**23**	958	23
Industrial interests	**696**	**14**	570	13
Mining interests	**322**	**7**	306	7
Corporate finance and other interests	**277**	**5**	251	6
	4 914	**100**	4 252	100

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2003

	2003 R million	2002 R million
Composition of headline earnings		
Subsidiary companies and joint ventures	**600**	389
Profits	**605**	395
Losses	**(5)**	(6)
Associated companies	**4 314**	3 863
Profits	**4 316**	3 914
Losses	**(2)**	(51)
	4 914	4 252

Company net profit and appropriation

	2003 R million	2002 R million
The Company's own distributable reserves at the beginning of the year amounted to	**8 000**	7 350
Net profit for the year	**1 352**	1 584
Dividend No 4 of 133.00c per share paid in August 2002 (2001: 106.00c)	**(694)**	(553)
Special dividend of 100.00c per share paid in August 2002	**(522)**	–
Dividend No 5 of 88.00c per share paid in January 2003 (2002: 73.00c)	**(460)**	(381)
The Company's own distributable reserves carried forward to the following year amounted to	**7 676**	8 000

Share scheme

During the year the trustees of the Remgro Share Scheme (the "scheme") offered ordinary shares to participants as follows: (Also refer note 27)

Date	**Offer price (Rand)**	**Number of shares offered**	**Number of shares accepted on 31 March 2003**
02/04/2002	63.00	11 169	11 169
03/06/2002	69.80	8 181	2 722
01/07/2002	69.40	1 361	1 361
01/08/2002	68.00	4 868	4 868
25/11/2002	68.50	321 204	–
02/12/2002	66.20	1 736	–
23/01/2003	63.00	383 896	–
		732 415	20 120

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

	Average offer price (Rand)	**Number of shares**
Ordinary shares offered and accepted:		
Previous financial year	44.31	3 952 638
Offered and accepted in current financial year	65.56	20 120
Offered in previous financial year and accepted in current financial year	63.11	24 123
Resignations		(32 198)
Total accepted as at 31 March 2003	44.53	3 964 683

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 payable only 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 (Rembrandt Trust) 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 16 to the annual financial statements.

Principal shareholder

Rembrandt Trust 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 4.

Subsidiary companies and investments

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

Directors

On 28 August 2002, Mr P J Erasmus retired as a non-executive director.

The names of the directors appear on pages 6 and 7.

In terms of the provision of the articles of association, Messrs D M Falck, J F Mouton, F Robertson, J P Rupert and P G Steyn retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

The following directors of the Company serve on committees of the Board:

Audit and Risk Committee:	Messrs P G Steyn, D M Falck, J F Mouton and F Robertson.
Remuneration and Nomination Committee:	Messrs J P Rupert, P K Harris, J F Mouton and F Robertson.

On 28 August 2002, Mr P J Erasmus retired as chairman of the Audit Committee and as member of the Remuneration Committee. On 28 August 2002, Mr P G Steyn was appointed chairman of the Audit Committee.

Directors' interests

At 31 March 2003 the aggregate of the direct and indirect interests of the directors in the issued ordinary share capital of the Company amounted to 0.63% (2002: 0.63%).

Mr J P Rupert is a director of Rembrandt Trust which owns all the issued unlisted B ordinary shares.

An analysis of directors' interests in the issued capital of the Company appears on page 5.

Directors' emoluments

The Board recommends that directors' fees for services rendered as directors during the past financial year be fixed at R900 420 (2002: R499 000).

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 Listings Requirements of the JSE.

Special resolutions to this effect are incorporated in the notice of the annual general meeting that appears on page 75.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2003

DIVIDENDS

Dividend No 6

A final dividend of 160 cents (2002: 133 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 2003.

Together with the interim dividend of 88 cents (2002: 73 cents) per share paid during January 2003, total dividends for the financial year amounted to 248 cents (2002: 206 cents) per share.

Payment

The final dividend is payable to shareholders of the Company registered at the close of business on Friday, 15 August 2003.

On payment date, Monday 18 August 2003, 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 paid through the STRATE system.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 11 August 2003, and Friday, 15 August 2003, both days inclusive.

SECRETARY

The name and address of the Company Secretary appears on page 74.

APPROVAL

The annual financial statements set out on page 34 to 73 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
24 June 2003

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2003

The annual financial statements are prepared mainly on the historical cost basis in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act and incorporate the following principal accounting policies which are consistent in all respects with those of the previous year, with the exception of accounting for the Company's long-term share incentive scheme and the implementation of the South African Statement of Generally Accepted Accounting Practice, AC 433: Consolidation and equity method – Potential voting rights and allocation of ownership interests:

(I) Consolidation, proportionate consolidation and equity accounting

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.

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.

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

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 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. 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.

Agricultural development costs – Agricultural development costs consist of planting and other development costs of sugar cane and other crops. These costs are capitalised in the first year of planting and depreciated on a straight-line basis over their expected useful lives. 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 written-off amounts are accounted for in normal income.

(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.

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 written-off amounts are accounted for in normal income.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2003

(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, not exceeding 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.

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 expensed and the liabilities 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.

(xiv) Treasury shares

Shares in the Company held by a wholly-owned subsidiary company are classified as treasury shares and are held at cost. These shares are treated as a deduction from the issued number of shares and taken into account in the calculation of the weighted average number of shares. The cost price of the shares is deducted from the Group's equity.

(xv) Long-term share incentive scheme

The estimated cost of the scheme, after taking into account dividends received on the relevant shares, is accounted for against income and headline earnings on a straight-line basis over a four-year period with a corresponding credit to equity.

BALANCE SHEETS

AT 31 MARCH 2003

	Notes	Consolidated 2003 R million	Consolidated 2002 R million	The Company 2003 R million	The Company 2002 R million
Assets					
Non-current assets					
Property, plant and equipment	1	3 255	2 063	–	–
Investment properties	2	22	20	–	–
Goodwill and trade marks	3	3 361	2 687	–	–
Investments – Associated companies	4	19 844	16 984	–	–
– Other	5	109	115	7 685	8 009
Loans	6	326	12	–	–
Deferred taxation	20	84	17	–	–
		27 001	21 898	7 685	8 009
Current assets		4 075	4 435	2	1
Inventories	7	676	616	–	–
Trade and other receivables		1 094	1 117	–	–
Taxation		19	5	2	1
Cash and cash equivalents		2 286	2 697	–	–
Total assets		31 076	26 333	7 687	8 010
Equity and liabilities					
Capital and reserves					
Issued capital	8	8	8	8	8
Reserves	9	28 505	24 054	7 676	8 000
Treasury shares	8	(704)	–	–	–
Interest of own members		27 809	24 062	7 684	8 008
Minority interest		1 583	929		
Total shareholders' equity		29 392	24 991	7 684	8 008
Non-current liabilities		358	244	–	–
Retirement benefits	10	103	74	–	–
Long-term interest-bearing loans	11	140	41	–	–
Deferred taxation	20	115	129	–	–
Current liabilities		1 326	1 098	3	2
Trade and other payables		929	859	3	2
Short-term interest-bearing loans	12	73	110	–	–
Provisions	13	180	82	–	–
Taxation		144	47	–	–
Total equity and liabilities		31 076	26 333	7 687	8 010

