Remgro Limited

ANNUAL REPORT

2004

REMGRO LIMITED ANNUAL REPORT 2004

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Remgro Limited

INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA
REGISTRATION NUMBER 1968/006415/06
ISIN ZAE000026480 SHARE CODE REM

www.remgro.com

INVESTMENT PHILOSOPHY

Remgro invests in businesses that can deliver superior earnings and dividend growth over the long term. This involves the acquisition of meaningful interests in companies that have sound management and have the ability to generate strong cash returns and growth. Remgro forges strategic alliances on a partnership basis and endeavours to add value where possible. The purpose is to ensure solid returns to shareholders by way of dividend flows and capital growth.

GROUP STRUCTURE

at 31 March 2004

REMGRO LIMITED

ASSOCIATED COMPANIES AND OTHER

TRADE MARK INTERESTS

British American Tobacco#	10%
Distell Group	30%

FINANCIAL SERVICES

FirstRand	10%
RMB Holdings	23%
Absa Group	9%
Sage Group	22%

MINING INTERESTS

Gencor	11%
Trans Hex Group	34%
Impala$	5%

INDUSTRIAL INTERESTS

Unilever Bestfoods Robertsons* †	41%
Henkel SA*	50%
Nampak	14%
Total South Africa*	25%
Dorbyl	43%
Air Products SA*	50%

SUBSIDIARY COMPANIES

INDUSTRIAL INTERESTS

Transvaal Sugar*	100%
Wispeco*	100%
Rainbow Chicken	64%

CORPORATE AND OTHER INTERESTS

Remgro Finance Corporation*	100%
Remgro Finance and Services*	100%
Medi-Clinic Corporation	52%

Percentages represent the direct interests and have been rounded off.
 # Foreign company (United Kingdom)
† Foreign company (United States of America)
** Unlisted companies*
$ Not accounted for as an associated company, but as an other investment.
Annexures A and B provide further information of subsidiary companies and investments.

M&I MANAGEMENT SERVICES

M&I Management Services (Proprietary) Limited (M&I) renders management and support services to Remgro. Remgro does not hold any interest in M&I. 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.

GROUP PROFILE

Remgro Limited is a South African investment holding company established with effect from 1 April 2000, after the restructuring of the former Rembrandt Group Limited.

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.

The Company's activities are 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.

Subsidiaries which are not wholly owned are mainly listed companies with independent boards of directors on which this Company has non-executive representation. 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.

Information on companies in which investments are held

- Effective interest: 10%
- Listed on the London Stock Exchange.
- Chief Executive Officer: P Adams
- "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 growth consumer segments of international and premium priced brands."
- Interest is represented by a one-third shareholding in R&R Holdings SA (R&R) which held a 29.4% share in BAT ordinary shares at 31 March 2004. The other two-thirds shareholding in R&R are held by Compagnie Financière Richemont SA.
- Market capitalisation at 31 March 2004: £16 841 million sterling
- Website: www.bat.com

- Effective interest: 30%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: J J Scannell
- Distell produces and markets fine wines, spirits and flavoured alcoholic beverages in South Africa with an increasing international profile.
- Interest is represented by a 50% shareholding in Remgro-KWV Investments Limited which held a 59.8% share in Distell at 31 March 2004.
- Market capitalisation at 31 March 2004: R3 044 million
- Website: www.distell.co.za

- Effective interest: 10% (excluding indirect interest held through RMB Holdings)
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: L L Dippenaar
- The FirstRand group of companies is involved in financial service activities including retail, corporate, investment and merchant banking, short-term insurance, life insurance, employee benefits, health insurance and asset management.
- The banking and insurance activities are consolidated in the wholly-owned subsidiaries FirstRand Bank Holdings Limited and Momentum Group Limited respectively and the health activities in the 62%-owned Discovery Holdings Limited.
- Market capitalisation at 31 March 2004: R53 620 million
- Website: www.firstrand.co.za

- Effective interest: 23%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: P Cooper
- Apart from its 33% interest in FirstRand, RMBH also holds:
  - RMB Structured Insurance Limited (100%)
  - OUTsurance Limited (61%)
  - Glenrand M.I.B Limited (17%)
- The 48% interest in Global Resorts (SA) (Pty) Limited was sold during May 2004.
- Market capitalisation at 31 March 2004: R17 710 million
- Website: www.rmbh.co.za

- Effective interest: 9%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: E R Bosman
- Absa is the investment holding company of a number of banks and insurance companies. The company gives direction to the planning, controlling and co-ordination of the activities of the group.
- Market capitalisation at 31 March 2004: R30 365 million
- Website: www.absa.co.za

- Effective interest: 22%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: G Griffin
- Sage is a South African life assurance, investment and financial services organisation.
- Market capitalisation at 31 March 2004: R624 million
- Website: www.sage.co.za

- Effective interest: 34%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: A M Krige (acting)
- Exploration for, and mining and marketing of, land and marine diamonds of the highest quality.
- Market capitalisation at 31 March 2004: R2 410 million
- Website: www.transhex.co.za

GROUP PROFILE

- Effective interest: 41%
- Unlisted
- Chief Executive Officers: K T Kruythoff (South Africa); R Guttmann (Israel)
- 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. Well-known international and local brands include *Robertsons* herbs and spices, *Knorr* soups, *Aromat* seasonings, *Skippy, Bovril* and *Marmite* spreads, *Rama* and *Flora* margarine, *Lipton* and *Joko* tea, and *Mrs Ball's* culinary products.
- Website: www.unilever.co.za

- Effective interest: 50%
- Unlisted
- Chief Executive Officer: M A Zipp
- Henkel manufactures and markets chemical products for domestic and industrial consumption. The products can be broadly categorised into adhesives and a variety of other specialised chemicals.
- The other 50% of the ordinary shares is held by Henkel KGaA who is responsible for the management of the company.

- Effective interest: 14%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: G E Bortolan
- Nampak is Africa's largest and most diversified packaging manufacturer, with operations in the United Kingdom and Europe. It produces a wide variety of packaging products from metals, paper, plastic and glass, is the largest manufacturer and distributor of tissue paper products and holds a substantial share of the paper merchanting market.
- Market capitalisation at 31 March 2004: R8 493 million
- Website: www.nampak.com

- Effective interest: 25%
- Unlisted
- Chief Executive Officer: P W Jordan
- Subsidiary of Total (France). Total South Africa's business is the refining and marketing of petroleum and petroleum products in South Africa and it has a market share of 14.1%. It distributes to the neighbouring NBLS countries. It has a 36% interest in National Petroleum Refiners of S.A. (Pty) Limited (Natref).
- Website: www.total.co.za

- Effective interest: 43%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: W W Cooper
- Dorbyl is an industrial group in the engineering industry with investments in South Africa and the USA. Major industries served by Dorbyl include automotive, transport and roofing.
- Market capitalisation at 31 March 2004: R613 million
- Website: www.dorbyl.co.za

- Effective interest: 50%
- Unlisted
- Chief Executive Officer: A G Cooper
- Air Products produces oxygen and nitrogen for sale in gaseous form by pipeline under long-term contracts to major industrial users, as well as the distribution of industrial gases and chemicals for sale, together with ancillary equipment, to the merchant market.
- The other 50% of the ordinary shares is held by Air Products and Chemicals Incorporated, a USA company.
- Website: www.airproducts.co.za

- Effective interest: 100%
- Unlisted
- Chief Executive Officer: H Snyman
- TSB is primarily involved in cane growing and the production, transport and marketing of sugar and animal feed. Citrus and tea are also grown on the company's estates.
- Website: www.tsb.co.za

- Effective interest: 100%
- Unlisted
- Chief Executive Officer: R F Röhrs
- Wispeco's main business is the extrusion of aluminium profiles used mainly in the building, engineering and durable goods sectors.
- Website: www.wispeco.co.za

- Effective interest: 64%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: M Dally
- Rainbow is the holding company of one principal operating subsidiary which is a vertically integrated chicken producer.
- Market capitalisation at 31 March 2004: R1 468 million
- Website: www.rainbowchicken.co.za

- Effective interest: 52%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: L J Alberts
- Medi-Clinic's business consists mainly of the provision of comprehensive, high-quality hospital services on a cost-effective basis.
- Market capitalisation at 31 March 2004: R4 201 million
- Website: www.mediclinic.co.za

- Effective interest: 5%
- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: K Rumble
- Impala is a fully integrated mining and metallurgical organisation, which markets refined platinum group metals for global markets, and is one of the world's largest platinum recyclers.
- Market capitalisation at 31 March 2004: R34 353 million
- Website: www.implats.co.za

REMGRO FINANCE CORPORATION LIMITED AND REMGRO FINANCE AND SERVICES LIMITED

- Effective interest: 100%
- Both companies are unlisted.
- Responsible for Remgro's central treasury function.

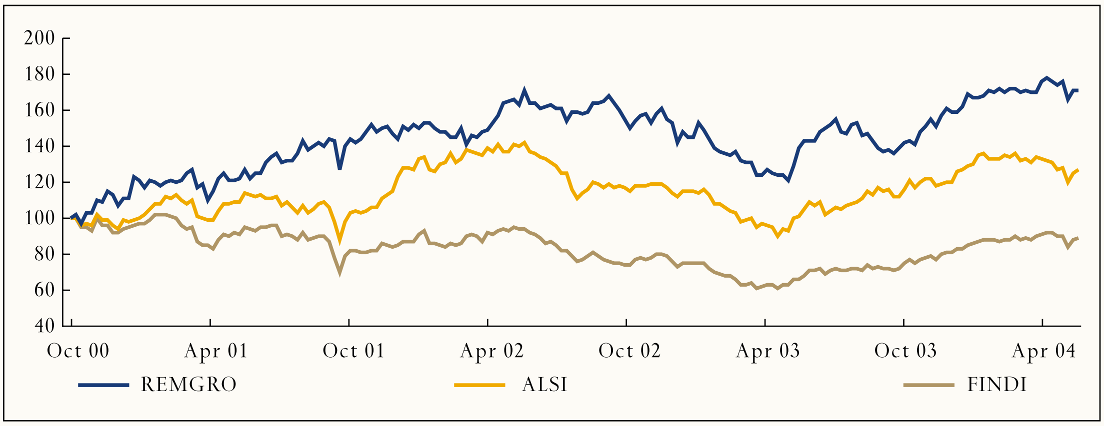
FINANCIAL HIGHLIGHTS

	2004	2003
HEADLINE EARNINGS	R4 719 m	R4 856 m
BASIC EARNINGS – NET PROFIT FOR THE YEAR	R3 637 m	R8 686 m
HEADLINE EARNINGS PER SHARE	937.6c	940.1c
BASIC EARNINGS PER SHARE	722.7c	1 681.6c
Dividends per share		
– Ordinary	285.00c	248.00c
– Special	200.00c	
Net asset value per share		
(attributable to own members)		
– at book value	R59.38	R54.19
Tobacco interests	R17.37	R18.45
Other investments	R42.01	R35.74
– at intrinsic value	R101.23	R77.23
Tobacco interests	R46.91	R38.51
Other investments	R54.32	R38.72
Exchange rates		
Pound sterling/SA rand exchange rate – weighted average for the financial year	12.1025	15.0678
– at 31 March	11.5950	12.4915
Stock exchange prices		
Closing price per share at 31 March	R72.00	R51.45

The comparative figures for the year ended 31 March 2003 have been restated. Please refer to the paragraph headed "Prior year adjustments" in the Report of the Board of Directors.

Returns to shareholders

Remgro performance (based to 100)



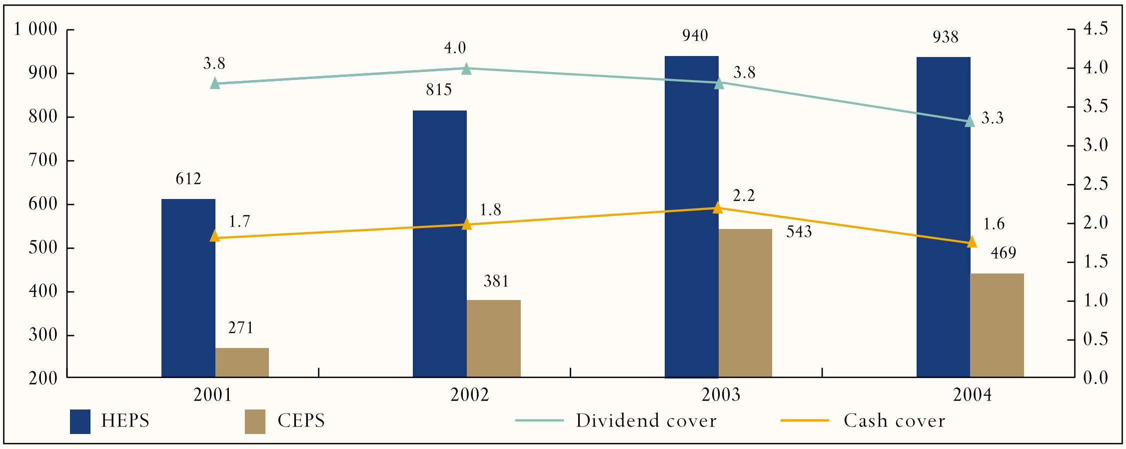
SEVEN-YEAR CONSOLIDATED INCOME STATEMENTS

R million	**2004**	2003	2002	2001	2000 *Pro forma*	1999 *Pro forma*	1998 *Pro forma*
Revenue	**11 902**	11 212	8 441	7 358	5 738	10 381	9 091
Profit from normal operations	**1 342**	1 209	734	504	412	404	242
Exceptional items and other non-operating income/(expenses)	**(132)**	1 055	(158)	1 523	202	(25)	(122)
Profit before tax	**1 210**	2 264	576	2 027	614	379	120
Taxation	**(415)**	(394)	(173)	(109)	(100)	(114)	(119)
Profit after tax	**795**	1 870	403	1 918	514	265	1
Share in after-tax profit of associated companies	**3 177**	7 262	3 255	4 765	1 733	2 178	1 793
Profit from normal operations	**4 164**	4 421	3 881	2 901	2 307		
Exceptional items and other non-operating income/(expenses)	**(987)**	2 841	(626)	1 864	(574)		
Group profit after tax	**3 972**	9 132	3 658	6 683	2 247	2 443	1 794
Minority interest	**(335)**	(446)	(151)	(109)	(76)	(107)	(36)
Net profit for the year	**3 637**	8 686	3 507	6 574	2 171	2 336	1 758
Headline earnings	**4 719**	4 856	4 252	3 195	2 508	2 339	1 852
Headline earnings per share (cents)	**937.6**	940.1	814.5	612.1	480.5	448.1	354.8
Basic earnings per share (cents)	**722.7**	1 681.6	671.8	1 259.4	415.9	447.5	336.8
Dividends per share (cents)							
– Ordinary	**285.00**	248.00	206.00	162.00	120.00	104.35	88.37
– Special	**200.00**		100.00			100.00	

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.

The 2000 to 2004 figures in respect of exceptional items are not comparable with those of the prior years. Since 2000, exceptional items have been disclosed before taxation while previously it was reported after taxation.