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

	Notes	Consolidated 2003 R million	Consolidated 2002 R million	The Company 2003 R million	The Company 2002 R million
Revenue	14	11 212	8 441	1 356	1 589
Operating profit	15 & 17	1 262	792	1 352	1 584
Finance costs		(45)	(58)	–	–
Profit from normal operations		1 217	734	1 352	1 584
Amortisation of goodwill	18	(166)	(138)		
Impairment of assets		(24)	–		
Exceptional items	19	1 245	(20)	–	–
Profit before tax		2 272	576	1 352	1 584
Taxation	20	(302)	(173)	*	*
Profit after taxation of the Company and its subsidiaries		1 970	403	1 352	1 584
Share of after-tax profit of associated companies	21	7 262	3 255		
Profit from normal operations		4 421	3 881		
Amortisation of goodwill	18	(308)	(276)		
Impairment of assets		(63)	–		
Exceptional items	19	3 212	(350)		
Group profit after tax		9 232	3 658	1 352	1 584
Minority interest	22	(488)	(151)		
Net profit for the year		8 744	3 507	1 352	1 584

* *Amount smaller than R500 000*

Reconciliation of headline earnings:

	Notes	2003 R million	2002 R million
Basic earnings – net profit for the year		8 744	3 507
Plus/(minus) – portion attributable to own members:			
– Amortisation of goodwill	18	473	414
– Impairment of assets		72	–
– Exceptional items		(4 354)	351
– Net surplus, after taxation, on the disposal of property, plant and equipment		(21)	(35)
– Other		–	15
Headline earnings		4 914	4 252
Earnings per share		Cents	Cents
Headline earnings per share	23	945.8	814.5
Basic earnings per share	23	1 682.9	671.8

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2003

CONSOLIDATED

	Issued capital R million	Equity accounted reserves R million	Other non-distributable reserves R million	Distributable reserves R million	Treasury shares R million	Total R million
2003						
Balances at 1 April – as previously reported	8	11 834	229	11 976	–	24 047
Prior year adjustments		26	41	(52)		15
Adjusted balances at 1 April	8	11 860	270	11 924	–	24 062
Net profit for the year				8 744		8 744
Dividends paid				(1 674)		(1 674)
Exchange rate adjustments		(1 718)	(16)	(451)		(2 185)
Change in interests in subsidiary companies, associated companies and joint ventures		–	(22)	(1)		(23)
Change in reserves of associated companies and other reserves		(445)	–	9		(436)
Transfer of income of associated companies retained		4 680		(4 680)		–
Other transfers between reserves		(558)	363	195		–
Purchase of shares by wholly-owned subsidiary (treasury shares)					(704)	(704)
Long-term share incentive scheme reserve		–	25			25
Balances at 31 March	**8**	**13 819**	**620**	**14 066**	**(704)**	**27 809**
2002						
Balances at 1 April – as previously reported	8	7 992	151	11 236	–	19 387
Prior year adjustments		–	12	(33)		(21)
Adjusted balances at 1 April	8	7 992	163	11 203	–	19 366
Net profit for the year				3 507		3 507
Dividends paid				(934)		(934)
Exchange rate adjustments		1 996	98	37		2 131
Change in interests in subsidiary companies, associated companies and joint ventures		86	(30)	5		61
Change in reserves of associated companies and other non-distributable reserves		(89)	(5)	–		(94)
Transfer of income of associated companies retained		1 844		(1 844)		–
Other transfers between reserves		31	19	(50)		–
Long-term share incentive scheme reserve			25			25
Balances at 31 March	8	11 860	270	11 924	–	24 062

THE COMPANY

	2003 R million	2002 R million
Balances at 1 April	8 008	7 358
Issued capital	8	8
Distributable reserves	8 000	7 350
Net profit for the year	1 352	1 584
Dividends paid	(1 676)	(934)
Balances at 31 March	**7 684**	8 008

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

	Notes	Consolidated 2003 R million	Consolidated 2002 R million	The Company 2003 R million	The Company 2002 R million
Cash flows – operating activities					
Net operating profit before taxation		2 272	576	1 352	1 584
Adjustments	24.1	(1 105)	249	(1 352)	(1 584)
Operating profit before working capital changes		1 167	825	–	–
Working capital changes	24.2	(117)	(207)	1	1
Cash generated from operations		1 050	618	1	1
Cash flow generated from returns on investments		2 542	1 697	1 352	1 584
Interest received		372	235	–	–
Interest paid		(45)	(58)	–	–
Dividends received	24.3	2 215	1 520	1 352	1 584
Taxation (paid)/received	24.4	(220)	(111)	(1)	1
Cash available from operating activities		3 372	2 204	1 352	1 586
Dividends paid	24.5	(1 773)	(968)	(1 676)	(934)
Cash inflow/(outflow) from operating activities		1 599	1 236	(324)	652
Cash flows – investing activities					
Net investments to maintain operations		(99)	(18)	–	–
Replacement of property, plant and equipment		(128)	(40)	–	–
Proceeds on disposal of property, plant and equipment		29	22	–	–
Investments to expand operations		(1 870)	(231)	–	–
Additions to – property, plant and equipment		(262)	(145)	–	–
– investments and loans		(622)	(86)	–	–
Buy-out of subsidiary company's minorities		(986)	–	–	–
Proceeds from disposal of investments and business		576	48	–	–
Proceeds from disposal of – investments		365	48	–	–
– business		211	–	–	–
Cash acquired on acquisition of business		154	–	–	–
Purchase of treasury shares		(704)	–	–	–
Net cash generated/(utilised) before financing activities		(344)	1 035	(324)	652
Cash flows– financing activities		(82)	(158)	324	(652)
(Increase)/decrease in loans to subsidiary companies		–	–	324	(652)
Issue of new shares by subsidiary companies		9	–	–	–
Capital contributed by minorities of subsidiary company		14	–	–	–
Decrease in interest-bearing debt		(98)	(158)	–	–
Buy-back of own shares by a subsidiary company		(7)	–	–	–
Net increase/(decrease) in cash and cash equivalents		(426)	877	–	–
Cash and cash equivalents at the beginning of the year		2 677	1 800	–	–
Cash and cash equivalents at the end of the year		2 251	2 677	–	–
Cash and cash equivalents – per balance sheet		2 286	2 697		
Bank overdraft		(35)	(20)		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

1. Property, plant and equipment

	2003 Cost R million	2003 Accumulated depreciation R million	2003 Net value R million	2002 Cost R million	2002 Accumulated depreciation R million	2002 Net value R million
Land and buildings	**1 868**	**169**	**1 699**	914	190	724
Capital expansion in progress	**207**	**–**	**207**	60	–	60
Machinery and equipment	**2 441**	**1 286**	**1 155**	2 206	1 079	1 127
Vehicles	**92**	**62**	**30**	141	93	48
Office equipment	**155**	**98**	**57**	3	2	1
Agricultural development costs	**132**	**25**	**107**	123	20	103
	4 895	**1 640**	**3 255**	3 447	1 384	2 063

Depreciation rates are as follows:	**2003 %**	2002 %
Buildings	**2 – 10**	2 – 10
Machinery and equipment	**4 – 33⅓**	4 – 33⅓
Vehicles	**7½ – 33⅓**	7½ – 33⅓
Office equipment	**10 – 33⅓**	8⅓ – 33⅓
Agricultural development costs	**4 – 10**	4– 10

Reconciliation of carrying value at the beginning and end of the year	*Land and buildings* R million	*Machinery and equipment* R million	*Agricultural development costs* R million	**2003 R million**	2002 R million
Balances at 1 April – as previously reported	**784**	**1 176**	**96**	**2 056**	2 007
Prior year adjustments	**–**	**–**	**7**	**7**	5
Adjusted balances at 1 April	**784**	**1 176**	**103**	**2 063**	2 012
Medi-Clinic*	**1 113**	**233**	**–**	**1 346**	–
Bestfoods Robertsons joint venture**	**(223)**	**(235)**	**–**	**(458)**	–
Additions	**156**	**224**	**8**	**388**	191
Disposals	**(13)**	**(16)**	**–**	**(29)**	(17)
Depreciation	**(19)**	**(182)**	**(5)**	**(206)**	(189)
Businesses acquired	**121**	**36**	**–**	**157**	–
Businesses disposed	**(1)**	**(8)**	**–**	**(9)**	–
Other	**(12)**	**14**	**1**	**3**	66
Balances at 31 March	**1 906**	**1 242**	**107**	**3 255**	2 063

* *Medi-Clinic, previously equity accounted, was consolidated from 1 April 2002.*
** *Bestfoods Robertsons, previously proportionately consolidated, was equity accounted from 1 April 2002.*

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by property, plant and equipment with a book value of R561 million (2002: R452 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.

2. Investment properties

	2003 Cost R million	2003 Accumulated depreciation R million	2003 Net value R million	2002 Cost R million	2002 Accumulated depreciation R million	2002 Net value R million
Land	3	–	3	3	–	3
Buildings	25	6	19	23	6	17
	28	6	22	26	6	20

Depreciation rates are as follows:	2003 %	2002 %
Buildings	2	2

Reconciliation of carrying value at the beginning and end of the year	Land R million	Buildings R million	2003 R million	2002 R million
Balances at 1 April – as previously reported	3	17	20	26
Prior year adjustments	–	–	–	(6)
Adjusted balances at 1 April	3	17	20	20
Additions	–	2	2	*
Balances at 31 March	3	19	22	20

* *Amount smaller than R500 000*

The investment properties were valued during the year by an independent qualified valuer. The fair value of the investment properties, VAT inclusive, is R238 million (1999 valuation: R86 million).

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

	2003 Cost or valuation R million	2003 Accumulated amortisation R million	2003 Net value R million	2002 Cost or valuation R million	2002 Accumulated amortisation R million	2002 Net value R million
Goodwill	3 657	305	3 352	2 759	138	2 621
Trade marks	68	59	9	146	80	66
	3 725	364	3 361	2 905	218	2 687

Amortisation rates are as follows:	2003 %	2002 %
Goodwill	5	5
Trade marks	5 – 6⅔	5 – 6⅔

Reconciliation of carrying value at the beginning and end of the year	Goodwill R million	Trade marks R million	2003 R million	2002 R million
Balances at the beginning of the year	2 621	66	2 687	2 834
Medi-Clinic**	12	6	18	–
Bestfoods Robertsons joint venture***	–	(31)	(31)	–
Additions	864	–	864	*
Disposals	*	–	*	(1)
Amortisation	(166)	(6)	(172)	(147)
Impairment	–	(21)	(21)	–
Businesses acquired	21	–	21	–
Businesses disposed	–	(5)	(5)	–
Other	–	–	–	1
Balances at the end of the year	3 352	9	3 361	2 687

* *Amount smaller than R500 000*
** *Medi-Clinic, previously equity accounted, was consolidated from 1 April 2002.*
*** *Bestfoods Robertsons, previously proportionately consolidated, was equity accounted from 1 April 2002.*

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FOR THE YEAR ENDED 31 MARCH 2003

4. INVESTMENTS – ASSOCIATED COMPANIES

(Annexures B & C)

	2003			2002		
	Listed	***Unlisted***	**Total**	*Listed*	*Unlisted*	Total
	R million	**R million**	**R million**	R million	R million	R million
Shares – at cost less goodwill	**4 405**	**750**	**5 155**	4 466	359	4 825
Equity adjustment	**3 288**	**10 578**	**13 866**	2 326	9 781	12 107
Carrying value	**7 693**	**11 328**	**19 021**	6 792	10 140	16 932
Debentures and long-term loans	**–**	**823**	**823**	–	52	52
	7 693	**12 151**	**19 844**	6 792	10 192	16 984
Market values of listed investments	**10 911**		**10 911**	10 786		10 786
Directors' valuation of unlisted investments		**23 369**	**23 369**		30 895	30 895
Market values and directors' valuation	**10 911**	**23 369**	**34 280**	10 786	30 895	41 681
Excess of market values and directors' valuation over the book value of investments and appropriate goodwill:						
– attributable to own members			**11 396**			22 076
– attributable to minority			**16**			–
			11 412			22 076

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R20 216 million (2002: R29 070 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

	2003	2002
	R million	R million

5. INVESTMENTS – SUBSIDIARY COMPANIES AND OTHER

(Annexures A & B)

5.1 The Company

	2003 R million	2002 R million
Unlisted subsidiary companies and other:		
Advances and loans	**7 685**	8 009

5. INVESTMENTS – SUBSIDIARY COMPANIES AND OTHER (continued)

	2003 Listed R million	2003 Unlisted R million	2003 Total R million	2002 Listed R million	2002 Unlisted R million	2002 Total R million
5.2 Consolidated						
Investments – other						
Shares – at cost	**44**	**65**	**109**	50	65	115
Market values of listed investments	**47**		**47**	136		136
Directors' valuation of unlisted investments		**74**	**74**		73	73
Market values and directors' valuation	**47**	**74**	**121**	136	73	209
Excess of market values and directors' valuation over the book value of investments:						
– attributable to own members			**12**			94
– attributable to minority			**–**			*
			12			94

** Amount smaller than R500 000*

	2003 R million	2002 R million

6. LOANS

Loan to Remgro Share Trust	**277**	–
Other	**49**	12
	326	12

7. INVENTORIES

Raw materials	**510**	387
Finished products	**117**	164
Work in progress	**2**	11
Consumable stores	**47**	54
	676	616

8. 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 (2002: 486 493 650) ordinary shares of 1 cent each	**4.9**	4.9
35 506 352 (2002: 35 506 352) B ordinary shares of 10 cents each	**3.5**	3.5
	8.4	8.4

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FOR THE YEAR ENDED 31 MARCH 2003

8. SHARE CAPITAL *(continued)*

Each ordinary share has one vote.
Each B ordinary share has ten votes.

Number of shares held in treasury by a wholly-owned subsidiary (ordinary shares of 1 cent each): 11 616 128 (2002: Nil).

The unissued capital of the Company consists of 26 000 000 ordinary shares and 5 000 000 B ordinary shares. These shares were placed under the control of the Board of Directors.

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

9. RESERVES

9.1 Composition of reserves

	2003 R million	2002 R million
The Company:		
Distributable reserves	**7 676**	8 000
Subsidiary companies and joint ventures	**7 010**	4 194
Non-distributable reserves	**620**	270
Distributable reserves	**6 390**	3 924
Associated companies:		
Non-distributable reserves	**13 819**	11 860
	28 505	24 054
Statutory non-distributable reserves included in	**404**	521
General capital reserves	**9**	9
Equity accounted reserves	**395**	512

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

	General capital reserves **R million**	*Equity accounted reserves* **R million**	*Unappropriated profit* **R million**	**2003 Total R million**	2002 Total R million
Balances at 1 April	143	4 512	(21)	**4 634**	2 503
Exchange rate adjustments during the year	(16)	(1 718)	(451)	**(2 185)**	2 131
Transfer of equity adjustment		(467)	467	**–**	–
Balances at 31 March	127	2 327	(5)	**2 449**	4 634

10. Retirement benefits

10.1 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 (as amended). 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	
	2003	2002
	R million	R million
Balance sheet		
Amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	**(167)**	(248)
Fair value of plan assets	**183**	324
Funded position	**16**	76
Unrecognised actuarial (profits)/losses	**25**	(27)
Pension fund surplus limitation*	**(41)**	(49)
Net asset in balance sheet	**Nil**	Nil
Movement for the year:		
Balances at 1 April	**–**	–
Pension fund surplus limitation*	**(4)**	(4)
Total expense	**(8)**	(14)
Contributions	**12**	18
Balances at 31 March	**Nil**	Nil