Dividend cover



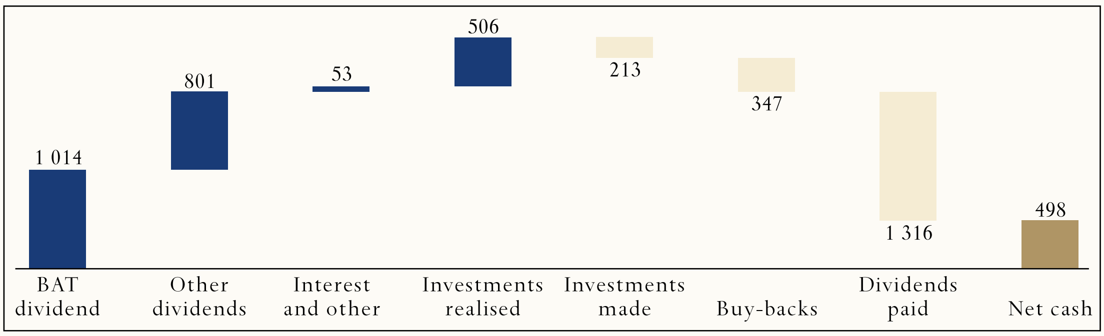
HEPS: Headline earnings per share CEPS: Cash earnings per share

FIVE-YEAR CONSOLIDATED BALANCE SHEETS AND CASH FLOW STATEMENTS

R million	2004	2003	2002	2001	2000 *Pro forma*
BALANCE SHEETS					
Property, plant and equipment	**3 515**	3 253	2 083	2 027	2 259
Investments – Associated companies	**19 545**	19 844	16 984	13 164	10 660
Other non-current assets	**5 261**	3 607	2 831	2 968	241
Current assets	**5 208**	4 079	4 435	3 395	2 283
Total assets	**33 529**	30 783	26 333	21 554	15 443
Total shareholders' equity	**31 466**	28 981	24 991	20 177	13 365
Non-current liabilities	**713**	472	244	310	296
Current liabilities	**1 350**	1 330	1 098	1 067	1 782
Total equity and liabilities	**33 529**	30 783	26 333	21 554	15 443
Net asset value per share (Rand)					
(attributable to own members)					
– at book value	**59.38**	54.19	46.10	37.14	24.05
– at intrinsic value	**101.23**	77.23	89.50	64.32	51.43
CASH FLOW STATEMENTS					
Cash generated from operations	**1 383**	1 055	618	401	
Cash flow generated from returns on investments	**2 013**	2 542	1 697	1 196	
Taxation paid	**(363)**	(220)	(111)	(116)	
Cash available from operating activities	**3 033**	3 377	2 204	1 481	
Dividends paid	**(1 438)**	(1 765)	(968)	(303)	
Cash inflow/(outflow) from operating activities	**1 595**	1 612	1 236	1 178	
Net investing activities	**(528)**	(1 943)	(201)	356	
Net financing activities	**62**	(82)	(158)	(631)	
Net increase/(decrease) in cash and cash equivalents	**1 129**	(413)	877	903	

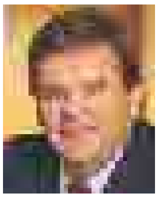
The pro forma comparative figures in the balance sheets above represent the figures of Rembrandt Group Limited after adjustments have been made for investments apportioned to VenFin Limited in terms of the restructuring in 2000, and are based on the audited annual financial statements of Rembrandt Group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

Cash movement at the holding company ("Cash at the centre") (R million)



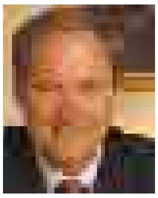
DIRECTORATE

Non-executive directors



J P Rupert (54)
CHAIRMAN

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

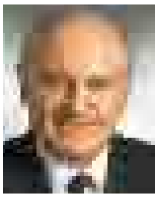


P E Beyers (54)

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

J W Dreyer (53)

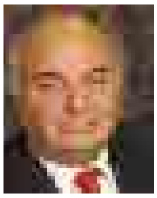
Directorships
Avis Southern Africa Limited, RMB Holdings Limited and VenFin Limited.



E de la H Hertzog (54)

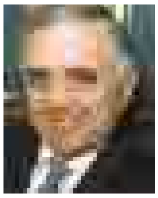
Directorships
Chairman of Medi-Clinic Corporation Limited. Serves on the Board of Distell Group Limited, Total South Africa (Pty) Limited and Trans Hex Group Limited.

Independent non-executive directors



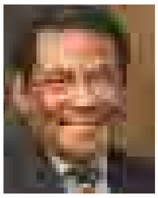
G D de Jager (53)

Directorships
Lenco Corporate Finance (Pty) Limited.



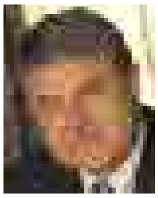
P K Harris (54)

Directorships
Chief Executive Officer of FirstRand Banking Group.



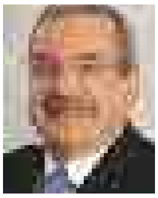
E Molobi (59)

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



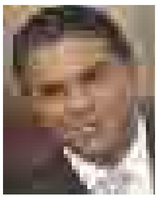
J F Mouton (57)

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



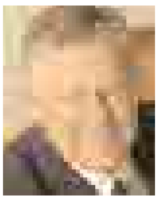
D Prins (56)
Appointed 23 June 2004

Directorships
Distell Group Limited.



F Robertson (49)

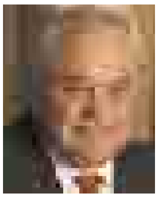
Directorships
Chairman of Lion of Africa Insurance Company Limited and Lion of Africa Life Assurance Company Limited and Executive Deputy Chairman of Brimstone Investments Corporation Limited and director of South African Tourism.



P G Steyn (70)

Directorships
Former director of Rembrandt Group Limited.

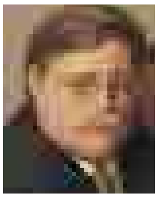
Executive directors



M H Visser (50)
Deputy Chairman and Chief Executive Officer

Qualification: BComm (Hons), CA(SA)
Years of service with the Group: 24

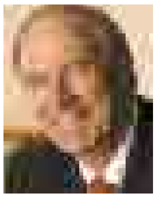
Directorships
British American Tobacco Plc, Distell Group Limited, Nampak Limited, Unilever Bestfoods Robertsons (Holdings) Limited L.L.C. and Chairman of Rainbow Chicken Limited.



W E Bührmann (49)
Investments

Qualification: BComm, CA(SA)
Years of service with the Group: 17

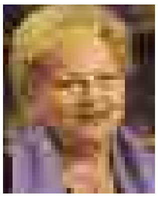
Directorships
Air Products SA (Pty) Limited, Dorbyl Limited, Gencor Limited, Medi-Clinic Corporation Limited, Rainbow Chicken Limited, Transvaal Sugar Limited, Trans Hex Group Limited and Wispeco Holdings Limited.



D M Falck (58)
Group Finance

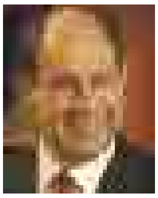
Qualification: CA(SA)
Years of service with the Group: 32

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



J A Preller (Mrs) (54)
Corporate Affairs

Qualification: BEcon
Years of service with the Group: 32



T van Wyk (56)
Investments

Qualification: BComm, LLB, LLM, H Dip Tax
Years of service with the Group: 14

Directorships
Absa Group Limited, Air Products SA (Pty) Limited, Dorbyl Limited, Sage Group Limited, Chairman of Wispeco Holdings Limited and Deputy Chairman of Business Partners Limited.

MEMBERS OF COMMITTEES

Executive Committee

M H Visser (Chairman)
W E Bührmann
D M Falck
J A Preller
T van Wyk

Audit and Risk Committee

P G Steyn (Chairman)
D M Falck
J F Mouton
F Robertson

Remuneration and Nomination Committee

J P Rupert (Chairman)
P K Harris
J F Mouton
F Robertson

GENERAL REPORT
FINANCIAL REVIEW

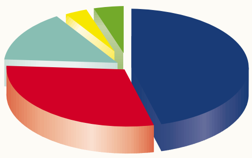
During the past financial year the economic climate in South Africa was stable due to government's sustained maintenance of fiscal and monetary discipline. Prime interest rates decreased sharply from 17% to 11.5% following the decrease in the inflation rate which is currently in line with monetary policy's guideline of between 3% and 6%. Interest rates in real terms are thus still high compared to South Africa's trading partners and competitors in the world market.

The strengthening of the South African rand against foreign currencies had a negative effect on the economy. The stability of the SA rand during the past financial year is however heartening and creates a climate for improved planning for the business sector. Recent economic research indicates that the South African business sector, and in particular the manufacturing sector, is busy adapting to the stronger rand, which is a positive sign for the future. The business confidence index also indicates a positive momentum in the economy.

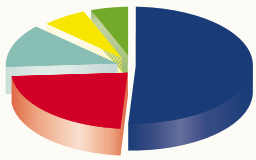
Currently the international economy is favourable for South Africa. The strong Asian economies, particularly in China, are creating increased demand for commodities and other products. It is still, however, a worrying factor whether the American economy has the ability to maintain the current growth rate in the medium term, especially if one takes into account that the American and European economies are largely stimulated by cheap debt. Rising interest rates could have a dampening effect on growth projections.

As further explained below, the strengthening of the rand against the pound sterling had a material effect on the headline earnings and cash flow of the Group. The underlying performance of the individual investee companies was however positive as indicated in the investment review.

Headline earnings



2004 %	Contribution to headline earnings	2003 %
46	Trade mark interests	51
30	Financial services	23
15	Industrial interests	13
4	Mining interests	7
5	Corporate finance and other interests	6
100		100



	2004 R million	% change	2003 R million
Trade mark interests	**2 181**	(12.7)	2 498
Financial services	**1 394**	24.4	1 121
Industrial interests	**715**	10.5	647
Mining interests	**171**	(46.9)	322
Corporate finance and other interests	**258**	(3.7)	268
	4 719	(2.8)	4 856

Headline earnings for the year under review decreased by 2.8%, from R4 856 million to R4 719 million.

Headline earnings per share decreased by only 0.3% from 940.1 cents to 937.6 cents, due to the favourable impact of the repurchase of shares as referred to below.

Currency movements, once again, have had a significant impact on the Group's earnings.

In the previous year attention was drawn to the fact that, if for instance the average exchange rate for 2004 were to be equal to the £/R spot rate at 31 March 2003, it would result in an unfavourable impact on the 2004 results.

For the year under review the rand was even stronger and this had a material negative effect on the translation of R&R's (mainly BAT's) contribution to South African rand. As shown in the table below, the favourable exchange rate effect amounting to R243 million during 2003 turned into an unfavourable R520 million during the year under review.

Financial year:	**2004**	2003
Average exchange rate (£/R)	**12.1025**	15.0678
Closing exchange rate at year-end (£/R)	**11.5950**	12.4915
R&R/BAT's contribution (£m)	**174**	161
R&R/BAT's contribution (Rm)	**2 100**	2 423
Favourable/(unfavourable) currency impact (Rm)	**(520)**	243

At a constant £/R exchange rate (if the average exchange rate for the year to 31 March 2004 were to be equal to the average exchange rate of the 2003 financial year), headline earnings per share would have increased by 10.7% from 940.1 cents in 2003 to 1 041.0 cents in 2004.

Gencor Limited (Gencor) and Impala Platinum Holdings Limited's (Impala) contribution to Remgro's headline earnings decreased substantially as a result of the unbundling of Gencor's interest in Impala. Gencor was previously accounted for as an associated company and Impala is classified among "other investments" in 2004 and only dividend income is accounted for.

Analysis of comparable headline earnings (cents per share)

– Excluding contributions by BAT, Gencor and Impala	**2004**	2003
Headline earnings as reported	**937.6**	940.1
Elimination of R&R/BAT's contribution	**(417.3)**	(469.1)
Elimination of Gencor and Impala's contribution	**(17.7)**	(43.1)
Comparable headline earnings after elimination of the above (+17.5%)	**502.6**	427.9

Basic earnings

Basic earnings per share decreased by 57.0% to 722.7 cents. Basic earnings reflects earnings after goodwill amortisation and after exceptional items of a capital nature. During the previous year, exceptional items amounted to a favourable R4 293 million, whilst in the current year it amounted to an unfavourable R557 million.

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, decreased by 15.8% from R2 805 million to R2 361 million, or 74 cents per share, mainly as a result of a decrease in dividends received from associated companies. The latter amounted to R1 690 million compared to R2 203 million in 2003. This decrease in dividends was mainly due to the exchange rate effect on dividends from R&R/BAT, as well as lower dividends from Gencor and Dorbyl Limited.

Repurchase of shares

Remgro's wholly-owned subsidiary Remgro Investments (Proprietary) Limited acquired further ordinary Remgro shares. A total of 4.8 million shares were bought in the open market, which represents 1% of the issued ordinary share capital. The purchase consideration amounted to R295.5 million at an average of R61.22 per ordinary share. Together with the shares purchased in the previous year, 16.4 million (or 3.4%) ordinary shares are held as treasury shares at 31 March 2004.

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During the year under review The Remgro Share Trust (the "trust") acquired a further 711 000 ordinary Remgro shares at an average price of R65.43 per share for a total amount of R46.5 million. 424 913 ordinary shares, which were offered to participants during October 2000, were paid for by, and delivered to, participants. The trust has been consolidated, in accordance to the JSE Securities Exchange South Africa's requirements, and the 4 236 087 ordinary shares held by the trust were accounted for as if they are treasury shares.

Dividends

Ordinary dividends of 285 cents per share were declared for the year, compared to 248 cents the previous year. This represents an increase of 14.9%. The dividend is covered 3.3 times by headline earnings and 1.6 times by cash earnings, against 3.8 times and 2.2 times respectively the previous year. Over and above the ordinary dividends, a special dividend of 200 cents per share was also declared which will be paid together with the ordinary dividends.

Intrinsic value

The intrinsic net asset value of the Group includes valuations of 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 2004 amounted to R101.23 per share. A schedule setting out the calculation of the intrinsic net asset value per share as at 31 March 2004 and 2003 is included at the end of the investment review.

The cash at the centre differs from the cash in the balance sheet. The latter comprises the following:

	2004 R million	2003 R million
Cash at the centre	**2 150**	1 652
Cash at operating subsidiaries	**1 296**	647
	3 446	2 299

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 paid by Remgro.

	2004	2003	2002	2001
Intrinsic net asset value – Rand per share	**101.23**	77.23	89.50	64.32
JSE – All share index	**10 693**	7 680	11 015	8 094
– Fin & Ind 30 index	**9 953**	6 682	9 713	9 464
– Financial 15 index	**3 782**	2 744	3 415	3 758

Relative performance	1 year to 31 March 2004 % year-on-year	3 years to 31 March 2004 % comp p.a.
Intrinsic net asset value	**+31.6**	**+16.3**
JSE – All share index	**+39.2**	**+9.7**
– Fin & Ind 30 index	**+49.0**	**+1.7**
– Financial 15 index	**+37.8**	**+0.2**

BAT preference shares

R&R's holding of the BAT preference shares represents part of the consideration received in 1999 at the time of the merger of Rothmans International and BAT. R&R was obliged under the terms of the merger agreement to either sell these shares in the market or otherwise see them redeemed by BAT on the fifth anniversary of the transaction in June this year. In anticipation of this deadline, R&R had issued convertible call warrants over the preference shares in January 2003. In May this year the warrant holders exercised their rights to take delivery of new ordinary shares issued by BAT, thereby diluting R&R's effective interest from 29.4% at 31 March 2004 to 27.9% today.

Assuming that BAT will continue its own buy-back programme, it could be expected that R&R's effective interest will once again gradually increase. R&R does not participate in the buy-back programme. Given prevailing stock exchange regulations and the undertakings to BAT, however, R&R's effective interest cannot increase above 30% of the ordinary capital.

Resulting from the warrant holders exercising their rights, R&R received £816 million in cash on 4 June 2004. Remgro's one-third of this is equal to £272 million, or R3 264 million at the current £/R exchange rate of around 12.00.

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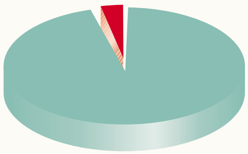
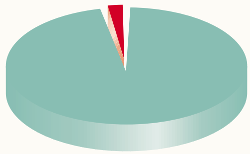
TRADE MARK INTERESTS

Contribution to headline earnings



	2004 R million	2004 %		2003 R million	2003 %
	2 100	96	R&R Holdings	2 423	97
	81	4	Distell	75	3
	2 181	100		2 498	100



Tobacco

R&R HOLDINGS

Remgro's interest in British American Tobacco Plc (BAT) is 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).

For the year under review, R&R's share of the results of BAT consisted of its 28.8% share of BAT's results for the six months to 30 September 2003 and its 29.4% share of BAT's results for the six months to 31 March 2004. The movement in R&R's percentage holding of BAT's ordinary capital is due to the share buy-back programme carried out by BAT during the year. The results for the comparative period reflected R&R's 31.5% effective interest for the nine months to 31 December 2002 and a lower interest of 27.9% for the three months to 31 March 2003.

The reduction in the effective interest results from the issue of warrants over the BAT convertible redeemable preference shares by R&R in January 2003 and the resultant change in the accounting treatment of the preference shares. As explained in the 2003 Annual Report, those BAT preference shares were treated as debt instruments from January 2003 and were no longer equity accounted. This also resulted in those debt instruments being revalued to fair value and consequently Remgro last year recorded an exceptional gain of R3 204.4 million. The movement in the present value of the preference shares has therefore been recognised and accounted for accordingly. The deferred net warrant premium has been included in equity accounted income during the period under review.

BAT's attributable profit, excluding goodwill amortisation and exceptional items, before the movement in present value of the preference shares and dividends was 1.4% higher than the prior year. However, after taking the movement in present value into account, the results for 2004 were 0.7% below the prior year.