* *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 Funds Act is not yet finalised.*

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10. Retirement benefits *(continued)*

10.1 Retirement benefits *(continued)*

	Assets 2003 R million	Assets 2002 R million
Income statement		
Amounts recognised in the income statement are as follows:		
Current service costs	**14**	17
Interest on liability	**16**	38
Expected return on plan assets	**(21)**	(41)
Recognised net actuarial (profits)/losses in the year	**(1)**	*
Total expense	**8**	14
Pension fund surplus limitation	**4**	4
Totals included in staff costs	**12**	18
Actual return on plan assets	**7**	(59)

* *Amount smaller than R500 000*

Principal actuarial assumptions on balance sheet date	**%**	%
Discount rate	**11.0**	11.5
Expected rates of return on plan assets	**11.0**	11.5 – 12.0
Future salary increases	**7.5**	8.0 – 10.5
Future pension increases	**6.5**	6.5
Inflation rate	**6.0**	6.5

10.2 Post-retirement medical benefits

	Liabilities 2003 R million	Liabilities 2002 R million
Balance sheet		
Amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	**103**	74
Movement for the year:		
Balances at 1 April – as previously reported	**74**	33
Prior year adjustment	**–**	20
Adjusted balances at the beginning of the year	**74**	53
Total expense in the income statement recognised	**15**	22
Liability acquired in business combination	**25**	–
Contributions	**(11)**	(1)
Balances at 31 March	**103**	74

	2003 R million	2002 R million
	Liabilities	

10. Retirement benefits *(continued)*

10.2 Post-retirement medical benefits *(continued)*

	2003 R million	2002 R million
Income statement		
Amounts recognised in the income statement are as follows:		
Current service costs	9	11
Interest on liability	10	5
Recognised net actuarial (profits)/losses in the year	(4)	6
Totals included in staff costs	15	22
Principal actuarial assumptions on balance sheet date	%	%
Discount rate	11.0	10.5 – 13.0
Future salary increases	7.5	8.3 – 10.0
Annual increase in health costs	9.0	11.0 – 12.6

11. Long-term interest-bearing loans

	2003 R million	2002 R million
Secured long-term loans with effective interest rates of between 15.05% and 16.00% per annum, repayable over a period of between one to seven years	122	–
This liability is secured by property and plant with a net book value of R150 million.		
Net liabilities, after deduction of an investment of RNil (2002: R106 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 1.00% and 18.00% per annum, amount to	30	118
These liabilities are secured by machinery and equipment with a net book value of R411 million (2002: R452 million).		
Sundry loans with varying interest rates and terms	26	13
	178	131
Instalments payable within one year transferred to short-term interest-bearing loans	38	90
	140	41
Payable – two to five years	97	41
Payable thereafter	43	–
	140	41

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

	2003 R million	2002 R million
12. Short-term interest-bearing loans		
Long-term interest-bearing loans payable within one year	38	90
Bank overdrafts	35	20
	73	110

	Legal disputes R million	Bonuses and leave pay R million	Other* R million	2003 R million	2002 R million
13. Provisions					
Balances at 1 April	30	36	16	82	84
Medi-Clinic**	–	48	–	48	–
Bestfoods Robertsons joint venture***	–	(6)	(5)	(11)	–
Businesses acquired	–	9	–	9	–
Businesses disposed	–	(1)	(1)	(2)	–
Exchange rate differences	–	–	–	–	4
Additional provisions	–	69	34	103	34
Unused amounts – reversed	–	–	(1)	(1)	(20)
	30	155	43	228	102
Provisions utilised during the year	–	(44)	(4)	(48)	(20)
Balances at 31 March	30	111	39	180	82

* *Various smaller provisions*
** *Medi-Clinic, previously equity accounted, was consolidated from 1 April 2002.*
*** *Bestfoods Robertsons, previously proportionately consolidated, was equity accounted from 1 April 2002.*

14. 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 is not comparable with that of the previous year as is shown by the following analysis:

	2003 R million	2002 R million
Operating revenue		
– Medi-Clinic*	2 924	–
– Bestfoods Robertsons joint venture**	–	1 866
– Other subsidiaries	5 811	4 863
Dividends and interest	2 477	1 712
Revenue	11 212	8 441

* *Medi-Clinic, previously equity accounted, was consolidated from 1 April 2002.*
** *Bestfoods Robertsons, previously proportionately consolidated, was equity accounted from 1 April 2002.*

	2003 R million	2002 R million
15. OPERATING PROFIT		
Operating profit is stated after taking the following into account:		
Income		
Foreign exchange profits	7	15
Interest received	372	235
Shareholders' loan to associated company	51	–
Other	321	235
Property rental income	8	7
Surplus on sale of property, plant and equipment	–	3
Expenses		
Amortisation of trade marks	6	9
Auditors' remuneration – audit fees	6	5
– other services	2	1
Cost of sales	6 783	4 760
Depreciation	206	189
Buildings	19	24
Machinery and equipment	157	144
Vehicles	9	15
Office equipment	16	1
Agricultural development costs	5	5
Loss on sale of property, plant and equipment	1	–
Loss on sale of trade marks	–	1
Professional fees	11	7
Property expenses	2	1
Rental	49	50
Land and buildings	26	31
Machinery and equipment	14	4
Vehicles	3	9
Office equipment	6	6
Research and development costs written off	1	12
16. ADMINISTRATION AND MANAGEMENT FEES – NET CORPORATE COSTS		
Paid to M&I Management Services (Proprietary) Limited in respect of costs	73	58
Donations	2	10
	75	68
Less: Fees received	(12)	(11)
Intergroup – excluding wholly-owned subsidiaries	(5)	(2)
Other	(7)	(9)
	63	57

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

	The Company 2003 R million	The Company 2002 R million	Consolidated 2003 R million	Consolidated 2002 R million
17. Dividend income				
Included in operating profit:				
Listed	**–**	–	**4**	3
Unlisted – Subsidiary companies	**1 352**	1 584		
– Other	**–**	–	**6**	5
	1 352	1 584	**10**	8
Dividends from associated companies set off against investments			**2 095**	1 469

	2003 R million	2002 R million
18. Amortisation of goodwill		
Subsidiary companies	**166**	138
Associated companies	**308**	276
	474	414
19. Exceptional items		
Exceptional items of subsidiary companies:		
Net capital surplus/(loss) on the sale of investments and businesses	**1 244**	(18)
Other	**1**	(2)
Total before taxation – per income statement	**1 245**	(20)
Taxation	**(22)**	18
Total after taxation	**1 223**	(2)
Share of exceptional items of associated companies:		
Net capital surplus on BAT preference shares	**3 204**	–
Restructuring costs	**(123)**	(148)
Net capital surplus/(loss) on sale of investments and businesses	**86**	(250)
Other	**6**	(19)
Taxation effect	**37**	65
Attributable to minorities of associated companies	**2**	2
Total – per income statement	**3 212**	(350)
Grand total	**4 435**	(352)
Attributable to minorities	**(142)**	1
Attributable to own members	**4 293**	(351)

	2003 R million	2002 R million

20. TAXATION

20.1 Taxation in income statement

	2003 R million	2002 R million
Current	292	130
– current year – South African normal taxation	273	110
– Taxation on capital gain	20	–
– Foreign taxation	7	35
	300	145
– previous year – South African normal taxation	(8)	(19)
– Foreign taxation	–	4
Secondary tax on companies	6	5
Deferred – current year	6	44
– previous year	(2)	(6)
	302	173