In its financial year to 31 December 2003, BAT had shipments of 792 billion cigarettes, an increase of 2% over the prior year. BAT's four global "drive" brands, Kent, Dunhill, Lucky Strike and Pall Mall, grew by 13% over the prior year. Kent's volume reached almost 30 billion, up 14%, while Dunhill, already over the 30 billion mark, was up 8%. Lucky Strike had a difficult time but performed more strongly as the year progressed. Pall Mall broke the 30 billion barrier for the first time, up 32%, largely due to an impressive performance in Italy.

During the year, BAT acquired Tabacalera Nacional S.A.A. in Peru and Duvanska Industrija Vranje in Serbia. Effective 31 December 2003, it also acquired Ente Tabacchi Italiani S.p.A. in Italy. The major transaction announced by BAT during the year was the proposed creation of Reynolds American, combining R.J. Reynolds (RJR) and the US businesses of BAT's American subsidiary, Brown and Williamson, to form Reynolds American, a holding company to be 58% owned by RJR shareholders and 42% owned by BAT. In addition, Lane Limited, BAT's US smoking tobacco and cigar business, will be sold by BAT to Reynolds American for $400 million in cash. Reynolds American will have a combined share of approximately one-third of the US domestic market. Subject to regulatory approval, BAT anticipates that this transaction will be completed later this year.

BAT's operating profit, excluding goodwill and exceptional items, was 4% higher at £2 781 million, with higher contributions from Asia-Pacific, Latin America and Africa and Middle East regions. The profit growth at comparable rates of exchange would have been 3% as the impact of a stronger euro and South African rand more than offset the continued weakness of the US dollar and currency devaluations in Latin America.

During the year to December 2003, BAT's profit from the America-Pacific region was £955 million, down £23 million from the previous year, as US dollar exchange rate movements and the very difficult trading conditions in the US cigarette business were only partly offset by a strong profit increase from the rest of the region. Volumes were down 4% to 103 billion, as the increases from South Korea and Japan were more than offset by the impact of lower industry volumes in the US and Canada.

In Asia-Pacific, regional profit was up £10 million to £473 million over the prior year with outstanding performances in Australia, Malaysia, Vietnam and India, partially offset by reduced profit from Cambodia, Indonesia and duty-free sales. Regional volumes remained constant.

In Latin America, profits were up £47 million to £440 million due to increases from many markets in the region and the first-time contribution from the acquisition in Peru. The excellent regional results were achieved despite the impact of currency devaluations compared to the previous year and difficult economic conditions in many of the countries. Volumes in the region declined by 2% mainly due to Brazil.

Total profit in Europe was down £11 million to £536 million despite the strengthening of the euro. While there were good performances in Eastern and Central Europe, led by Russia and Romania, these were insufficient to cover the lower profit generated in Western Europe. Volumes were up 7% with strong growth from Russia, Romania and Italy, partially offset by decreases in France and Germany.

In the Africa and Middle East region, profit at £337 million was up by £77 million. This very good performance was achieved despite the cost of continuing investments in this region and reflected generally good performances, as well as the favourable impact of the stronger South African rand. Volumes were up 7% and net turnover at comparable rates of exchange was 14% higher.

In the year to 31 December 2003, BAT carried out a detailed review of its manufacturing operations and organisational structure, including an initiative to reduce overheads and indirect costs, resulting in the consolidation of its manufacturing operations in the UK, a major restructuring of its business in Canada and an agreed closure plan for a factory in Belgium. The operating results for the year included an exceptional charge of £437 million for these restructuring activities. In addition, BAT also included in its exceptional items for the year a write-down of a loan to a joint venture of £87 million and the loss on the disposal of a subsidiary of its Canadian operation of £76 million.

Using BAT's adjusted diluted earnings per share as an indicator of its underlying performance, in the year to December 2003 earnings grew by 4% to 69.21 pence per share, benefiting from the higher operating profit and the impact of its share buy-back programme. This trend continued in the quarter to March 2004 with adjusted earnings per share up 6% on the comparative period.

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R&R's contribution to Remgro's headline earnings is made up as follows:

	2004 £ million	2003 £ million
Attributable profit as reported by BAT:		
– for the year ended 31 December 2003 (2003: to 31 December 2002)	631	1 152
– less: for the quarter ended 31 March 2003 (2003: to 31 March 2002)	(235)	(229)
– add: for the quarter ended 31 March 2004 (2003: to 31 March 2003)	219	235
Adjustments:		
– to eliminate goodwill amortisation	426	380
– to eliminate exceptional items	518	–
	1 559	1 538
– movement in present value of BAT preference shares and dividends	(42)	(10)
Adjusted attributable profit of BAT for the twelve months ended 31 March	1 517	1 528
R&R's share of the adjusted attributable profit of BAT:		
– 28.8% for 1 April 2003 to 30 September 2003	232	–
– 29.4% for 1 October 2003 to 31 March 2004	208	–
– 31.5% for 1 April 2002 to 31 December 2002	–	380
– 27.9% for 1 January 2003 to 31 March 2003	–	89
Movement in present value of BAT preference shares and dividends	42	10
R&R's other income	8	3
R&R's headline earnings for the year ended 31 March	490	482
Net warrant premium no longer deferred	30	–
R&R's adjusted headline earnings for the year ended 31 March	520	482
Remgro's 33⅓% share thereof	174	161
	R million	R million
Translated at an average £/R rate of 12.1025 (2003: 15.0678)	2 100	2 423

Wine and Spirits

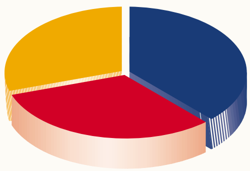
DISTELL

Distell Group Limited's (Distell) contribution to Remgro's headline earnings relates to its two consecutive six-month periods ended 31 December 2003.

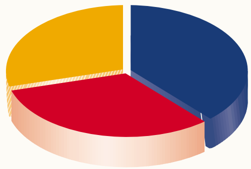
Distell's turnover grew by 8.5% for the latest reported six-month period ended 31 December 2003 although sales volumes remained constant. Sales volumes in the domestic market declined by 1.6%. International sales volumes, excluding Africa, increased by 19.7%, whilst turnover in African countries increased by 14.9%. The unfavourable effect of the rand limited growth in trading income, which increased by only 0.4%.

FINANCIAL SERVICES

Contribution to headline earnings



2004 R million	%		2003 R million	%
523	38	FirstRand	424	38
453	32	RMBH	371	33
419	30	Absa	324	29
(1)	–	Other	2	–
1 394	100		1 121	100



Both FirstRand Limited (FirstRand) and RMB Holdings Limited (RMBH) have June year-ends and therefore their results for the twelve months to 31 December have been equity accounted.

FIRSTRAND

FirstRand's contribution, as indicated above, excludes the indirect contribution of FirstRand through Remgro's interest in RMBH.

For the reported six months ended 31 December 2003, FirstRand's headline earnings increased by 25.8% to R2 787 million (2002: R2 215 million). FirstRand's core operational headline earnings, before taking into account foreign currency translation losses, increased by 16.5% to R3 003 million.

The FirstRand Banking Group, which contributed 83% to FirstRand's headline earnings, had an excellent half year due to strong new business growth, lower bad debts, increased transactional and trading income and increased merchant banking income. At an operating level, most divisions improved their performance over the corresponding period.

RMBH

For the twelve months ended 31 December 2003, 90.1% (2002: 90.7%) of RMBH's headline earnings was derived from FirstRand while 9.9% (2002: 9.3%) was contributed by its other interests.

RMBH's other interests included RMB Structured Insurance Limited, OUTsurance Limited, Glenrand M.I.B Limited and Global Resorts (SA) (Pty) Limited. Global Resorts was sold in May this year.

ABSA

Absa Group Limited's (Absa) headline earnings for the year ended 31 March 2004 increased by 29.2% to R4 447 million. The most notable performance came from personal and commercial banking, which flourished in an environment characterised by lower inflation and a decline in the prime interest rate.

Absa announced on 6 April 2004 that the board had proposed the acquisition of 10% of the group's enlarged shareholding by Batho Bonke, a black economic empowerment grouping, subject to approval by shareholders.

SAGE

For the year ended 31 December 2003, Sage Group Limited (Sage) announced headline earnings of R61.2 million (2002: headline loss of R48.0 million). As Remgro's portion of Sage's accumulated losses exceeds its carrying value attributable to Sage's reserves, Remgro did not account for its portion of Sage's results for the year to 31 December 2003.

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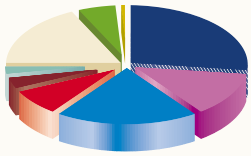
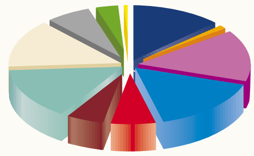
INDUSTRIAL INTERESTS

Contribution to headline earnings



2004 R million	2004 %		2003 R million	2003 %
183	27	UBR	85	13
–	–	Robertsons	15	2
96	13	TSB	94	15
140	20	Rainbow	104	16
55	8	Air Products	44	7
28	4	Dorbyl	41	6
25	3	Total	95	15
131	18	Nampak	88	14
–	–	Malbak	43	7
45	6	Wispeco	28	4
9	1	Henkel	2	–
3	–	Other	8	1
715	100		647	100



UBR (Unlisted)

The Unilever Bestfoods Robertsons venture (UBR) 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 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, *Lipton* and *Joko* tea, and *Mrs Ball's* culinary products.

UBR is managed as a Unilever subsidiary that subscribes to Unilever's global strategies. One of the main objectives of the strategy is increased focus on global leading brands and "local jewels" – these are non-global brands that nevertheless enjoy market leadership in specific regions. In South Africa, the brands *Knorrox* and *Robertsons* are cases in point, while in Israel, *Telma* is the leading brand in breakfast cereals market. Overall a reduction in the total number of Unilever brands is envisaged with the discontinuation or disposal of less significant brands where appropriate.

In line with this approach, the brands *Melrose, Carmel* and *Simonsberg* were sold during the past financial year. Likewise in Israel, certain less significant brands are under review.

In South Africa, the past year has seen the retail trade facing declining market volumes in certain categories and resistance to retail price increases. The challenge facing this industry is to achieve acceptable growth against this background. An aggressive marketing and innovation plan for the future for the major brands is aimed at retaining and, where possible, increasing market shares.

In Israel, despite a difficult political environment and a complete downturn of the tourist industry in that country, the company has managed through innovation and careful planning to maintain and even grow certain market shares. Negative inflation and declining growth have also added to the extremely difficult trading conditions. However, management is optimistic that the anticipated increase in GDP in Israel will result in better trading conditions in the next year.

UBR's contribution to Remgro's headline earnings is made up as follows:

	2004 R million	2003 R million
Headline earnings after shareholders' interest paid and before exceptional items	159	106
Non-recurring exceptional items not added in headline earnings	(27)	(52)
Interest on shareholder's loan (after taxation)	51	31
Contribution to headline earnings	183	85

The two financial years are not comparable due to the fact that the intermediate holding company, Robertsons Holdings (Proprietary) Limited, was not a wholly-owned subsidiary of Remgro for a large part of the comparative period. UBR also accounted for non-recurring exceptional items against its headline earnings during the comparative period. Excluding these exceptional items and the minority interest, UBR's earnings after taxation and shareholders' interest increased by 32.7% for the twelve months to 31 March 2004.

TSB (Unlisted)

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

The main area of operation is the Nkomazi region in the Mpumalanga Lowveld. The company's two sugar mills are situated near Malelane and Komatipoort, while citrus is grown on TSB's estates in the same region.

Sugar products are sold under the well-established Selati brand. The Selati brand enjoys market leadership in its target market (Gauteng, Mpumalanga, North West and Limpopo) whilst the recent expansion into other geographic areas has also been very successful.

TSB's animal feed operation, Molatek, produces various livestock products. The major raw materials used in the production process are by-products from the sugar production, such as molasses and bagasse. Molatek has a marketing presence throughout South Africa with marketing agents in all the provinces.

The investment in citrus consists of three citrus estates and four packing plants where grapefruit and oranges are cultivated, harvested and packed for the export market. The marketing of the citrus is undertaken by Komati Fruits, a partnership between various citrus producers. Major export harbours are Maputo and Durban.

Due to climatic conditions the sugar industry's production decreased by 12.4% in 2003/2004. The lower crop, coupled with the strengthening of the rand and the low world sugar price, had an extremely negative effect on the financial performance of millers and growers throughout the industry.

TSB's sugar production decreased by only 1.3% for the period under review compared to the 12.4% for the total industry. The fact that all sugarcane in the TSB supply area is irrigated aided in mitigating the effect of the drought. Cane production on TSB's own estates decreased by 3% compared to the previous year.

A total of 3 975 million tons of cane were crushed this season (2003: 3 909 million tons) with a sugar production of 488 000 tons raw sugar (2003: 494 000 tons) at the two mills operated by TSB. The lower sugar production is due to a decrease in cane quality because of the drought. The sugar-to-cane ratio of 8.14 compares favourably to the South African sugar industry average of 8.44. Both mills attained very good production efficiencies.

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TSB operates a refinery at the Malelane Mill complex. Raw sugar received directly from Malelane Mill and raw sugar received from the Komati Mill are refined for the local market and for export through Maputo's harbour. The refinery produced 320 000 tons of refined sugar during the year.

The Molatek animal feed plant produced at record levels and production increased by 25%.

TSB harvested 50 359 tons of citrus fruit of which 34 239 tons were grapefruit and 16 120 tons were oranges. The export percentage of 68% was obtained by best practices on cultivation, irrigation methods and management. TSB also recently obtained EUREPGAP certification.

TSB's group results were influenced negatively by depressed world sugar prices, the strengthening of the rand and the impact of the drought. Turnover declined by 1.2% to R1 457 million and operating profit by 16.7%. TSB achieved satisfactory results under these difficult circumstances with headline earnings of R95.6 million (2003: R106.3 million). These results were possible through focused management, attention to productivity enhancements and cost containment, as well as improved contributions by the citrus and animal feed divisions.

Due to the impact of the drought, sugar production for the new year is expected to be significantly lower than the 2004 financial year. The strong South African currency will also have a negative impact on results. Export prices increased over the past few months and will have a positive impact on expected results. Net results for the 2005 financial year will, however, be lower than for the past year.

The Department of Trade and Industry is currently reviewing the Sugar Act of 1978, with the aim of increasing the competitive environment and optimising development in the industry. Finalisation of the review is not expected before the 2005/2006 season.

RAINBOW

Rainbow Chicken Limited's (Rainbow) headline earnings increased by 24.0% from a restated R183.4 million to R227.5 million.

Consumer confidence and spending were more buoyant in the second half of the year resulting in chicken consumption growth of approximately 5% for the financial year. Feed raw material prices, particularly maize, softened significantly with the year-on-year closing SAFEX price for yellow maize approximately 26% lower at the end of the financial year. This translated into a feed cost reduction of 10.2%. Notwithstanding other considerable cost increases, chicken price realisations fell on the back of the lower feed price by 1.7% (2003: 16.5% increase).

AIR PRODUCTS (Unlisted)

Air Products South Africa (Proprietary) Limited (Air Products) is a large industrial manufacturer in Southern Africa of oxygen, nitrogen, argon, hydrogen and carbon dioxide. Products are supplied to the steel, chemical, petrol refining, pulp and paper industries as well as general fabrication and welding shops.

Over the past three years the company expanded into supplying the resource minerals industry of platinum refining and copper and cobalt smelters.

The company focuses on the cost-effective supply of gases to major corporations through pipeline supply from major on-site plants, bulk liquid tankers as well as supplying smaller customers with a wide range of cylinders, minitanks and specialty gases directly or through a vast distribution network.

The company has continued to show consistent and steady growth over the years, and during the last financial year commissioned a 120 km hydrogen pipeline from Vanderbijlpark to Springs.

New opportunities exist as the company offers gaseous solutions to all industries in the reduction of air pollution and wastewater treatment through technology transfer from Air Products and Chemicals Inc, USA.

The company also has joint ventures in the higher amines chemicals market and medical oxygen respiratory systems in the homecare market.

For the six months ended 31 March 2004, Air Product's turnover grew by 2.3% (2003: 27.0%) from R316.8 million to R323.9 million and its headline earnings by 12.6% (2003: 4.4%) from R47.8 million to R53.8 million.

DORBYL

Dorbyl Limited's (Dorbyl) headline earnings per share declined by 31% from 289.4 cents in 2003 to 199.3 cents in 2004.

Dorbyl's turnover declined by 36% to R1.9 billion and this was mainly due to the business disposals and discontinuances in the current and prior financial years.