20.2 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate

	%	%
Effective tax rate	13.3	30.0
Reduction/(increase) in standard rate as a result of:		
Permanent differences	11.9	(8.4)
Foreign taxation	(0.1)	(2.0)
Timing differences not provided for	(0.5)	(6.4)
Taxation in respect of previous years	0.4	3.5
Taxation losses of prior years utilised	4.4	12.8
Tax losses that can be utilised in future years	–	1.3
Exempt capital gain	0.9	–
Secondary tax on companies	(0.3)	(0.8)
Standard rate	30.0	30.0

20.3 Deferred taxation

	2003 R million	2002 R million
Deferred taxation liabilities	115	129
Property, plant and equipment	115	150
Inventories	13	81
Provisions	(13)	(67)
Other	*	95
Tax losses utilised	*	(130)
Deferred tax asset	(84)	(17)
Property, plant and equipment	17	*
Inventories	62	–
Provisions	(124)	(2)
Tax losses utilised	(39)	(15)
Net deferred taxation	31	112

* *Amount smaller than R500 000*

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	2003 R million	2002 R million
20. TAXATION *(continued)*		
20.3 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	78	37
Prior year adjustments	34	33
Business acquired	(50)	–
Adjusted balance	62	70
Movements during the year attributable to:		
Property, plant and equipment	(22)	14
Inventories	(5)	7
Provisions	(15)	(17)
Other	(96)	(22)
Tax losses utilised	107	60
	31	112
20.4 Tax losses		
Estimated tax losses available for set-off against future taxable income	130	486
20.5 Secondary taxation on companies (STC)		
The STC credits on 31 March, which could be set off against future dividend payments, amount to	3 218	2 741
– The Company	666	990
– Wholly-owned subsidiary companies	2 552	1 751

	2003 R million	2002 R million
21. EQUITY ADJUSTMENT		
Share of net profit of associated companies:		
Operating profit	6 790	6 161
Amortisation of goodwill	(308)	(276)
Impairment of assets	(63)	–
Exceptional items	3 173	(417)
Share of net profit of associated companies – before taxation	9 592	5 468
Taxation	(2 058)	(1 984)
Normal operations	(2 095)	(2 049)
Exceptional items	37	65
After taxation	7 534	3 484
Share of minority of associated companies	(272)	(229)
Share of net attributable profit of associated companies	7 262	3 255
Minority interest	(10)	–
Share of net profit retained in distributable reserves	(10)	–
Dividends received from associated companies	(2 095)	(1 469)
Share of net profit retained by associated companies	5 147	1 786
Exchange rate differences on translation between average rates and year-end rates	(467)	58
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	4 680	1 844
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	407	467
22. MINORITY INTEREST		
Subsidiaries and joint ventures	488	151
Share of minority interest of associated companies	272	229
	760	380

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23. Earnings per share

In determining the headline and basic earnings per share the weighted number of shares in issue, being 519 565 424 (2002: 522 000 002), was taken into account.

	The Company		Consolidated	
	2003	2002	**2003**	2002
	R million	R million	**R million**	R million
24. Cash flow information				
24.1 Adjustments				
Depreciation, amortisation of goodwill and trade marks	**–**	–	**378**	336
Other	**–**	–	**(1)**	36
Movement in provisions	**–**	–	**67**	19
Interest received	**–**	–	**(372)**	(235)
Interest paid	**–**	–	**45**	58
Dividends received	**(1 352)**	(1 584)	**(10)**	(8)
Capital loss/(surplus) on the sale of investments	**–**	–	**(1 261)**	18
Impairment of assets	**–**	–	**24**	–
Share scheme cost	**–**	–	**25**	25
	(1 352)	(1 584)	**(1 105)**	249
24.2 Decrease/(increase) in working capital				
Increase in inventories	**–**	–	**(226)**	(78)
Decrease/(increase) in trade and other receivables	**–**	–	**(87)**	(130)
Increase in trade and other payables	**1**	1	**196**	1
	1	1	**(117)**	(207)
24.3 Reconciliation of dividends received				
Receivable at the beginning of the year	**–**	–	**3**	153
Per income statement	**1 352**	1 584	**10**	8
Dividends from associated companies set off against investments			**2 095**	1 469
Receivable at the end of the year	**–**	–	**–**	(3)
Cash received	**1 352**	1 584	**2 108**	1 627

	The Company		Consolidated	
	2003	2002	**2003**	2002
	R million	R million	**R million**	R million

24. Cash flow information *(continued)*

24.4 Taxation paid is reconciled with the amount disclosed in the income statement as follows				
Paid in advance at the beginning of the year	**1**	2	**5**	18
Unpaid at the beginning of the year	**–**	–	**(47)**	(36)
Per income statement	**–**	–	**(298)**	(135)
– normal income	**–**	–	**(270)**	(148)
– exceptional items	**–**	–	**(22)**	18
– STC	**–**	–	**(6)**	(5)
Business acquired	**–**	–	**(37)**	–
Business disposed	**–**	–	**32**	–
Unpaid at the end of the year	**–**	–	**144**	47
Paid in advance at the end of the year	**(2)**	(1)	**(19)**	(5)
Cash (paid)/received	**(1)**	1	**(220)**	(111)

24.5 Reconciliation of dividends paid				
Per statements of changes in equity	**(1 676)**	(934)	**(1 674)**	(934)
Paid by subsidiary companies to minority			**(99)**	(34)
Cash paid	**(1 676)**	(934)	**(1 773)**	(968)

25. Staff costs

– of subsidiary companies

	2003	2002
	R million	R million
Salaries and wages	**1 505**	967
Long-term share incentive scheme	**16**	25
Scheme cost	**25**	25
Less: Dividends received	**(9)**	–
Retirement benefits	**12**	5
Pension costs – defined contribution	**73**	38
Pension costs – defined benefit	**12**	18
Other post-retirement benefits	**15**	22
Other	**96**	76
	1 729	1 151

	Number	Number
Persons employed by subsidiary companies at year-end:		
South Africa	**19 858**	10 950
Abroad	**3**	1 139
	19 861	12 089

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

26. DIRECTORS' EMOLUMENTS

	2003 Executive R'000	2003 Non-executive R'000	2003 Total R'000	2002 Executive R'000	2002 Non-executive R'000	2002 Total R'000
Salaries and fees	6 742.2	450.4	7 192.6	5 782.3	229.0	6 011.3
Retirement fund contributions	1 493.3		1 493.3	984.5		984.5
Other benefits	1 077.5		1 077.5	887.2		887.2
	9 313.0	450.4	9 763.4	7 654.0	229.0	7 883.0
Paid by:						
The Company			450.4			229.0
Management company			9 313.0			7 654.0
			9 763.4			7 883.0

	Salaries and fees R'000	Retirement fund R'000	Other benefits[7] R'000	2003 Total R'000	Salaries and fees R'000	Retirement fund R'000	Other benefits[7] R'000	2002 Total R'000
Executive								
W E Bührmann	905.0	179.5	215.5	1 300.0	820.1	162.7	172.2	1 155.0
D M Falck[1]	1 071.9	212.6	215.5	1 500.0	941.3	137.1	171.6	1 250.0
J A Preller	696.4	138.1	215.5	1 050.0	674.1	109.9	146.0	930.0
M H Visser[2]	3 205.6	791.9	215.5	4 213.0	2 577.7	422.2	199.1	3 199.0
T van Wyk	863.3	171.2	215.5	1 250.0	769.1	152.6	198.3	1 120.0
Subtotal	6 742.2	1 493.3	1 077.5	9 313.0	5 782.3	984.5	887.2	7 654.0