TOTAL SOUTH AFRICA (Unlisted)

Total South Africa (Proprietary) Limited's (Total South Africa) results for the year ended 31 December 2003 were adversely impacted by a constant decrease in fuel prices due to the dollar price of crude (which started and ended that year at roughly the same price of around $28 per barrel) and the stronger rand (that went from around R9.0 to R6.5 to the dollar). This translated into losses on revaluation of stocks on hand and accommodation balances with other oil companies. There was little effect in the previous year as the rand was already appreciating, while oil prices were rising from around $15 per barrel in January 2002.

The Natref refinery operated without any significant downtime during 2003. The de-bottlenecking done during the shutdown in 2002 resulted in increased quantities of crude being processed.

On the marketing side, market share of main fuels and lubricants increased from 13.4% at the end of 2002 to 14%. Retail, consumer and aviation market share has also grown. Margin increases have been granted by government for 2004. If the rand remains stable then a return to normal profits could be expected.

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), a black economic empowerment group, in exchange for cash. Total France now holds 50.1%, Remgro 24.9% and Tosaco 25.0% of Total South Africa. The existing ordinary shareholders, Total France and Remgro, earn 66.8% and 33.2% respectively of the attributable profits in dividends until comparable with the after-tax interest earned by Tosaco on a cumulative basis, after which dividends out of any remaining profits are shared in proportion to voting capital of all shareholders.

NAMPAK

The contribution to Remgro's headline earnings relates to Nampak Limited's (Nampak) results for the two consecutive six-month periods to 31 March 2004.

For the six months ended 31 March 2004, Nampak reported an increase in headline earnings per share of 7% to 79.8 cents (2003: 74.4 cents). Nampak continues to generate strong operational cash flows and given the strength of its balance sheet, elected to increase the interim dividend for 2004 by 20%.

GENERAL REPORT
INVESTMENT REVIEW

WISPECO (Unlisted)

Although Wispeco Holdings Limited's (Wispeco) turnover increased by only 9% during the year under review, sales volumes (kilograms) increased by nearly 15%. The industry implemented price reductions following the strengthening of the rand during the year. This increase in volume, plus an active continuous productivity improvement programme combined with improved selling margins, contributed to the increase in Wispeco's headline earnings from R28 million to R45 million.

Wispeco introduced on-site industry training programmes to train and develop aluminium fabricators to manufacture better doors and windows and to fully utilise the successful Wispeco *StarFront* computerised cost and cutting programme. These programmes have proved to be highly successful.

As part of its one-stop-shop strategy, various capital investments and improvements were implemented in its aluminium finishing division, inter alia, commissioning an automated powder-coating plant in Alrode (Gauteng) and rationalising the powder-coating supply in the Western Cape by acquiring the operations of an independent operator and successfully integrating this operation with its own powder-coating plant in Epping, Cape Town. Wispeco's two anodising plants, in Alrode and Cape Town, had a good year, despite the slack caused by the swing from bronze anodising to bronze powder-coating.

The upgrading of the sixth extrusion press has been going according to plan and will be commissioned later this year. Subsequent to 31 March 2004, Wispeco has obtained a further press from overseas, which will be installed as soon as possible in the new year to ensure continued steady delivery to its customers.

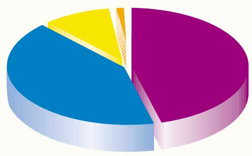
HENKEL (Unlisted)

Henkel South Africa (Proprietary) Limited (Henkel) is Southern Africa's leading manufacturer and marketer of adhesives and bonding solutions. Its innovative products are used in a range of applications in the industrial, automotive, stationery, hardware and general metal industries. Among Henkel's brands are *Pritt*, *Pattex* and *Ponal*. It also supplies a range of specialised pre-treatment, adhesive and sealing products to automotive manufacturers like BMW, DaimlerChrysler, Ford, Volkswagen and Toyota, while its *Loctite* engineering adhesives find applications in various fields of automotive maintenance and repairs.

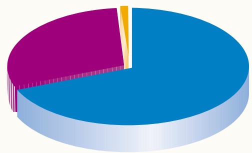
A loss-making local division of Henkel that manufactured and distributed tile adhesive and related products was sold in the beginning of 2003. The introduction of *Power Pritt* and *No More Scissors,* combined with an effective marketing campaign, contributed to an increase in its revenue of 9.4% for the year, excluding the effect of the division disposed of. Henkel's headline earnings for the year ended 31 December 2003 were R19 million (2002: headline loss R5 million). Its net profit after tax increased substantially due to increased revenue and the positive result of restructuring programmes, as well as an overall successful cost control programme. The strengthening of the rand against most major currencies contributed to the improvement of profitability in general.

MINING INTERESTS

Contribution to headline earnings



	2004 R million	2004 %	2003 R million	2003 %
Trans Hex	79	46	96	30
Gencor	72	42	223	69
Impala	17	10	–	–
Other	3	2	3	1
	171	100	322	100



TRANS HEX

Trans Hex Group Limited's (Trans Hex) headline earnings per share declined by 18% from 270.2 cents in 2003 to 222.0 cents in 2004. In constant currency and diamond price terms, headline earnings per share increased by 29% over last year. In dollar terms, Trans Hex's headline earnings per share increased by 12%.

GENCOR

The contribution to Remgro's headline earnings relates to Gencor Limited's (Gencor) results for the two consecutive six-month periods ended 31 December 2003.

Gencor reported attributable income of R6 million for the six months ended 31 December 2003 compared to the R927 million last year. This decline was a result of the unbundling of Gencor's interest in Impala Platinum Holdings Limited (Impala), whereby Gencor shareholders received 30.6 million Impala shares on 18 June 2003 by way of a dividend in specie and the reduction of the share premium account.

IMPALA

Remgro's interest in Impala is 5% and only dividend income is accounted.

CORPORATE FINANCE AND OTHER INTERESTS

Contribution to headline earnings

	2004 R million	2003 R million
Medi-Clinic	231	191
Central treasury	104	152
Net corporate costs	(85)	(82)
Other interests	8	7
	258	268

CORPORATE

The central treasury division's contribution to Remgro's headline earnings decreased from R152 million to R104 million. This was mainly the result of lower interest rates during the second half of the financial year compared to the previous year, as well as lower cash balances due to investments made during the first half of the financial year.

Net after-tax corporate costs, which include donations and the cost of the share incentive scheme, increased by R3 million from R82 million in 2003 to R85 million in 2004.

GENERAL REPORT
INVESTMENT REVIEW

MEDI-CLINIC

Medi-Clinic Corporation Limited's (Medi-Clinic) turnover increased by 25% to R3 643 million (2003: R2 924 million), while headline earnings increased by 21% to R441 million (2003: R366 million) for the year under review.

Medi-Clinic introduced meaningful and real black economic empowerment (BEE) to the industry in November 2003 through the facilitation of Bidco's R3.1 billion acquisition of Afrox Healthcare. A BEE consortium led by Brimstone and Mvelaphanda Strategic Investments controls Bidco. It also includes broad-base national and regional doctor and empowerment groupings. Collectively they own 75% of Bidco, with Medi-Clinic's 25% share of Bidco being passive and non-controlling.

The Competition Commission has recommended the conditional approval of the transaction to the Competition Tribunal. The ruling of the Tribunal is expected towards the end of July 2004.

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.

Johann Rupert **Thys Visser**

Stellenbosch
23 June 2004

INTRINSIC NET ASSET VALUE

at 31 March 2004

	Notes	Shares held million	Stock exchange closing price	£ million	Exchange rate	31 March 2004 R million	31 March 2003 R million
Trade mark interests							
R&R Holdings				2 028.2	11.5950	23 517	19 502
– BAT ordinary shares		201.4	818.5	1 648.8			
– BAT preference shares	1	40.3	695.8	280.3			
– BAT dividends received/accrued	2			82.9			
– Other net assets				16.2			
Distell Group		58.7	1 550			909	704
Financial services							
Absa Group		61.4	4 664			2 863	1 805
FirstRand		520.7	982			5 113	3 385
RMB Holdings		274.1	1 491			4 087	2 549
Sage Group		65.0	170			111	17
Sagecor						11	9
Industrial interests							
Rainbow Chicken		172.8	545			942	465
Transvaal Sugar						1 073	1 009
Unilever Bestfoods Robertsons						1 754	1 442
Wispeco						268	186
Air Products South Africa						605	423
Dorbyl		14.1	1 850			260	228
Henkel South Africa						75	13
Nampak		86.8	1 325			1 150	998
Total South Africa						933	1 198
Mining interests							
Gencor		38.0	12			5	1 330
Impala		3.3	51 565			1 720	–
Trans Hex Group		30.2	2 725			823	599
Other interests							
Caxton		7.8	880			69	43
Medi-Clinic Corporation		178.6	1 200			2 143	1 339
Sundry investments and loans						72	78
Other net assets						98	139
Cash at the centre	3					2 150	1 652
Intrinsic value						50 751	39 113
Issued shares after deduction of shares repurchased and the shares in The Remgro Share Trust (million)						501.3	506.4
INTRINSIC VALUE PER SHARE						R101.23	R77.23

Notes

1. The BAT preference shares and dividend 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. Cash at the centre excludes cash held by subsidiaries and associates that are separately valued above.
4. The listed investments are valued at stock exchange prices and unlisted investments at directors' valuation.

CORPORATE GOVERNANCE

Remgro endorses, and is fully committed to compliance with the principles of the King II 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. 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.

The following are the notable aspects of the Company's corporate governance.

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 and is available for inspection at the registered address.

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

Composition of the Board

Remgro has a fully functional Board that leads and controls the Group. The Board currently consists of five executive and eleven non-executive directors of whom seven are independent.

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 8 and 9.

Role and responsibilities

The Board is ultimately responsible 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 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 and terms of employment of all directors and members of senior management and is responsible for succession planning. Additionally, it annually participates in evaluating directors. The committee is also responsible for nominating directors. The chairman of the Board is chairman of this committee. The chief executive officer attends meetings by invitation.

  The committee has a formal mandate and its effectiveness is evaluated 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 evaluated 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 Board.

The Board is responsible for the appointment and induction 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 strategies and policy.

Executive directors contribute their insight of 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.

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 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. 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.

CORPORATE GOVERNANCE

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

Duties of directors

The Companies Act places certain duties on directors and determines 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 II Report on Corporate Governance for South Africa, are applied.

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

After evaluating in terms of their respective charters, the directors are of the opinion that the Board and the subcommittees have discharged all their responsibilities.

Conflicts

Mechanisms are in place to recognise, respond to and manage any potential conflicts of interest. Directors 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, directors 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, is 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

At least once a year the Board considers 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

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. No dividends have been declared. 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 17 to the annual financial statements.

Risk management and internal control

In determining strategic goals, the Board of Directors has ensured its understanding of all the risks accepted in the Company's investment portfolio with a view to maximising sustainable profits and growth. These risks are continuously measured against the risk appetite determined by the Board.

The categories of risk identified can be broadly classified as follows:

- **Performance risk** relates to those risks managed by the Board and include strategic risk, opportunity risk, reputation risk, liquidity risk, and also risks relating to corporate governance, social responsibility and stakeholder relations.
- **Investment risk** inherent to existing investments. The Board has delegated the responsibility for investment risk management to the boards of the various investment companies. The Remgro Board monitors that these delegated responsibilities are effectively executed by appointing its own members in non-executive capacity on those boards.
- **Operational risk** includes operational effectiveness and efficiency, safeguarding of assets, compliance with relevant laws and regulations, reliability of reporting, effective operational risk management, human resource risk, technology risks, business continuity and risk funding. Various operational risks have been transferred to M&I as part of the agreement with that service company. These include human resource risks and information technology risks.

The Board has documented and implemented a comprehensive risk management system, which incorporates continuous risk assessment, evaluation, and internal control embedment.

The Enterprise-wide Risk Management system applicable to the Company is as follows:

- **Group risk analysis**

  The purpose of the Group risk analysis is to reconfirm and update the Group's consolidated risk profile. This ensures that the residual risk profiles by investment, and in total, remain within the risk tolerances set by the Board and that new emerging risks are identified and timeously responded to.

CORPORATE GOVERNANCE

- **Activity risk analysis**
  The activity risk assessment further refines the Company's risk assessment at key activity level relevant to the achieving of objectives and ensures that risk management initiatives are duly prioritised and resourced.

- **Operational risk management**
  The Board influences the control environment by setting ethical values and organisational culture whilst ensuring that management styles, delegated authorities, business plans and management competency are appropriate, effective and efficient.

  Operational risks are managed by means of internal control. This is a process designed to provide reasonable assurance regarding the achievement of organisational objectives and to reduce the possibility of loss or misstatement to within accepted levels. The effectiveness of risk management is measured by the level of reduction of the cost of risk.

  Risk management principles along with internal controls are embedded into the daily activities of the Company. An automated risk management tool, Risk Minimiser®, supports this process and delivers self-assessment functionality to line managers by translating controls, benchmarked and linked to key performance indicators, into daily activity lists. The system supports the values of transparency, mutual respect and accountability. Key outputs from the system include:
  - Assurance regarding compliance with key controls
  - Exception reporting regarding control deviations
  - Real-time risk profiles based on validated data
  - Cost of risk and incident monitoring
  - Electronic distribution of all relevant policies, procedures, laws and practices from centrally updated databases
  - Automated communication and tracking of control enhancement activities

  Management structures have been established to focus on certain key risk activities, including safety, health, environment, security, tax, risk funding and treasury.

- **Risk funding**
  Risk funding is viewed as a cost of capital activity aimed at reducing the Company's residual exposures to risk with potential catastrophic impacts or risks which cannot be cost beneficially managed.

- **Integrated assurance**
  The Board does not only rely on the adequacy of the control embedment process but regularly receives and considers reports on the effectiveness of risk management activities. The Audit and Risk Committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated.

  The various assurance providers to the Board comprise the following:

  - The Executive Committee and senior management consider the Company's risk strategy and policy along with the effectiveness and efficiency thereof.

  - The Audit and Risk Committee focuses on reviewing the adequacy of risk management strategies, systems of internal control, risk profiles, legal compliance, internal and external audit reports and also reviews the independence of the auditors, the extent and nature of their engagements, coverage and findings. This committee also reviews the level of disclosure in the annual reports and the appropriateness of policies adopted by management, the fraud register and other loss incidents reported. The Board reviews the functionality of the audit and risk committee against its charter.

Internal audit

The Company has an internal audit function, which has been outsourced to M&I's Risk Management and Internal Audit department. It is an effective independent appraisal function and employs a risk-based audit approach, formally defined in accordance with the Institute of Internal Auditors' (IIA) definition of internal auditing and documented in a charter approved by the Board. The head of this department has direct access to the chairman of the Audit and Risk Committee as well as to the chairman of the Group.

External audit

The Company's external auditors attend all Audit and Risk Committee meetings and have direct access to the chairman of the Audit and Risk 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 relate to tax matters and are effected by a department independent to the audit partners. Independence is further assured by terms of appointment.

The Audit and Risk Committee has reviewed the risk management programmes and systems of internal control of the Company and its dependent wholly-owned subsidiaries for the financial year to 31 March 2004. Transvaal Sugar and Wispeco are considered to be independent. 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 independent wholly-owned subsidiaries and associated companies.

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. Directors and designated employees may only deal in the Company's securities outside the closed period, with the authorisation of the chairman or the managing director. The closed period lasts 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.

CORPORATE GOVERNANCE

Attendance at meetings

	Directorate	Executive Committee	Audit and Risk Committee	Remuneration and Nomination Committee
Number of meetings held	**6**	**4**	**4**	**1**
Attendance by directors				
J P Rupert	4			1
M H Visser	6	4		
P E Beyers	5			
W E Bührmann	6	3		
G D de Jager	6			
J W Dreyer	6			
D M Falck	5	4	4	
P K Harris	3			1
E de la H Hertzog	6			
E Molobi	3			
J F Mouton	5		3	1
J A Preller	6	4		
F Robertson	6		4	1
P G Steyn	6		4	
T van Wyk	6	4		

SUSTAINABILITY REPORT

As Remgro is an investment holding company, disclosure regarding sustainability is therefore limited to that of the Company and its wholly-owned subsidiaries, including Wispeco and Transvaal Sugar. Social and sustainability reporting for listed investees and private associate companies is contained in the reports of those entities.

The main aspects to report are as follows:

Stakeholder relations

The following are recognised as stakeholders in the Company:
- Shareholders and lenders as providers of capital
- The State as policy maker and regulator
- The investment community as interested party
- The community through the creation of employment and part benefactor of taxes paid by profitable organisations and recipient of social contributions

The Board regularly reviews its strategies against the requirements of the stakeholders to ensure balanced long-term growth and viability of the Company and that of the society and environment it operates in.

Group ethics

Dr Anton Rupert, founder of the 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

These guidelines developed into what is today Remgro's value system. The Company 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 value system communicated from and demonstrated by the Board of Directors.

Remgro's commitment to ethical behaviour is documented in the following:
- Code of ethics
- Code of conduct
- Fraud prevention policy
- Internet policy
- Disciplinary code

Safety and environment

The Company has a duly constituted safety and health committee as required by the Occupational Health and Safety Act. This committee assists the Board in ensuring that the Company provides and maintains a safe and healthy risk-free environment for staff and visitors by identifying risks and ensuring that controls designed to mitigate these risks are effective and complied with.

SUSTAINABILITY REPORT

The Company benchmarks its current environmental practices against the criteria stipulated in the GLOBAL Reporting Initiative™ (GRI) Framework, being:

- Materials
- Energy
- Water
- Biodiversity
- Emissions, effluents and waste
- Suppliers
- Products and services
- Compliance
- Transport

Where deemed appropriate, usage and impact are being quantified and measured against best practices. Where appropriate, compliance with safety, health and environmental systems are measured against formal standard systems such as ISO and subject to independent review.

HIV/Aids policy

During February 2003, the 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 for this purpose.

From an investment holding company perspective, 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.

The progress of these policies and strategies is monitored against best practice standards.

Company risk

Remgro and M&I have a formal HIV/Aids policy and are committed to managing the pandemic actively and the business risks associated with it. The 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.

Employees

Composition of the employees of the operating subsidiaries:	2004	2003
Medi-Clinic Corporation	**11 320**	10 805
Rainbow Chicken	**5 239**	5 561
Wispeco	**679**	600
Transvaal Sugar	**3 004**	2 882
Other	**11**	13
	20 253	19 861

The boards of directors of the individual operating subsidiaries are responsible for their own strategies regarding employment equity, HIV/Aids programmes, training and other personnel matters. The 198 (2003: 203) employees of M&I are not included above as M&I is not a subsidiary.

Employment equity

M&I, the service company, 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 continuously 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 submitted its fourth labour plan to the Department of Labour during the past year.

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 to investment holding companies, 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.

M&I 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.

Human resource policies and procedures also address the issues of non-discrimination, child labour, disciplinary practices, human rights et al.

BEE – black economic empowerment

The Board believes that BEE is a social, political and economic imperative and we therefore encourage and support the Company's subsidiaries and associated companies to give serious consideration and impetus to the BEE process. We are pleased that Absa, Total, Trans Hex and Medi-Clinic have engaged the process positively and facilitated, or announced, broad-based economic empowerment in their respective industries. We look forward to the day when all South Africans, especially our children, can fully participate in our economy on a non-racial and equal basis.

SUSTAINABILITY REPORT

Social investment

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 and are not spread over such a broad area that the extent and effect become negligible.

In terms of this approach, the Company is currently involved in the following projects and institutions:

Entrepreneurship and training

In recent years Remgro has made a substantial investment which is held in trust for 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 – at this college in Graaff-Reinet specifically black women from previously disadvantaged communities are trained for the hospitality industry. The training forms part of the Peace Parks Foundation's (PPF) strategy for transnational parks.

In 2003, a total of 27 students, among whom two came from Lesotho and one from Botswana, received training in the most important facets of the hospitality industry: culinary arts; food and beverage studies; room and front-of-house services as well as management and communications skills and computer literacy.

Of the 2004 enrolment of 30 students, 20 came from the following neighbouring states: Botswana (2), Lesotho (2), Malawi (4), Mozambique (4), Zambia (4), Swaziland (2) and Zimbabwe (2).This is a true reflection not only of the success of the PPF's transnational park strategy but also of the international status that the College for Tourism has achieved during its relatively short history.

South African Wildlife College – a total of 44 students, all employed by conservation organisations in Botswana, Cameroon, Gabon, Kenya, Malawi, Mozambique, South Africa, Zambia and Zimbabwe, attended diploma and certificate courses at the College during the past year.

For the first time a midyear break was implemented to allow students to visit their families. These arrangements proved to be a great success. In the past it was noticed that the morale and motivation of the students declined during the last months of the course.

SciMathUS – after a trial period of three years, Remgro decided to provide further assistance to this project of the Institute for Mathematical and Science Teaching at the University of Stellenbosch, the aim of which is to provide students from formerly disadvantaged communities the opportunity to improve during a postmatric year their efficiency in mathematics and science or accountancy in order to gain access to tertiary education.

The success of the project, now in its third year, has been proved beyond any doubt. At the end of last year all the participants in the programme wrote the final exam in the higher grade and achieved a 100% past rate, with 13 distinctions. As compared to their 2002 matric results, the students improved their average maths results by 38%, while their science and accounting results were up by 41% and 42% respectively. The majority of *SciMathUS* students of previous years are currently studying at tertiary institutions. Thirty-two are at the University of Stellenbosch.

Paul Roos Academy – Remgro became a sponsor of this imaginative project to identify leadership talent in disadvantaged schools and to afford these children the opportunity to realise their full potential.

The first group of 60 Grade 7 boys – from seven farm schools in the Stellenbosch district and five schools in the Western Cape townships of Langa, Nyanga and Khayelitsha – was admitted to the Academy Programme in April 2003. They were provided with much-needed clothing and school equipment. The following six areas of tuition are covered by the programme: communication, maths, technology, entrepreneurship, culture and sport.

By the time the students have reached matric, after being exposed to the Academy for five years, they will have received half a school year's additional tuition. The backlog of these children is huge but so is their potential, as has clearly been revealed during the first year of the programme.

Rally to Read – for the second successive year, Remgro participated in the *Rally to Read* programme. Since 1998, this literacy development programme has invested over R9 million in improving the quality of education in remote areas of the country. As part of the programme, off-road vehicles are used annually during May to deliver educational materials such as books and toys to some of the country's most neglected schools. Participants also gain insight into the conditions under which education takes place in these areas. Research has shown that the level of reading skills of the average 16-year-old child in a rural school lags up to seven years behind that of urban children.

Environment

WWF-South Africa – Remgro has been a corporate member of this organisation since it was founded in 1968. Highlights of the past year's activities included the following:

- The Eco-Schools project has been implemented with great success. More than 160 schools have registered and 57 schools earned their Eco-Schools flags. The project is part of WWF-SA's Conservation Education Programme.
- The announcement in February 2004 by the former Minister of Environmental Affairs and Tourism, Mr Valli Moosa, that five new Marine Protected Areas (MPAs) were to be designated in an effort to consolidate South Africa's marine and coastal conservation areas, represents a huge step forward. The ultimate goal is that ecologically representative MPAs should cover at least 20% of South Africa's coastline.
- WWF-SA has identified freshwater supplies as amongst its three top conservation priorities and is currently in the process of developing a freshwater programme. This process will be inclusive of all nine provinces as well as those countries which share rivers with South Africa.

Cultural development

Klein Karoo National Arts Festival – In the 10th year of this successful festival, Remgro has recommitted itself as sponsor for another term of three years, mainly to support certain empowerment proposals on the Festival's agenda. The company's contribution will inter alia be used to stimulate community theatre, thus affording talented amateurs and unemployed youth in the Little Karoo opportunities which otherwise would be hard to attain. A scholarship for exceptional rural talent and training for the management of art institutions in the Oudtshoorn area form part of the sponsorship.

Remgro also supports the **Stellenbosch Music Festival** which is held annually in the concert halls of the local university. A series of master classes by foremost South African musicians, workshops, community projects, a popular street festival and various exhibitions all form part of the festivities.

SUSTAINABILITY REPORT

Sport development

SA Golf Development Board (SAGDB) – this initiative, the administrative costs of which are sponsored by Remgro and its sister company, VenFin, goes from strength to strength. During the past three years some 6 000 children have benefited from it.

While a golf course is merely a place of relaxation for most people, SAGDB regards it as a classroom where vital life skills are taught to young South Africans. A highlight during the past year was the opportunity offered to young players to attend the President's Cup, where they could not only see some of their heroes in action but also meet them.

SAGDB this year aims to expand its development programmes to the three provinces where the organisation is not yet operational: Limpopo, Mpumalanga and North West.

Western Cape Cricket Academy – the Academy, of which Remgro is a founding sponsor, celebrated its 10th anniversary during the past year together with the celebration of democracy in the country. Besides the top players the Academy produces for the southern provinces and the rest of the country, much is done to promote all aspects of cricket.

Community development

Ikamva Labantu – in partnership, Remgro contributes annually to the administrative costs of this welfare organisation in the black townships of Cape Town. *Ikamva Labantu* has more than a thousand community projects under its umbrella and is involved at grassroots level in poverty alleviation.

In a recent report, the Managing Director, Mr Sipho Puwani, said that Remgro's support has enabled Ikamva to progress from a struggling non-governmental organisation offering survival services to a strategically focused organisation which performs effectively in partnership with communities.

Services are being rendered especially in the following areas: health (home-based care, preventative measures, family enrichment, etc), education and capacity building (foster care, skills development, programmes for seniors, etc), land and buildings (accessibility, pride of ownership, etc) and poverty alleviation, where the emphasis is on food production to reduce dependence.

A once-off contribution by Remgro during the past year assisted **Circle Wastecraft** in getting a number of unemployed women from the township Kayamandi in Stellenbosch under way to produce articles from waste materials for the tourist market. The women use bottles, plastic bags, beads, wire and scrap wood to make these articles.

Organ Donor Foundation of SA – once again the company has been involved in the Foundation's *Gift of Life* programme. Several flights were undertaken by Falconair to transport life-giving organs for operations.

Remgro
Limited

ANNUAL REPORT
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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, with the exception of the consolidation of The Remgro Share Trust and the implementation of the South African Statements of Generally Accepted Accounting Practice, AC 133: Financial Instruments – Recognition and Measurement and AC 137: Agriculture, and supported by reasonable and prudent judgements and estimates.

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

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Thys Visser
Chief Executive Officer/Deputy Chairman

Stellenbosch
23 June 2004

STATEMENT 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
23 June 2004

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 page 43 to 83 for the year ended 31 March 2004. 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 2004 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

Registered Accountants and Auditors
Chartered Accountants (SA)

Stellenbosch
23 June 2004

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2004

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 of the Company and its subsidiaries 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:	2004	2003
Headline earnings (R million)	4 719	4 856
– per share (cents)	937.6	940.1
– diluted (cents)	935.6	937.8
Basic earnings – net profit for the year (R million)	3 637	8 686
– per share (cents)	722.7	1 681.6
– diluted (cents)	721.1	1 677.5
Dividends (R million)*	2 532	1 295
– ordinary – per share (cents)	285.00	248.00
– special – per share (cents)	200.00	

* *A final dividend of 184 cents (2003: 160 cents) per share and a special dividend of 200 cents per share were declared after the year-end and were therefore not provided for in the annual financial statements.*

Investments

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

Repurchase of Remgro shares

Remgro Investments (Proprietary) Limited (Remgro Investments)

During the first six months of the year under review, Remgro's wholly-owned subsidiary Remgro Investments acquired a further 4 826 474 ordinary Remgro shares (1.0% of the ordinary shares) at an average price of R61.22 for a total amount of R295.5 million. No shares were purchased during the second six months to 31 March 2004. Together with the shares acquired in the previous financial year, a total of 16 442 602 (3.4%) of the ordinary shares are held as treasury shares.

The Remgro Share Trust (the "trust")

During the year under review the trust bought 711 000 (2003: 3 950 000) ordinary Remgro shares at an average price of R65.43 (2003: R70.03) for a total amount of R46.5 million (2003: R276.6 million). During the period under review 424 913 shares were delivered to participants against payment thereof.

Also refer to the section "Prior year adjustments – Other adjustments" on page 45 for full details in respect of the accounting treatment of the trust.

Total South Africa (Proprietary) Limited

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), a black economic empowerment group, in exchange for cash. Total France now holds 50.1%, Remgro 24.9% and Tosaco 25.0% of Total South Africa on a fully diluted basis.

This transaction realised an after-tax capital surplus of R51 million which was accounted for as an exceptional item.

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2004

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 Impala shares on 18 June 2003. On 31 March 2004 Remgro's interest in Impala was 5.0%.

Sage Group Limited (Sage)

In June 2003 Sage raised additional capital in the amount of R350 million by way of 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.

In terms of the rights issue and underwriting agreement, Remgro subscribed for 54 177 337 Sage shares for a total consideration of R87.5 million. On 31 March 2004 Remgro's effective interest in Sage was 21.8%.

Rainbow Chicken Limited (Rainbow)

During August 2003 Remgro acquired a further 11.1% in Rainbow at a cost of R119.3 million. Remgro's interest in Rainbow is now 64.2%.

Trans Hex Group Limited (Trans Hex)

In terms of a purchase option, 5 million Trans Hex shares were sold to Mvelaphanda Resources Limited during February 2004 for an amount of R54.0 million. The transaction realised an after-tax capital loss of R4 million which was accounted for as an exceptional item. Remgro's interest in Trans Hex decreased from 41.1% on 31 March 2003 to the current level of 34.2%.

SUBSEQUENT TO THE YEAR-END:

BAT preference shares

The warrants issued by R&R Holdings (R&R) in January 2003 over the BAT preference shares were exercised by the warrant holders in May of this year, resulting in the preference shares being converted into BAT ordinary shares. On 4 June 2004, R&R received £816 million in respect thereof. Given the increase in the number of ordinary shares as a consequence of the conversion, R&R's effective interest in the ordinary capital of BAT decreased to 27.9%. Remgro's effective interest in BAT is 9.3%.

Cash flow and dividends

The Company's cash at the centre amounted to R2 150 million at 31 March 2004.

Remgro's share of the proceeds received by R&R on 4 June 2004 in respect of BAT preference shares amounts to approximately R3 300 million.

In view of this strong cash position, and notwithstanding the small decline in headline earnings for the year, the Board is of the opinion that dividend payments to shareholders should be as follows:

Ordinary dividend

The ordinary dividend per share be increased by 14.9% from 248 cents to 285 cents for the 2004 financial year.

Special dividend

An additional special dividend of 200 cents per share.

The total distribution to shareholders in respect of the 2004 financial year is therefore R2 532 million and is made up as follows:

	R million
Ordinary	
– Interim	527
– Final	961
Total	1 488
Special	1 044
	2 532

The remaining cash resources are reserved for:
- Possible investment opportunities; and
- The repurchase of Remgro ordinary shares in the open market from time to time.

Group financial review

Prior year adjustments

Changes in accounting policy

With effect from 1 April 2003 Remgro implemented AC 133: Financial Instruments – Recognition and Measurement and AC 137: Agriculture.

AC 133

In accordance with the transitional provisions of AC 133, Remgro and its subsidiaries recorded an after-tax cumulative adjustment surplus of R36 million as an opening balance adjustment to reserves to recognise the difference between the carrying values and fair values of financial instruments at 1 April 2003.

Due to the fact that the comparative figures are not restated under the transitional provisions of AC 133, certain items are not directly comparable on a line-for-line basis with that of prior financial years. The impact of AC 133 being applied by Remgro and its subsidiaries was an increase of R5 million in headline earnings (or 1.1 cents per share) for the year under review.

AC 137

As the effect of this accounting standard on Remgro's earnings for the year under review and for the comparative year was immaterial, the comparative income statement has not been restated. The comparative balance sheet has been restated as set out below.

Other adjustments

Restatement of comparative figures in respect of deferred taxation

Rainbow Chicken Limited restated its 2003 comparative figures in order to comply with the accounting statement dealing with deferred taxation. The effect of this on Remgro's results for 2003 was a decrease in headline earnings of R50 million.

Consolidation of The Remgro Share Trust (the "trust")

In terms of the latest rules of the JSE Securities Exchange South Africa companies are obliged to consolidate share incentive trusts under certain circumstances. Comparative figures have been restated accordingly and the 4 236 087 (2003: 3 950 000) ordinary shares held in the trust for participants are accounted for as if they were treasury shares and are now also deducted from the issued number of shares in determining the weighted average number of shares. The cost price of the shares has been deducted from the Group's equity.