	2003 Fees R'000	2003 Retirement fund R'000	2003 Other R'000	2003 Total R'000	2002 Fees R'000	2002 Retirement fund R'000	2002 Other R'000	2002 Total R'000
Non-executive								
G D de Jager	50.0			50.0	30.0			30.0
P J Erasmus[3]	39.6			39.6	45.0			45.0
P K Harris[4]	65.0			65.0	10.0			10.0
E Molobi	50.0			50.0	30.0			30.0
J F Mouton[5]	85.0			85.0	39.0			39.0
F Robertson[5]	85.0			85.0	39.0			39.0
P G Steyn[6]	75.8			75.8	36.0			36.0
Subtotal	450.4			450.4	229.0			229.0
Total	7 192.6	1 493.3	1 077.5	9 763.4	6 011.3	984.5	887.2	7 883.0

1. *Mr D M Falck is a member of the Audit and Risk 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. *On 28 August 2002, Mr P J Erasmus retired as a non-executive director.*
4. *Mr P K Harris is a member of the Remuneration and Nomination Committee.*
5. *Messrs J F Mouton and F Robertson are members of the Audit and Risk Committee and members of the Remuneration and Nomination Committee.*
6. *Mr P G Steyn is a member and Chairman of the Audit and Risk Committee.*
7. *Benefits include medical aid contributions and vehicle benefits.*

26. Directors' emoluments *(continued)*

Certain 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:

	Salaries and fees R'000	***Retire-ment fund R'000***	***Other benefits R'000***	**2003 Total R'000**	*Salaries and fees* R'000	*Retire-ment fund* R'000	*Other benefits* R'000	2002 Total R'000
Non-executive								
P E Beyers	**1 004.3**	**199.2**	**96.5**	**1 300.0**	826.8	164.0	89.2	1 080.0
J W Dreyer	**1 087.7**	**215.8**	**96.5**	**1 400.0**	1 007.0	199.8	89.2	1 296.0
E de la H Hertzog	**501.0**	**93.9**	**71.8**	**666.7**	448.9	84.5	66.6	600.0
J P Rupert*	**1 572.6**	**311.9**	**215.5**	**2 100.0**	1 585.7	314.5	199.8	2 100.0
	4 165.6	**820.8**	**480.3**	**5 466.7**	3 868.4	762.8	444.8	5 076.0

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

27. Remgro share scheme

Refer to the Report of the Board of Directors.

Current status

– ordinary shares

Participant	*Shares accepted prior to 31 March 2001*	*Shares accepted prior to 31 March 2002*	***Number of shares offered 23 January 2003***	***Offer price (Rand)***	***Number of shares paid and delivered***	***Balance of shares accepted as at 31 March 2003***
Executive						
W E Bührmann	275 229	275 229	**–**	**43.6**	**none**	**275 229**
D M Falck	458 716	458 716	**–**	**43.6**	**none**	**458 716**
D M Falck			**104 917**	**63.0**	**none**	**–**
J A Preller	73 394	73 394	**–**	**43.6**	**none**	**73 394**
M H Visser	733 945	733 945	**–**	**43.6**	**none**	**733 945**
M H Visser			**278 979**	**63.0**	**none**	**–**
T van Wyk	33 195	33 195	**–**	**48.2**	**none**	**33 195**
T van Wyk	73 394	73 394	**–**	**43.6**	**none**	**73 394**
Subtotal	1 647 873	1 647 873	**383 896**			**1 647 873**
Non-executive						
P E Beyers	286 697	286 697	**–**	**43.6**	**none**	**286 697**
J W Dreyer	286 697	286 697	**–**	**43.6**	**none**	**286 697**
E de la H Hertzog	172 018	172 018	**–**	**43.6**	**none**	**172 018**
J P Rupert	414 938	414 938	**–**	**48.2**	**none**	**414 938**
Subtotal	1 160 350	1 160 350	**–**			**1 160 350**
Total	2 808 223	2 808 223	**383 896**			**2 808 223**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

	2003 R million	2002 R million
28. COMMITMENTS		
Capital commitments	**579**	112
Uncompleted contracts for capital expenditure	**180**	48
Capital expenditure authorised but not yet contracted	**399**	64
Operating lease commitments	**131**	238
Due within one year	**29**	34
Due – two to five years	**94**	188
Due thereafter	**8**	16
	710	350

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

29. BORROWING POWERS

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

30. FINANCIAL INSTRUMENTS

30.1 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.

30.2 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.

30.3 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 2003:

Foreign currency		*Currency amount* million	*Average forward rate*	*Rand amount* R million
Buy:	USA dollar (USD)	2.8	8.79	24.7
	British pound (GBP)	0.4	14.92	6.2
	Other			1.5
Sell:	USA dollar (USD)	7.2	9.36	67.0

30.4 Fair value

On 31 March 2003 and 2002 the fair value of financial instruments equals their carrying value.

	2003 R million	2002 R million
31. GUARANTEES AND CONTINGENT LIABILITIES		
31.1 Guarantees		
Guarantees by subsidiary companies	**76**	79
31.2 Contingent liabilities		
Put option	**13**	13
Legal actions pending	**8**	52
Other	**34**	12
	55	77

The Company guarantees certain share transactions entered into by a subsidiary company.

32. 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 17 respectively, and in Annexure A.

Associated companies

Details of investments in and income from associated companies are disclosed in notes 4 and 21 respectively, as well as in Annexures B and C. Interest income from associated companies amounted to R180 million (2002: R87 million) and is included in interest received. Interest paid to associated companies amounted to R2 million (2002: R10 million) and is included in finance costs. Fees from associated companies amounted to R7 million (2002: R9 million).

Directors

Details of directors' emoluments and shareholding in the Company are disclosed in notes 26 and 27 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 detailed analysis of shareholders appears on page 4 of the Annual Report.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 31 MARCH 2003

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		ISSUED CAPITAL R (unless otherwise stated)	EFFECTIVE INTEREST 2003 %	 2002 %	HELD BY COMPANY SHARES 2003 R	 2002 R	 LOAN 2003 R million	 2002 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)	592 954 000	**100.0**	72.4				
– held by Hunt Leuchars & Hepburn Holdings Limited:								
– Robertsons Holdings (Pty) Limited (100%)			**100.0**	72.4				
– Transvaal Sugar Limited (100%)			**100.0**	72.4				
Rainbow Chicken Limited	* (1)	1 090 423 000	**54.5**	55.7				
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				
Corporate finance and other interests								
Eikenlust (Pty) Limited		100	**100.0**	100.0				
Entek Investments Limited		810 630	**62.7**	62.1				
Historical Homes of South Africa Limited		555 000	**51.4**	51.4				
Medi-Clinic Corporation Limited	* (2)	35 007 000	**52.4**	52.3				
M.F.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 Investments (Pty) Limited		4	**100.0**	100.0				
Remgro Loan Corporation Limited		700	**100.0**	100.0			**7 673**	7 997
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	**7 685**	8 009

* *Listed company*

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

(2) *The interest was considered to be temporary, therefore not consolidated in the previous year.*