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2004

Restatement of comparative figures as a result of above-mentioned prior year adjustments:

	Year ended 31 March 2003 R million
Income statement	
Headline earnings as previously reported	4 914
Consolidation of The Remgro Share Trust	(8)
Restatement of comparative figures in respect of deferred taxation	(50)
Restated headline earnings	4 856
Weighted number of shares in issue as previously reported	519 565 424
Restated weighted number of shares in issue	516 517 429
Headline earnings per share as previously reported (cents)	945.8
Restated headline earnings per share (cents)	940.1

	R million
Balance sheet	
Decrease in reserves	(89)
Increase in treasury shares	277
Decrease in minority interest	(45)
Decrease in property, plant and equipment	(106)
Increase in biological agricultural assets – non-current assets	82
Decrease in loans	(277)
Increase in deferred tax assets	4
Increase in current assets	4
Increase in deferred tax liability	114
Increase in current liabilities	4

Balance sheet

The analysis of "Equity" and of "Source of headline earnings" below reflects 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.

	2004		2003	
	R million	**R per share**	R million	R per share
Equity employed				
Interest of own members	**29 766**	**59.38**	27 443	54.19
Employment of equity				
Trade mark interests	**9 437**	**18.83**	10 001	19.75
Financial services	**9 205**	**18.36**	8 735	17.25
Industrial interests	**5 503**	**10.98**	5 788	11.43
Mining interests	**1 977**	**3.94**	866	1.71
Corporate finance and other interests	**3 644**	**7.27**	2 053	4.05
	29 766	**59.38**	27 443	54.19

Income statement

	2004 R million	2004 %	2003 R million	2003 %
Source of headline earnings				
Trade mark interests	**2 181**	**46**	2 498	51
Financial services	**1 394**	**30**	1 121	23
Industrial interests	**715**	**15**	647	13
Mining interests	**171**	**4**	322	7
Corporate finance and other interests	**258**	**5**	268	6
	4 719	**100**	4 856	100

	2004 R million	2003 R million
Composition of headline earnings		
Subsidiary companies and joint ventures	**605**	542
Profits	**610**	547
Losses	**(5)**	(5)
Associated companies	**4 114**	4 314
Profits	**4 117**	4 316
Losses	**(3)**	(2)
	4 719	4 856

Company net profit and appropriation

	2004	2003
The Company's own distributable reserves at the beginning of the year amounted to	**7 676**	8 000
Net profit for the year	**1 378**	1 352
Dividend No 6 of 160.00c per share paid in August 2003 (2002: 133.00c)	**(835)**	(694)
Special dividend of 100.00c per share paid in August 2002	**–**	(522)
Dividend No 7 of 101.00c per share paid in January 2004 (2003: 88.00c)	**(527)**	(460)
The Company's own distributable reserves carried forward to the following year amounted to	**7 692**	7 676

Share scheme

During the year the trustees of the Remgro Share Scheme (the "scheme") offered ordinary shares to participants as follows (also refer note 28):

Date	Offer price (Rand)	Number of shares offered	Number of shares accepted on 31 March 2004
04/11/2003	63.50	1 483	1 483
25/11/2003	65.94	594	594
28/11/2003	66.70	313 120	313 120
13/01/2004	70.30	1 392	1 392
02/02/2004	73.00	782	782
		317 371	317 371

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2004

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

	Average offer price (Rand)	Number of shares
Ordinary shares due to participants:		
Previous financial year	44.53	3 964 683
Offered and accepted in current financial year	66.71	317 371
Offered in previous financial year and accepted in current financial year	63.01	385 632
Shares paid for and delivered	43.60	(424 913)
Resignations and other		(5 875)
Total at 31 March 2004	47.97	4 236 898

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, the first of which is only payable three years after the offer date. 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.

Principal shareholder

Rembrandt Trust (Proprietary) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 43.0% (2003: 42.8%) of the total votes.

An analysis of the shareholders appears on pages 85 and 86.

Subsidiary companies and investments

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

Directors

Mr D Prins was appointed as an independent non-executive director on 23 June 2004.

The names of the directors appear on pages 8 and 9.

In terms of the provision of the articles of association, Messrs P E Beyers, G D de Jager, P K Harris, E Molobi, D Prins and M H Visser retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

Directors' interests

At 31 March 2004 the aggregate of the direct and indirect interests of the directors in the issued ordinary share capital of the Company amounted to 0.69% (2003: 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 87.

Directors' emoluments

The Board recommends that directors' fees for services rendered as directors during the past financial year be fixed at R865 000 (2003: R900 420) in total.

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 Securities Exchange South Africa.

Special resolutions to this effect are incorporated in the notice of the annual general meeting that appears on page 88.

Special resolutions

No special resolutions have been passed by the Company's major subsidiaries, the nature of which might be significant to members in their appreciation of the state of affairs of the Group.

Dividends

Dividend No 8

A final dividend of 184 cents (2003: 160 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 2004.

Together with the interim dividend of 101 cents (2003: 88 cents) per share paid during January 2004, total dividends for the financial year amounted to 285 cents (2003: 248 cents) per share.

Special dividend

A special dividend of 200 cents per share was declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each.

Payment

The final and special dividend are payable to shareholders of the Company registered at the close of business on Friday, 20 August 2004.

On payment date, Monday, 23 August 2004, if so mandated, dividends due to holders of certificated securities will either be transferred electronically to bank accounts, or alternatively, cheques will be posted to their registered addresses.

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

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 16 August 2004, and Friday, 20 August 2004, both days inclusive.

Secretary

The name and address of the Company Secretary appears on page 84.

Approval

The annual financial statements set out on page 43 to 83 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
23 June 2004

ACCOUNTING POLICIES

for the year ended 31 March 2004

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with South African Statements of Generally Accepted Accounting Practice, the requirements of the South African Companies Act and the Listings Requirements of the JSE Securities Exchange South Africa and incorporate the following principal accounting policies which are consistent in all respects with those of the previous year, with the exception of the consolidation of The Remgro Share Trust and the implementation of South African Statements of Generally Accepted Accounting Practice, AC 133: Financial Instruments – Recognition and Measurement and AC 137: Agriculture:

(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 acquired or ceased.

Consolidation – The Remgro Share Trust

The Remgro Share Trust has been consolidated as it is effectively controlled by the Company.

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 financial 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 depreciated on a straight-line basis over their expected useful lives.

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) Biological agricultural assets

The fair value of the biological agricultural assets are determined on the following basis:

Sugarcane – Roots are valued at the current establishment and replacement cost and the value is proportionally reduced over the estimated useful life of the roots. Standing cane is valued at its best-estimated recoverable value less harvesting, transport, agricultural levies and other over the weighbridge costs.

Citrus – Orchards are valued at the current establishment and replacement cost adjusted for maturity levels and the value is proportionally reduced over the estimated useful life of the orchards. Citrus fruits are valued at the best-estimated recoverable values less harvesting, transport and agricultural levies.

Tea – Tea plantations are valued at the current establishment and replacement cost and the value is proportionally reduced over the estimated useful life of the plantations. Tea leaves are valued at current cultivation costs less point-of-sale costs.

Breeding stock – is capitalised at cost at the beginning of its productive cycle and is amortised on the straight-line basis, over the anticipated productive cycle, to its estimated net realisable value.

Live broiler chickens and hatching eggs – are valued at the lower of cost or net realisable value. The basis of determining cost is the first-in first-out cost method. Costs include all direct production costs and an appropriate portion of overheads.

The above determined values for breeding stock, live broiler chickens and hatching eggs are assessed against fair values less estimated closure point-of-sale costs. Gains and losses arising from changes in the fair values are accounted for in normal income in the period in which they arise. The determination of fair value is based on active markets, where appropriate, or management's assessment of fair value based on available data.

Sugarcane, citrus and tea are reported in the balance sheet as non-current assets, while breeding stock, live broiler chickens and hatching eggs are reported as current assets.

(iv) 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.

ACCOUNTING POLICIES

for the year ended 31 March 2004

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.

(v) 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.

(vi) 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 investments – Investments in equity and debt instruments are classified into the following categories, i.e. originated by the Group, held-to-maturity, held-for-trading and available-for-sale.

Investments originated by the Group – These investments, which primarily consist of loans, are originated by the Group by providing money, goods or services directly to a debtor, are included within non-current assets and are carried at amortised cost using the effective interest rate method.

Investments held-to-maturity – Investments with fixed maturity that the Group has the intent and ability to hold to maturity are classified as investments held-to-maturity and are included within non-current assets. These investments are carried at amortised cost using the effective interest rate method.

Investments held-for-trading – These investments are carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of held-for-trading investments are recognised in the income statement in the period in which they arise.

Investments available-for-sale – Other long-term investments are classified as available-for-sale and are included within non-current assets. These investments are carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are recognised in non-distributable reserves in the period in which they arise. When available-for-sale investments are either sold or impaired, the accumulated fair value adjustments are realised and included in income.

All purchases and sales of investments are recognised at the trade date.

(vii) 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.

(viii) 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.

(ix) 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.

(x) Financial instruments

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

Financial instruments are initially recognised when the Group becomes party to the contractual terms of the instruments and are measured at cost, including transaction costs, which is the fair value of the consideration given (financial asset) or received (financial liability). Subsequent to initial recognition, these instruments are measured as set out in the applicable accounting policies.

Financial assets (or a portion thereof) are de-recognised when the Group realises the rights to the benefits specified in the contract, the rights expire or the Group surrenders or otherwise loses control of the contractual rights that comprise the financial asset.

On de-recognition, the difference between the carrying amount of the financial asset and proceeds receivable and any prior adjustments to reflect fair value that had been recognised in equity are included in the income statement.

Financial liabilities (or a portion thereof) are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. On de-recognition, the difference between the carrying amount of the financial liability, including related unamortised costs and amounts paid for it are included in the income statement.

ACCOUNTING POLICIES

for the year ended 31 March 2004

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices. The fair value of the financial instruments not traded in an organised financial market, is determined using a variety of methods and assumptions that are based on market conditions and risk existing at balance sheet date, including independent appraisals and discounted cash flow methods. Fair values represent an approximation of possible value, which may differ from the value that will finally be realised.

There are Group companies who are also parties to financial instruments that reduce exposure to fluctuations in foreign currency exchange rates. These instruments mainly comprise forward exchange contracts. Certain Group companies apply hedge accounting and gains and losses arising from cash flow hedges are recognised directly in equity, while gains and losses arising from fair value hedges are recognised in the income statement in the period in which they arise. Group companies that do not apply hedge accounting, recognise changes in the fair value of these and other derivative instruments in the income statement in the period in which they arise.

The carrying amounts of financial assets and liabilities with maturity of less than one year are assumed to approximate their fair value.

Where a legally enforceable right of set-off exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) Treasury shares

Shares in the Company held by a wholly-owned subsidiary company as well as shares held by The Remgro Share Trust 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.

(xvi) Remgro Share Scheme

The estimated cost of the scheme is accounted for against income and headline earnings on a straight-line basis over a four-year period with a corresponding credit to equity. Any profits or losses that realise from shares being delivered to participants are recognised directly in equity.

BALANCE SHEETS

at 31 March 2004

R million	Notes	CONSOLIDATED 2004	CONSOLIDATED 2003	THE COMPANY 2004	THE COMPANY 2003
Assets					
Non-current assets					
Property, plant and equipment	1	3 408	3 149	–	–
Biological agricultural assets	2	85	82	–	–
Investment properties	3	22	22	–	–
Goodwill and trade marks	4	3 246	3 361	–	–
Investments – Associated companies	5	19 545	19 844	–	–
– Other	6	1 861	109	7 703	7 685
Loans		49	49	–	–
Deferred taxation	21	105	88	–	–
		28 321	26 704	7 703	7 685
Current assets		5 208	4 079	2	2
Inventories	7	464	462	–	–
Biological agricultural assets	2	217	214	–	–
Trade and other receivables		1 043	1 085	–	–
Derivative instruments	31	7	–	–	–
Taxation		31	19	2	2
Cash and cash equivalents	8	3 446	2 299	–	–
Total assets		33 529	30 783	7 705	7 687
Equity and liabilities					
Capital and reserves					
Issued capital	9	8	8	8	8
Reserves	10	31 051	28 416	7 692	7 676
Treasury shares	9	(1 293)	(981)	–	–
Interest of own members		29 766	27 443	7 700	7 684
Minority interest		1 700	1 538		
Total shareholders' equity		31 466	28 981	7 700	7 684
Non-current liabilities		713	472	–	–
Retirement benefits	11	119	103	–	–
Long-term interest-bearing loans	12	172	140	–	–
Deferred taxation	21	422	229	–	–
Current liabilities		1 350	1 330	5	3
Trade and other payables		910	933	5	3
Short-term interest-bearing loans	13	105	73	–	–
Provisions	14	176	180	–	–
Derivative instruments	31	8	–	–	–
Taxation		151	144	–	–
Total equity and liabilities		33 529	30 783	7 705	7 687

INCOME STATEMENTS

for the year ended 31 March 2004

R million	Notes	CONSOLIDATED 2004	CONSOLIDATED 2003	THE COMPANY 2004	THE COMPANY 2003
Revenue	15	**11 902**	11 212	**1 384**	1 356
Operating profit	16 & 18	**1 381**	1 254	**1 378**	1 352
Finance costs		**(39)**	(45)	**–**	–
Profit from normal operations		**1 342**	1 209	**1 378**	1 352
Amortisation of goodwill	19	**(186)**	(166)		
Net impairment of assets		**4**	(24)		
Exceptional items	20	**50**	1 245	**–**	–
Profit before tax		**1 210**	2 264	**1 378**	1 352
Taxation	21	**(415)**	(394)	**	*
Profit after taxation of the Company and its subsidiaries		**795**	1 870	**1 378**	1 352
Share of after-tax profit of associated companies	22	**3 177**	7 262		
Profit from normal operations		**4 164**	4 421		
Amortisation of goodwill	19	**(357)**	(308)		
Impairment of goodwill and assets		**(26)**	(63)		
Exceptional items	20	**(604)**	3 212		
Group profit after tax		**3 972**	9 132	**1 378**	1 352
Minority interest	23	**(335)**	(446)		
Net profit for the year		**3 637**	8 686	**1 378**	1 352

* *Amount smaller than R500 000*

Reconciliation of headline earnings:			
Basic earnings – net profit for the year		**3 637**	8 686
Plus/(minus) – portion attributable to own members:			
– Amortisation of goodwill	19	**542**	473
– Impairment of goodwill and assets		**25**	72
– Exceptional items		**523**	(4 354)
– Net loss/(surplus), after taxation, on the disposal of property, plant and equipment		**(8)**	(21)
Headline earnings		**4 719**	4 856

Earnings per share		Cents	Cents
Headline earnings per share	24	**937.6**	940.1
– Diluted		**935.6**	937.8
Basic earnings per share	24	**722.7**	1 681.6
– Diluted		**721.1**	1 677.5

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2004

CONSOLIDATED

R million	Issued capital	Equity accounted reserves	Other non-distributable reserves	Fair value reserve	Distri-butable reserves	Treasury shares	Total
2004							
Balances at 1 April – as previously reported	**8**	**13 819**	**620**		**14 066**	**(704)**	**27 809**
Prior year adjustments			**(61)**		**(28)**	**(277)**	**(366)**
Adjusted balances at 1 April	**8**	**13 819**	**559**		**14 038**	**(981)**	**27 443**
Net cumulative opening balance adjustment (AC 133)			**1**	**11**	**24**		**36**
Net fair value adjustments for the year (AC 133)				**1 204**			**1 204**
Net profit for the year					**3 637**		**3 637**
Dividends paid					**(1 316)**		**(1 316)**
Exchange rate adjustments		**(671)**	**(4)**		**(19)**		**(694)**
Change in interests in subsidiary companies, associated companies and joint ventures			**(7)**		**(3)**		**(10)**
Change in reserves of associated companies and other reserves		**(237)**			**1**		**(236)**
Transfer of retained income of associated companies		**981**			**(981)**		**–**
Other transfers between reserves		**(188)**	**3**		**185**		**–**
Purchase of shares by wholly-owned subsidiary (treasury shares)						**(295)**	**(295)**
Net shares purchased by The Remgro Share Trust*						**(17)**	**(17)**
Long-term share incentive scheme reserve			**14**				**14**
Balances at 31 March	**8**	**13 704**	**566**	**1 215**	**15 566**	**(1 293)**	**29 766**
2003							
Balances at 1 April – as previously reported	8	11 860	270		11 924		24 062
Prior year adjustments			(61)		22		(39)
Adjusted balances at 1 April	8	11 860	209		11 946		24 023
Net profit for the year					8 686		8 686
Dividends paid					(1 666)		(1 666)
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 retained income of associated companies		4 680			(4 680)		–
Other transfers between reserves		(558)	363		195		–
Purchase of shares by wholly-owned subsidiary (treasury shares)						(704)	(704)
Shares purchased by The Remgro Share Trust*						(277)	(277)
Long-term share incentive scheme reserve			25				25
Balances at 31 March	8	13 819	559		14 038	(981)	27 443