(GBP) British pound

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

ANNEXURE B

PRINCIPAL INVESTMENTS AT 31 MARCH 2003

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		LISTED 2003 Shares held	LISTED 2003 Effective interest %	LISTED 2002 Shares held	LISTED 2002 Effective interest %	UNLISTED 2003 Shares held	UNLISTED 2003 Effective interest %	UNLISTED 2002 Shares held	UNLISTED 2002 Effective interest %
Trade mark interests									
R&R Holdings SA – 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 SA:									
– British American Tobacco Plc – UK	(1)		9.3		10.5				
– ordinary shares (27.9%)									
– preference shares (100.0%)									
Remgro-KWV Beleggings Limited	(2)					50	50.0	50	50.0
– held by Remgro-KWV Beleggings Limited:									
– Distell Group Limited (60%)			30.0		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		7.6				
FirstRand Limited	(1)	520 716 856	9.6	507 636 856	9.3				
Universa (Pty) Limited	(1)								
– ordinary shares						–	–	7 875	39.4
– preference shares						–	–	2 705 643	35.5
– held by Universa (Pty) Limited:									
– Absa Group Limited (22.9%)			–		9.4				
Absa Group Limited	(1)	61 387 729	9.4	–	–				
Sagecor (Pty) Limited	(1)					2 992	50.0	2 992	50.0
– held by Sagecor (Pty) Limited:									
– Sage Group Limited (18.3%)			9.2		9.0				
Sage Group Limited	(3)	10 848 109	7.0	10 724 315	7.3				
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	42.4	14 058 346	42.6				
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
Malbak Limited	(4)	–	–	276 742 707	58.0				
Nampak Limited	(5)	86 774 104	13.5	–	–				
Unilever Bestfoods Robertsons Holdings Ltd LLC – USA	(1)					8 200	41.0	–	–
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	41.1	35 215 000	41.9				
Other interests									
Medi-Clinic Corporation Limited	* (1)	–	–	178 577 982	52.3				
Business Partners Limited	#					28 696 220	16.0	28 696 220	16.0

Financial period:
(1) Twelve months to 31 March 2003
(2) Twelve months to 31 December 2002
(3) Nine months to 31 December 2002
(4) Four months to 31 July 2002
(5) Eight months to 31 March 2003

* From 1 April 2002 consolidated as a subsidiary company. Refer Annexure A.
# Not an associated company.
UK – United Kingdom
USA – United States of America

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) 2003	FirstRand (Financial services) 2003	Absa (Financial services) 2003	R&R (Tobacco interests) 2003
Effective interest	23.1%	9.6%	9.4%	33⅓%
	R million	R million	R million	R million
Carrying value of investments after writedown of goodwill	2 424	1 894	1 589	9 342
Share of retained equity income				
– Current year	89	137	144	1 846
Normal income	371	423	327	2 423
Dividends	(132)	(164)	(75)	(1 277)
Exceptional items and goodwill amortisation	(58)	(35)	(8)	2 993
Other changes in reserves and exchange rates	(92)	(87)	(100)	(2 293)
– Cumulative	387	532	1 349	9 343

Summarised financial information:	Per Interim Report 31/12/2002	Per Interim Report 31/12/2002	Per Annual Report 31/03/2003	Per Annual Report 31/03/2003
				Note 1
BALANCE SHEET				
Assets				
Net insurance-related assets	–	3 574	–	–
Net advances, loans and bank-related securities	242	28 352	(2 216)	–
Intangible assets	3 478	672	187	78 047
Property, plant and equipment and other	23	1 631	20 866	32 503
Investments and loans	7 202	3 465	3 956	10 243
Net current assets/(liabilities)	–	(10 012)	–	13 690
	10 945	27 682	22 793	134 483
Equity and liabilities				
Shareholders' funds and long-term debt	10 945	27 682	22 793	134 483

	12 months ended 31/12/2002	12 months ended 31/12/2002	12 months ended 31/03/2003	12 months ended 31/03/2003
				Note 2
INCOME STATEMENT				
Headline earnings	1 608	4 486	3 441	7 268
Net profit for the year	1 354	4 111	3 391	16 249
Dividends paid	528	1 552	801	3 830

There are no loans to these associated companies.

Note 1: 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 2: 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 C

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMB Holdings (Financial services) 2002	FirstRand (Financial services) 2002	Absa (Financial services) 2002	R&R (Tobacco interests) 2002
Effective interest	23.1%	9.3%	9.4%	33⅓%
	R million	R million	R million	R million
Carrying value of investments after writedown of goodwill	2 335	1 707	1 445	7 497
Share of retained equity income				
– Current year	298	395	108	2 754
Normal income	383	439	179	2 088
Dividends	(105)	(132)	(77)	(850)
Exceptional items and goodwill amortisation	(58)	(12)	(19)	(279)
Other changes in reserves and exchange rates	78	100	25	1 795
– Cumulative	298	395	1 205	7 497

Summarised financial information:	Per Interim Report 31/12/2001	Per Interim Report 31/12/2001	Per Annual Report 31/03/2002	Per Annual Report 31/03/2002
				Note 1
Balance sheet				
Assets				
Net insurance-related assets	–	3 198	–	–
Net advances, loans and bank-related securities	147	27 901	1 241	–
Intangible assets	3 691	1 350	66	106 082
Property, plant and equipment and other	17	1 021	14 601	43 399
Investments and loans	6 348	2 258	3 972	12 738
Net current assets/(liabilities)	–	(10 826)	–	19 819
	10 203	24 902	19 880	182 038
Equity and liabilities				
Shareholders' funds and long-term debt	10 203	24 902	19 880	182 038

	12 months ended 31/12/2001	12 months ended 31/12/2001	12 months ended 31/03/2002	12 months ended 31/03/2002
				Note 2
Income statement				
Headline earnings	1 661	4 691	1 888	6 264
Net profit for the year	1 410	4 575	1 686	5 427
Dividends paid	616	1 293	810	2 550

There are no loans to these associated companies.

Note 1: 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 2: 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 2003

	Trade mark interests R million	Financial services R million	Industrial interests R million	Mining interests R million	Corporate finance and other interests R million	CONSOLIDATED 2003 Total R million
BUSINESS SEGMENTAL ANALYSIS						
Revenue	1 321	376	6 107	145	3 263	11 212
Operating profit	*	2	559	2	654	1 217
Amortisation of goodwill						(166)
Impairment of assets						(24)
Exceptional items						1 245
						2 272
Taxation						(302)
Profit after taxation of the Company and its subsidiaries						1 970
Share of after-tax profit of associated companies						7 262
Profit from normal operations	2 510	1 121	454	317	19	4 421
Amortisation of goodwill						(308)
Impairment of assets						(63)
Exceptional items						3 212
Group profit after tax						9 232
Minority interest						(488)
Net profit for the year						8 744
Headline earnings	2 498	1 121	696	322	277	4 914
OTHER INFORMATION						
Segment assets	1	2 828	4 362	–	3 938	11 129
Investments in associated companies	10 001	5 908	3 025	867	43	19 844
						30 973
Taxation – Deferred						84
– Current						19
Consolidated total assets						31 076
Segment liabilities	1	*	836	*	588	1 425
Taxation – Deferred						115
– Current						144
Consolidated total liabilities						1 684
Additions to property, plant and equipment	–	–	206	–	182	388
Depreciation and amortisation	211	216	182	–	77	686

* *Amount smaller than R500 000*

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 2003 R million	Headline earnings 2003 R million	Total assets 2003 R million
South Africa	9 935	2 491	21 629
Abroad	1 277	2 423	9 344
	11 212	4 914	30 973

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 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	CONSOLIDATED 2002 Total R million
BUSINESS SEGMENTAL ANALYSIS						
Revenue	895	339	6 849	96	262	8 441
Operating profit	–	2	590	1	141	734
Amortisation of goodwill						(138)
Exceptional items						(20)
						576
Taxation						172
Profit after taxation of the Company and its subsidiaries						404
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						3 659
Minority interest						151
Net profit for the year						3 508
Headline earnings	2 167	958	570	306	251	4 252
OTHER INFORMATION						
Segment assets	1	2 735	4 286	32	2 273	9 327
Investments in associated companies	8 116	5 487	2 110	716	555	16 984
						26 311
Taxation – Deferred						17
– Current						5
Consolidated total assets						26 333
Segment liabilities	–	–	1 157	–	9	1 166
Taxation – Deferred						129
– Current						47
Consolidated total liabilities						1 342
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	2 164	18 813
Abroad	2 094	2 088	7 498
	8 441	4 252	26 311

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

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
70 Marshall Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107

Auditors
PricewaterhouseCoopers Inc.
Stellenbosch

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

NOTICE TO SHAREHOLDERS

The 2003 Annual General Meeting of the Company will be held on Tuesday, 26 August 2003, at 15:30 in the Vergelegen Room, The Lord Charles Hotel, Corner of Faure and Stellenbosch Roads, Somerset West, to, if approved, pass the following resolutions with or without modification:

1. Approval of annual financial statements

Ordinary Resolution Number 1

Resolved that the audited annual financial statements of the Company and the Group for the year ended 31 March 2003 be accepted and approved.

2. Approval of directors' remuneration

Ordinary Resolution Number 2

Resolved that the joint remuneration of the non-executive directors in the amount of R900 420 for the year ended 31 March 2003 be approved.

3. Election of directors

Ordinary Resolution Number 3

Resolved that Messrs D M Falck, J F Mouton, F Robertson, J P Rupert and P G Steyn, who retire in terms of clause 31.1.1 of the Company's Articles of Association and who offered themselves for re-election, are hereby re-elected as directors of the Company.

4. Authority to place shares under control of the directors

Ordinary Resolution Number 4

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 Companies Act (Act 61 of 1973), as amended ("the Companies Act"), subject to the provisions of the Companies Act and the Listings Requirements of the JSE Securities Exchange South Africa ("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.

5. Authority to repurchase shares

Special Resolution Number 1

Resolved that the Board of Directors of the Company be hereby authorised, by way of a general authority, to approve the purchase of its own shares by the Company or to approve the purchase of shares in the Company by any subsidiary of the Company, provided:

- that this authority shall not extend beyond 15 months from the date of this meeting or the date of the next annual general meeting, whichever is the earlier date;
- that the shares be purchased in the open market as defined by the JSE;
- that a paid press release giving such details as may be required in terms of the Listings Requirements be published when the Company or its subsidiaries have cumulatively repurchased 3% of the shares in issue as at the time the authority was given;
- that the general repurchase may not exceed 20% of the number of shares in the Company's issued share capital at the time this authority is given, provided that the acquisition of shares as treasury stock by a subsidiary of the Company may not exceed 10% of the number of issued shares of the Company;
- that 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

NOTICE TO SHAREHOLDERS

- that such repurchase shall be subject to the Companies 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 Company's directors undertake that they will not implement any such repurchases 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 share capital and reserves;

- the Company and its subsidiary companies will have sufficient working capital for their requirements; and

- the sponsor of the Company provides a letter to the JSE on the adequacy of working capital in terms of section 2.14 of the Listings Requirements.

Reason for and effect of the special resolution
The reason for and the effect of the special resolution are to grant the Company's directors a general authority, up to and including the date of the following annual general meeting of the Company, to approve the Company's purchase of shares in itself or to permit a subsidiary of the Company to purchase shares in the Company.

And to transact any other business that may be transacted at an annual general meeting.

Members who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a member. Proxy forms should be forwarded to reach the registered office of the company/company's transfer secretaries by Friday, 22 August 2003, at 15:30 (South African time).

Members who have dematerialised their shares, other than those members who have dematerialised their shares with "own name" registration, should contact their CSDP or broker in the manner and time stipulated in their agreement:
- to furnish them with their voting instructions; and
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

By order of the Board of Directors.

M Lubbe
Secretary

Stellenbosch
24 June 2003

EXPLANATORY NOTES TO THE NOTICE TO SHAREHOLDERS

Ordinary resolutions

1. Approval of annual financial statements

In terms of the Companies Act (Act 61 of 1973), as amended ("the Act"), the directors are obliged to present the annual financial statements and Group annual financial statements to the members at the annual general meeting for approval.

2. Approval of directors' remuneration

In terms of the Company's Articles of Association, the remuneration payable to non-executive directors must be determined at the Company's annual general meeting.

3. Election of directors

In terms of the Company's Articles of Association, one-third of the directors or, if their number is not a multiple of three, then the number nearest to but not less than one-third are required to retire at each annual general meeting and may offer themselves for re-election. Biographical details of all directors of the Company are set out on pages 6 and 7.

4. Authority to place shares under control of the directors

In terms of the Act, the members of the Company must approve the placement of the unissued shares under the control of the directors. This authority is due to expire at the forthcoming annual general meeting, unless renewed.

Special resolution

5. Authority to repurchase shares

The annual renewal of the authority is required in terms of the Act and the Listings Requirements. The existing authority to the directors is due to expire at the forthcoming annual general meeting, unless renewed.

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 subregister 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 subregister 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.

GRAPHICOR 28323

Remgro Limited

(Incorporated in the Republic of South Africa)
(Registration number 1968/006415/06)
(Share code: REM ISIN: ZAE000026480)
("the Company")

FORM OF PROXY

FOR THE YEAR ENDED 31 MARCH 2003

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 SUBREGISTER ***

*** 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 2003 Annual General Meeting of the Company to be held on Tuesday, 26 August 2003, at 15:30 in the Vergelegen Room, The Lord Charles Hotel, Corner of Faure and Stellenbosch Roads, Somerset West ("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)		
Ordinary resolutions	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Approval of directors' emoluments			
3. Election of directors			
3.1 Mr D M Falck			
3.2 Mr J F Mouton			
3.3 Mr F Robertson			
3.4 Mr J P Rupert			
3.5 Mr P G Steyn			
4. Authority to place shares under control of the directors			
Special resolution			
5. Authority to repurchase shares			

Signed at ______________________ on ______________________ 2003

Signature/s ____

Assisted by ____
(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 name are members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Custodial Services as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertificated shares are to be registered in the electronic subregister 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 70 Marshall 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, 22 August 2003, 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.

GRAPHICOR 28323

Remgro Limited

(Incorporated in the Republic of South Africa)
(Registration number 1968/006415/06)
(Share code: REM ISIN: ZAE000026480)
("the Company")

VOTING INSTRUCTION FORM

FOR THE YEAR ENDED 31 MARCH 2003

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 SUBREGISTER.*

*** See explanatory note 1 overleaf**

For use in respect of the 2003 Annual General Meeting of the Company to be held on Tuesday, 26 August 2003, at 15:30 in the Vergelegen Room, The Lord Charles Hotel, Corner of Faure and Stellenbosch Roads, Somerset West ("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, then 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.

	The number of votes exercisable (one vote per ordinary share)		
Ordinary resolutions	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Approval of directors' emoluments			
3. Election of directors			
3.1 Mr D M Falck			
3.2 Mr J F Mouton			
3.3 Mr F Robertson			
3.4 Mr J P Rupert			
3.5 Mr P G Steyn			
4. Authority to place shares under control of the directors			
Special resolution			
5. Authority to repurchase shares			

Signed at ______________________ on ______________________ 2003

Signature/s ____

Assisted by ____
(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 as their CSDP with the express instruction that their uncertificated shares are to be registered in the electronic subregister 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 initialled 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.

GRAPHICOR 28323