* *Also accounted for as treasury shares*

THE COMPANY

R million	2004	2003
Balances at 1 April	**7 684**	8 008
Issued capital	**8**	8
Distributable reserves	**7 676**	8 000
Net profit for the year	**1 378**	1 352
Dividends paid	**(1 362)**	(1 676)
Balances at 31 March	**7 700**	7 684

CASH FLOW STATEMENTS

for the year ended 31 March 2004

		CONSOLIDATED		THE COMPANY	
R million	Notes	**2004**	2003	**2004**	2003
Cash flows – operating activities					
Net operating profit before taxation		**1 210**	2 264	**1 378**	1 352
Adjustments	25.1	**96**	(1 105)	**(1 380)**	(1 352)
Operating profit/(loss) before working capital changes		**1 306**	1 159	**(2)**	–
Working capital changes	25.2	**77**	(104)	**2**	1
Cash generated from operations		**1 383**	1 055	**–**	1
Cash flow generated from returns on investments		**2 013**	2 542	**1 380**	1 352
Interest received		**334**	372	**–**	–
Interest paid		**(39)**	(45)	**–**	–
Dividends received	25.3	**1 718**	2 215	**1 380**	1 352
Taxation (paid)/received	25.4	**(363)**	(220)	**–**	(1)
Cash available from operating activities		**3 033**	3 377	**1 380**	1 352
Dividends paid	25.5	**(1 438)**	(1 765)	**(1 362)**	(1 676)
Cash inflow/(outflow) from operating activities		**1 595**	1 612	**18**	(324)
Cash flows – investing activities					
Net investments to maintain operations		**(145)**	(99)	**–**	–
Replacement of property, plant and equipment		**(155)**	(128)	**–**	–
Proceeds on disposal of property, plant and equipment		**10**	29	**–**	–
Investments to expand operations		**(571)**	(1 593)	**–**	–
Additions to – property, plant and equipment		**(315)**	(262)	**–**	–
– investments and loans		**(99)**	(345)	**–**	–
Buy-out of subsidiary company's minorities		**(119)**	(986)	**–**	–
Business acquired		**(38)**	–	**–**	–
Proceeds from disposal of investments and business		**511**	576	**–**	–
Proceeds from disposal of – investments		**511**	365	**–**	–
– business		**–**	211	**–**	–
Cash acquired on acquisition of business		**–**	154	**–**	–
Purchase of treasury shares		**(323)**	(981)	**–**	–
Net cash generated/(utilised) before financing activities		**1 067**	(331)	**18**	(324)
Cash flows – financing activities		**62**	(82)	**(18)**	324
(Increase)/decrease in loans to subsidiary companies		**41**	–	**(18)**	324
Issue of new shares by subsidiary companies		**8**	9	**–**	–
Capital contributed by minorities of subsidiary company		**7**	14	**–**	–
Decrease in interest-bearing debt		**–**	(98)	**–**	–
Buy-back of shares by a subsidiary company		**6**	(7)	**–**	–
Net increase/(decrease) in cash and cash equivalents		**1 129**	(413)	**–**	–
Cash and cash equivalents at the beginning of the year		**2 264**	2 677	**–**	–
Cash and cash equivalents at the end of the year		**3 393**	2 264	**–**	–
Cash and cash equivalents – per balance sheet		**3 446**	2 299		
Bank overdraft		**(53)**	(35)		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2004

1. Property, plant and equipment

	2004 Cost R million	2004 Accumulated depreciation R million	2004 Net value R million	2003 Cost R million	2003 Accumulated depreciation R million	2003 Net value R million
Land and buildings	**1 970**	**182**	**1 788**	1 869	169	1 700
Capital expansion in progress	**269**	**–**	**269**	207	–	207
Machinery and equipment	**2 709**	**1 459**	**1 250**	2 441	1 286	1 155
Vehicles	**98**	**66**	**32**	92	62	30
Office equipment	**187**	**118**	**69**	155	98	57
	5 233	**1 825**	**3 408**	4 764	1 615	3 149

Depreciation rates are as follows:	2004 %	2003 %
Buildings	**2 – 5**	2 – 5
Machinery and equipment	**3 – 100**	3 – 100
Vehicles	**10 – 25**	10 – 25
Office equipment	**10 – 33⅓**	10 – 33⅓

Reconciliation of carrying value at the beginning and end of the year	Land and buildings R million	Machinery and equipment R million	2004 R million	2003 R million
Balances at 1 April – as previously reported	**1 906**	**1 242**	**3 148**	1 960
Prior year adjustments	**1**	**–**	**1**	–
Adjusted balances at 1 April	**1 907**	**1 242**	**3 149**	1 960
Additions	**167**	**303**	**470**	380
Disposals	**(11)**	**(3)**	**(14)**	(29)
Depreciation	**(21)**	**(219)**	**(240)**	(201)
Businesses acquired	**26**	**10**	**36**	1 503
Businesses disposed	**–**	**–**	**–**	(467)
Other	**(11)**	**18**	**7**	3
Balances at 31 March	**2 057**	**1 351**	**3 408**	3 149

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by property, plant and equipment with a book value of R622 million (2003: R561 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. Biological agricultural assets

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the year	Sugarcane roots R million	Sugarcane plants R million	Citrus R million	Tea R million	2004 R million	2003 R million
Balances at 1 April – as previously reported	**83**	**–**	**20**	**4**	**107**	103
Prior year adjustments	**(54)**	**40**	**(7)**	**(4)**	**(25)**	(25)
Adjusted balances at 1 April	**29**	**40**	**13**	*	**82**	78
Fair value adjustment	**8**	**(5)**	*	*	**3**	4
Balances at 31 March	**37**	**35**	**13**	*	**85**	82

** Amount smaller than R500 000*

The quantity at 31 March is as follows:	2004	2003
Sugarcane roots (ha)	**8 191**	8 071
Sugarcane plants (tons)	**33 371**	29 795
Citrus (ha)	**1 438**	1 429
Tea (kg)	**160 025**	129 884

2. Biological agricultural assets *(continued)*

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year	*Breeding stock* R million	*Broiler stock* R million	**2004** R million	2003 R million
Balances at 1 April – previously included in inventories	**126**	**88**	**214**	173
Additions	**367**	**1 929**	**2 296**	2 379
Decrease due to harvest	**(365)**	**(1 935)**	**(2 300)**	(2 331)
Fair value adjustment	**11**	**(4)**	**7**	(7)
Balances at 31 March	**139**	**78**	**217**	214

3. Investment properties

	2004			2003		
	Cost R million	*Accumulated depreciation* R million	*Net value* R million	*Cost* R million	*Accumulated depreciation* R million	*Net value* R million
Land	**3**	**–**	**3**	3	–	3
Buildings	**26**	**7**	**19**	25	6	19
	29	**7**	**22**	28	6	22

	2004	2003
Depreciation rate is as follows:	**%**	%
Buildings	**2**	2

Reconciliation of carrying value at the beginning and end of the year	*Land* R million	*Buildings* R million	**2004** R million	2003 R million
Balances at 1 April	**3**	**19**	**22**	20
Additions	**–**	**1**	**1**	2
Depreciation	**–**	**(1)**	**(1)**	*
Balances at 31 March	**3**	**19**	**22**	22

* *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 R250 million (2003 valuation: R231 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.

4. Goodwill and trade marks

	2004			2003		
	Cost or valuation R million	*Accumulated amortisation* R million	*Net value* R million	*Cost or valuation* R million	*Accumulated amortisation* R million	*Net value* R million
Goodwill	**3 729**	**491**	**3 238**	3 657	305	3 352
Trade marks	**67**	**59**	**8**	68	59	9
	3 796	**550**	**3 246**	3 725	364	3 361

	2004	2003
Amortisation rates are as follows:	**%**	%
Goodwill	**5**	5
Trade marks	**5 – 6⅔**	5 – 6⅔

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2004

4. Goodwill and trade marks *(continued)*

Reconciliation of carrying value at the beginning and end of the year	*Goodwill* R million	*Trade marks* R million	**2004** R million	2003 R million
Balances at the beginning of the year	**3 352**	**9**	**3 361**	2 687
Additions	**72**	**–**	**72**	864
Amortisation	**(186)**	**(1)**	**(187)**	(172)
Impairment	**–**	**–**	**–**	(21)
Businesses acquired	**–**	**–**	**–**	39
Businesses disposed	**–**	**–**	**–**	(36)
Balances at the end of the year	**3 238**	**8**	**3 246**	3 361

5. Investments – associated companies

(Annexures B & C)

	2004 *Listed* R million	*Unlisted* R million	Total R million	2003 *Listed* R million	*Unlisted* R million	Total R million
Shares – at cost less goodwill	**4 409**	**740**	**5 149**	4 405	750	5 155
Equity adjustment	**3 695**	**10 049**	**13 744**	3 288	10 578	13 866
Carrying value	**8 104**	**10 789**	**18 893**	7 693	11 328	19 021
Long-term loans						
Originated loans	**–**	**652**	**652**	–	823	823
	8 104	**11 441**	**19 545**	7 693	12 151	19 844
Market values of listed investments	**14 413**		**14 413**	10 911		10 911
Directors' valuation of unlisted investments		**27 903**	**27 903**		23 369	23 369
Market values and directors' valuation	**14 413**	**27 903**	**42 316**	10 911	23 369	34 280
Excess of market values and directors' valuation over the book value of investments and appropriate goodwill:						
– attributable to own members			**19 840**			11 396
– attributable to minority			**20**			16
			19 860			11 412

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R24 438 million (2003: R20 216 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

	2004 R million	2003 R million
6. Investments – subsidiary companies and other		
(Annexures A & B)		
6.1 The Company		
Unlisted subsidiary companies and other:		
Advances and loans	**7 703**	7 685

	2004 *Listed* R million	2004 *Unlisted* R million	2004 Total R million	2003 *Listed* R million	2003 *Unlisted* R million	2003 Total R million
6.2 Consolidated						
Investments – other						
Shares – available-for-sale	**1 795**	**66**	**1 861**	44	65	109
Market values of listed investments	**1 795**		**1 795**	47		47
Directors' valuation of unlisted investments		**66**	**66**		74	74
Market values and directors' valuation	**1 795**	**66**	**1 861**	47	74	121
Excess of market values and directors' valuation over the book value of investments:						
– attributable to own members			**–**			12

Reconciliation of carrying value of investments available-for-sale at the beginning and end of the year	2004 R million	2003 R million
Balances at the beginning of the year	**109**	115
Cumulative opening balance adjustment (AC 133)	**12**	–
Fair value adjustments for the year (AC 133)	**1 303**	–
Additions	**437**	41
Disposals	**–**	(47)
Balances at the end of the year	**1 861**	109

7. Inventories

	2004 R million	2003 R million
Raw materials	**336**	296
Finished products	**78**	117
Work in progress	**2**	2
Consumable stores	**48**	47
	464	462

Included above is inventory valued at R3 million (2003: R10 million) that has been written down to net realisable value.

8. Cash and cash equivalents

	2004 R million	2003 R million
Cash at the centre	**2 150**	1 652
Other operating subsidiaries	**1 296**	647
	3 446	2 299

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2004

	2004 R million	2003 R million
9. 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 (2003: 486 493 650) ordinary shares of 1 cent each	**4.9**	4.9
35 506 352 (2003: 35 506 352) B ordinary shares of 10 cents each	**3.5**	3.5
	8.4	8.4

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

Number of shares held in treasury by a wholly-owned subsidiary and shares held by The Remgro Share Trust (ordinary shares of 1 cent each): 20 678 689 (2003: 15 566 128).

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

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

	2004 R million	2003 R million
10. Reserves		
10.1 Composition of reserves		
The Company:		
Distributable reserves	**7 692**	7 676
Subsidiary companies and joint ventures	**9 655**	6 921
Non-distributable reserves	**1 781**	559
Distributable reserves	**7 874**	6 362
Associated companies:		
Non-distributable reserves	**13 704**	13 819
	31 051	28 416
Statutory non-distributable reserves included in	**375**	404
General capital reserves	**9**	9
Equity accounted reserves	**366**	395

10.2 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	2004 Total R million	2003 Total R million
Balances at 1 April	**127**	**2 327**	**(5)**	**2 449**	4 634
Exchange rate adjustments during the year	**(4)**	**(671)**	**(19)**	**(694)**	(2 185)
Transfer of equity adjustment		**(23)**	**23**	**–**	–
Balances at 31 March	**123**	**1 633**	**(1)**	**1 755**	2 449

11. Retirement benefits

11.1 Retirement benefits

Some of the Company's 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. The most recent actuarial valuation of these funds were conducted on 31 March 2002 and 31 March 2003, respectively.

	ASSETS	
	2004	2003
	R million	R million
Balance sheet		
Amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	**(178)**	(167)
Fair value of plan assets	**205**	183
Funded position	**27**	16
Unrecognised actuarial (profits)/losses	**12**	25
Pension fund surplus limitation*	**(39)**	(41)
Net asset in balance sheet	**Nil**	Nil
Movement for the year:		
Balances at 1 April	**–**	–
Pension fund surplus limitation*	**1**	(4)
Total expense	**(13)**	(8)
Contributions	**12**	12
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 in terms of the Pension Funds Act has not been finalised yet.*

Income statement		
Amounts recognised in the income statement are as follows:		
Current service costs	**13**	14
Interest on liability	**18**	16
Expected return on plan assets	**(19)**	(21)
Recognised net actuarial (profits)/losses in the year	**1**	(1)
Total expenses	**13**	8
Pension fund surplus limitation	**(1)**	4
Totals included in staff costs	**12**	12
Actual return on plan assets	**33**	7
Principal actuarial assumptions on balance sheet date	**%**	%
Discount rate	**11.0 – 15.0**	11.0
Expected rates of return on plan assets	**11.0 – 15.0**	11.0
Future salary increases	**7.5 – 13.5**	7.5
Future pension increases	**6.5 – 10.0**	6.5
Inflation rate	**6.0**	6.0

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for the year ended 31 March 2004

	LIABILITIES 2004 R million	2003 R million
11. Retirement benefits *(continued)*		
11.2 Post-retirement medical benefits		
Balance sheet		
Amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	**119**	103
Movement for the year:		
Balances at 1 April	**103**	74
Total expenses recognised in the income statement	**18**	15
Liability acquired in business combination	**–**	25
Contributions	**(2)**	(11)
Balances at 31 March	**119**	103
Income statement		
Amounts recognised in the income statement are as follows:		
Current service costs	**8**	9
Interest on liability	**12**	10
Recognised net actuarial (profits)/losses in the year	**(2)**	(4)
Totals included in staff costs	**18**	15
Principal actuarial assumptions on balance sheet date	**%**	%
Discount rate	**8.0 – 11.0**	11.0
Future salary increases	**6.0**	7.5
Annual increase in healthcare costs	**6.0 – 9.0**	9.0

	2004 R million	2003 R million
12. Long-term interest-bearing loans		
Secured long-term loans with effective interest rates of between 10.25% and 13.68% per annum (2003: 15.05% and 16.00%), repayable over a period of between five to seven years	**191**	122
These liabilities are secured by property and plant with a net book value of R236 million (2003: R150 million).		
Net liabilities resulting from various capitalised finance leases and instalment sale agreements payable in monthly, quarterly and annual instalments at effective interest rates of between 16.07% and 18.00% per annum (2003: 1.00% and 18.00%), amount to	**30**	30
These liabilities are secured by machinery and equipment with a net book value of R386 million (2003: R411 million).		
Unsecured sundry loans with varying interest rates and terms	**3**	26
	224	178
Instalments payable within one year transferred to short-term interest-bearing loans	**52**	38
	172	140
Payable – two to five years	**147**	97
Payable thereafter	**25**	43
	172	140

	2004 R million	2003 R million

13. Short-term interest-bearing loans

	2004 R million	2003 R million
Portion of long-term interest-bearing loans payable within one year	**52**	38
Bank overdrafts	**53**	35
	105	73

14. Provisions

	Legal disputes R million	*Bonuses and leave pay* R million	*Other*** R million	2004 R million	2003 R million
Balances at 1 April	**30**	**111**	**39**	**180**	82
Businesses acquired	**–**	**1**	**–**	**1**	57
Businesses disposed	**–**	**–**	**–**	**–**	(13)
Additional provisions	**–**	**90**	**5**	**95**	103
Unused amounts – reversed	**–**	**–**	*	*	(1)
	30	**202**	**44**	**276**	228
Provisions utilised during the year	**–**	**(65)**	**(35)**	**(100)**	(48)
Balances at 31 March	**30**	**137**	**9**	**176**	180

* *Amount smaller than R500 000*

** *Various smaller provisions*

15. Revenue

Revenue of the Company and its subsidiary companies consists of net sales of products, 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.

	2004 R million	2003 R million
Operating revenue	**9 384**	8 735
Dividends and interest	**2 518**	2 477
Revenue	**11 902**	11 212

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2004

	2004 R million	2003 R million
16. Operating profit		
Operating profit is stated after taking the following into account:		
Income		
Foreign exchange profits	6	7
Interest received	334	372
Shareholders' loan to associated company	72	51
Other	262	321
Net fair value adjustments (AC 133)	14	–
Property rental income	8	8
Expenses		
Amortisation of trade marks	1	6
Auditors' remuneration – audit fees	7	6
– other services	1	2
Cost of sales	7 272	6 783
Depreciation	240	201
Buildings	21	19
Machinery and equipment	187	157
Vehicles	10	9
Office equipment	22	16
Loss on sale of property, plant and equipment	5	1
Professional fees	9	11
Property expenses	2	2
Rental	56	49
Land and buildings	28	26
Machinery and equipment	16	14
Vehicles	6	3
Office equipment	6	6
Research and development costs written off	2	1
17. Administration and management fees – net corporate costs		
Paid to M&I Management Services (Proprietary) Limited in respect of costs	87	73
Donations	5	2
	92	75
Less: Fees received	(13)	(12)
Intergroup – excluding wholly-owned subsidiaries	(6)	(5)
Other	(7)	(7)
	79	63

	THE COMPANY		CONSOLIDATED	
	2004	2003	**2004**	2003
	R million	R million	**R million**	R million
18. Dividend income				
Included in operating profit:				
Listed	**–**	–	**19**	4
Unlisted – Subsidiary companies	**1 380**	1 352		
– Other	**–**	–	**9**	6
	1 380	1 352	**28**	10
Dividends from associated companies set off against investments			**2 156**	2 095

	2004	2003
	R million	R million
19. Amortisation of goodwill		
Subsidiary companies	**186**	166
Associated companies	**357**	308
	543	474
20. Exceptional items		
Exceptional items of subsidiary companies:		
Net capital surplus on the sale of investments and businesses	**50**	1 244
Other	**–**	1
Total before taxation	**50**	1 245
Taxation	**(3)**	(22)
Total after taxation	**47**	1 223
Share of exceptional items of associated companies	**(604)**	3 212
Grand total	**(557)**	4 435
Attributable to minorities	**–**	(142)
Attributable to own members	**(557)**	4 293
21. Taxation		
21.1 Taxation in income statement		
Current	**347**	292
– current year – South African normal taxation	**332**	273
– Taxation on capital gain	**4**	20
– Foreign taxation	**9**	7
	345	300
– previous year – South African normal taxation	**2**	(8)
Secondary tax on companies	**10**	6
Deferred – current year	**58**	98
– previous year	*****	(2)
	415	394

** Amount smaller than R500 000*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2004

21. Taxation *(continued)*

	2004	2003
21.2 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate	**%**	%
Effective tax rate	**34.3**	17.4
Reduction/(increase) in standard rate as a result of:		
Permanent differences	**(3.5)**	11.9
Foreign taxation	**(0.1)**	(0.1)
Timing differences not provided for	**–**	(0.5)
Taxation in respect of previous years	**(0.2)**	0.4
Taxation losses of prior years utilised	**–**	0.3
Exempt capital gain	**0.3**	0.9
Secondary tax on companies	**(0.8)**	(0.3)
Standard rate	**30.0**	30.0

	2004 R million	2003 R million
21.3 Deferred taxation		
Deferred taxation liability	**422**	229
Property, plant and equipment	**226**	219
Inventories	**99**	83
Provisions	**(27)**	(39)
Biological agricultural assets	**26**	25
Other	**(2)**	1
Tax losses utilised	*	(60)
Investments (AC 133)	**100**	–
Deferred tax asset	**(105)**	(88)
Provisions	**(104)**	(84)
Tax losses utilised	**(1)**	(4)
Net deferred taxation	**317**	141
The movement between balances of deferred taxation at the beginning and end of the year can be analysed as follows:		
Beginning of the year		
As previously reported	**31**	62
Prior year adjustments	**110**	18
Adjusted balance	**141**	80
Movements during the year attributable to:		
Property, plant and equipment	**7**	(40)
Inventories	**16**	2
Provisions	**(8)**	(1)
Biological agricultural assets	**1**	13
Other	**(3)**	8
Tax losses utilised	**63**	79
Investments (AC 133)	**100**	–
	317	141

* *Amount smaller than R500 000*

	2004 R million	2003 R million
21. Taxation *(continued)*		
21.4 Tax losses		
Estimated tax losses available for set-off against future taxable income	2	211
21.5 Secondary taxation on companies (STC)		
The STC credits on 31 March, which could be set off against future dividend payments, amount to	3 781	3 218
– The Company	684	666
– Wholly-owned subsidiary companies	3 097	2 552
22. Equity adjustment		
Share of net profit of associated companies:		
Operating profit	6 292	6 790
Amortisation of goodwill	(357)	(308)
Impairment of goodwill and assets	(26)	(63)
Exceptional items	(696)	3 173
Share of net profit of associated companies – before taxation	5 213	9 592
Taxation	(1 780)	(2 058)
Normal operations	(1 871)	(2 095)
Exceptional items	91	37
After taxation	3 433	7 534
Share of minority of associated companies	(256)	(272)
Share of net attributable profit of associated companies	3 177	7 262
Minority interest	(8)	(10)
Share of net profit retained in distributable reserves	(9)	(10)
Dividends received from associated companies	(2 156)	(2 095)
Share of net profit retained by associated companies	1 004	5 147
Exchange rate differences on translation between average rates and year-end rates	(23)	(467)
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	981	4 680
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	554	407
23. Minority interest		
Subsidiaries and joint ventures	335	446
Share of minority interest of associated companies	256	272
	591	718

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24. Earnings per share

Earnings per share

In determining the headline and basic earnings per share the weighted number of shares in issue, being 503 280 054 (2003: 516 517 429), was taken into account after deduction of the treasury shares as well as shares held by The Remgro Share Trust.

Diluted earnings per share

In determining the diluted headline and basic earnings per share the weighted number of shares in issue was adjusted for the deemed dilutive effect of the shares accepted by participants by the Remgro Share Scheme but not yet delivered. No adjustment was made to earnings.

Because the scheme shares have to be accounted for as treasury shares, the delivery thereof to participants will be regarded as an issue of shares. As the market value (fair value) of the shares at date of delivery will differ from the offer value, the number of shares represented by the difference will be regarded as an issue of shares for no consideration. These imputed shares total 1 103 644 (2003: 1 268 405) and have been added to the weighted number of shares to determine the dilutive effect.

25. Cash flow information

	THE COMPANY		CONSOLIDATED	
	2004 R million	2003 R million	**2004 R million**	2003 R million
25.1 Adjustments				
Depreciation, amortisation of goodwill and trade marks	**–**	–	**427**	378
Other	**–**	–	**9**	(1)
Movement in provisions	**–**	–	**12**	67
Interest received	**–**	–	**(334)**	(372)
Interest paid	**–**	–	**39**	45
Dividends received	**(1 380)**	(1 352)	**(28)**	(10)
Capital loss/(surplus) on the sale of investments	**–**	–	**(50)**	(1 261)
Net impairment of assets	**–**	–	**(7)**	24
Share scheme cost	**–**	–	**25**	25
Loan written off	**–**	–	**2**	–
Unrealised agricultural gains	**–**	–	**(3)**	–
Cash flow hedge	**–**	–	**4**	–
	(1 380)	(1 352)	**96**	(1 105)
25.2 Decrease/(increase) in working capital				
Increase in inventories and biological agricultural assets	**–**	–	**(5)**	(226)
Decrease/(increase) in trade and other receivables	**–**	–	**54**	(78)
Increase/(decrease) in trade and other payables	**2**	1	**(27)**	200
Net movement in derivative instruments	**–**	–	**55**	–
	2	1	**77**	(104)
25.3 Reconciliation of dividends received				
Receivable at the beginning of the year	**–**	–	**–**	110
Per income statement	**1 380**	1 352	**28**	10
Dividends from associated companies set off against investments			**2 156**	2 095
Dividend in specie			**(466)**	–
Receivable at the end of the year	**–**	–	**–**	–
Cash received	**1 380**	1 352	**1 718**	2 215

	THE COMPANY		CONSOLIDATED	
	2004	2003	2004	2003
	R million	R million	R million	R million

25. Cash flow information *(continued)*

25.4 Reconciliation of taxation paid with the amount disclosed in the income statement				
Paid in advance at the beginning of the year	2	1	19	5
Unpaid at the beginning of the year	–	–	(144)	(47)
Per income statement	–	–	(357)	(298)
– normal income	–	–	(345)	(270)
– exceptional items	–	–	(2)	(22)
– STC	–	–	(10)	(6)
Business acquired	–	–	(1)	(37)
Business disposed	–	–	–	32
Unpaid at the end of the year	–	–	151	144
Paid in advance at the end of the year	(2)	(2)	(31)	(19)
Cash (paid)/received	–	(1)	(363)	(220)
25.5 Reconciliation of dividends paid				
Per statements of changes in equity	(1 362)	(1 676)	(1 316)	(1 666)
Paid by subsidiary companies to minority			(122)	(99)
Cash paid	(1 362)	(1 676)	(1 438)	(1 765)

	2004	2003
	R million	R million

26. Staff costs

– of subsidiary companies

Salaries and wages	1 816	1 505
Long-term share incentive scheme cost	25	25
Retirement benefits	1	12
Pension costs – defined contribution	84	73
Pension costs – defined benefit	12	12
Other post-retirement benefits	18	15
Other	90	96
	2 046	1 738

	Number	Number
Persons employed by subsidiary companies at year-end:		
South Africa	20 250	19 858
Abroad	3	3
	20 253	19 861

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27. Directors' emoluments

	2004 Executive R'000	2004 Non-executive R'000	2004 Total R'000	2003 Executive R'000	2003 Non-executive R'000	2003 Total R'000
Salaries and fees	**8 297.6**	**415.0**	**8 712.6**	6 742.2	450.4	7 192.6
Retirement fund contributions	**1 764.4**		**1 764.4**	1 493.3		1 493.3
Other benefits	**1 231.0**		**1 231.0**	1 077.5		1 077.5
	11 293.0	**415.0**	**11 708.0**	9 313.0	450.4	9 763.4
Paid by:						
The Company			**415.0**			450.4
Management company			**11 293.0**			9 313.0
			11 708.0			9 763.4

	2004 Salaries and fees R'000	2004 Retirement fund R'000	2004 Other benefits[3] R'000	2004 Total R'000	2003 Salaries and fees R'000	2003 Retirement fund R'000	2003 Other benefits[3] R'000	2003 Total R'000
Executive								
W E Bührmann	**1 028.8**	**204.0**	**217.2**	**1 450.0**	905.0	179.5	215.5	1 300.0
D M Falck	**1 389.3**	**296.0**	**314.7**	**2 000.0**	1 071.9	212.6	215.5	1 500.0
J A Preller	**765.9**	**151.9**	**217.2**	**1 135.0**	696.4	138.1	215.5	1 050.0
M H Visser[1]	**4 168.3**	**925.0**	**264.7**	**5 358.0**	3 205.6	791.9	215.5	4 213.0
T van Wyk	**945.3**	**187.5**	**217.2**	**1 350.0**	863.3	171.2	215.5	1 250.0
Subtotal	**8 297.6**	**1 764.4**	**1 231.0**	**11 293.0**	6 742.2	1 493.3	1 077.5	9 313.0

	2004 Fees R'000	2004 Retirement fund R'000	2004 Other R'000	2004 Total R'000	2003 Fees R'000	2003 Retirement fund R'000	2003 Other R'000	2003 Total R'000
Non-executive								
G D de Jager	**50.0**			**50.0**	50.0			50.0
P J Erasmus[2]					39.6			39.6
P K Harris	**65.0**			**65.0**	65.0			65.0
E Molobi	**50.0**			**50.0**	50.0			50.0
J F Mouton	**85.0**			**85.0**	85.0			85.0
F Robertson	**85.0**			**85.0**	85.0			85.0
P G Steyn	**80.0**			**80.0**	75.8			75.8
Subtotal	**415.0**			**415.0**	450.4			450.4
Total	**8 712.6**	**1 764.4**	**1 231.0**	**11 708.0**	7 192.6	1 493.3	1 077.5	9 763.4

1. Mr M H Visser earns in addition to the above a director's fee of GBP50 000 per annum from British American Tobacco Plc, an associated company.
2. On 28 August 2002, Mr P J Erasmus retired as a non-executive director.
3. Benefits include medical aid contributions and vehicle benefits.

27. Directors' emoluments *(continued)*

Certain non-executive directors are employees of M&I Management Services (Pty) Limited (M&I), a service company that renders 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:

	2004				2003			
	Salaries and fees R'000	*Retirement fund* R'000	*Other benefits* R'000	Total R'000	*Salaries and fees* R'000	*Retirement fund* R'000	*Other benefits* R'000	Total R'000
Non-executive								
P E Beyers	**1 128.1**	**223.7**	**98.2**	**1 450.0**	1 004.3	199.2	96.5	1 300.0
J W Dreyer	**1 169.8**	**232.0**	**98.2**	**1 500.0**	1 087.7	215.8	96.5	1 400.0
E de la H Hertzog	**786.9**	**140.7**	**72.4**	**1 000.0**	501.0	93.9	71.8	666.7
J P Rupert	**2 322.2**	**460.6**	**217.2**	**3 000.0**	1 572.6	311.9	215.5	2 100.0
	5 407.0	**1 057.0**	**486.0**	**6 950.0**	4 165.6	820.8	480.3	5 466.7

28. Remgro Share Scheme

Current status

– ordinary shares

Participant	*Shares accepted prior to 31 March 2003*	*Shares accepted prior to 31 March 2004*	*Offer price (Rand)*	*Number of shares paid and delivered*	*Share price on date of payment and delivery (Rand)*	*Increase in value* (R'000)*	*Balance of shares accepted as at 31 March 2004*
Executive							
W E Bührmann	275 229	275 229	**43.60**	**90 000**	**66.70**	**2 079.0**	**185 229**
D M Falck	458 716	458 716	**43.60**				**458 716**
D M Falck		104 917	**63.00**				**104 917**
J A Preller	73 394	73 394	**43.60**				**73 394**
M H Visser	733 945	733 945	**43.60**	**244 649**	**72.34**	**7 031.2**	**489 296**
M H Visser		278 979	**63.00**				**278 979**
T van Wyk	33 195	33 195	**48.20**				**33 195**
T van Wyk	73 394	73 394	**43.60**				**73 394**
Subtotal	1 647 873	2 031 769		**334 649**		**9 110.2**	**1 697 120**
Non-executive							
P E Beyers	286 697	286 697	**43.60**				**286 697**
J W Dreyer	286 697	286 697	**43.60**				**286 697**
E de la H Hertzog	172 018	172 018	**43.60**				**172 018**
J P Rupert	414 938	414 938	**48.20**				**414 938**
Subtotal	1 160 350	1 160 350					**1 160 350**
Total	2 808 223	3 192 119		**334 649**		**9 110.2**	**2 857 470**

* *Refers to the increase in value of the scheme shares of the indicated participants from the offer date to the date of payment and delivery. The scheme is a deferred purchase scheme – refer to the Report of the Board of Directors for more detail.*

No shares were offered to directors for the financial year to 31 March 2004.

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	2004 R million	2003 R million
29. Commitments		
Capital commitments	**490**	579
Uncompleted contracts for capital expenditure	**96**	180
Capital expenditure authorised but not yet contracted	**394**	399
Operating lease commitments	**113**	131
Due within one year	**31**	29
Due – two to five years	**78**	94
Due thereafter	**4**	8
	603	710

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

30. Borrowing powers

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

31. Financial instruments

31.1 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.

31.2 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.

31.3 Derivative instruments

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.

Other derivative instruments – If deemed necessary, subsidiary companies utilise commodity option and futures contracts to hedge their exposure to commodity price risks.

The following material derivative instruments existed at 31 March 2004:

Assets	*Currency value* million	*Forward value* R million	*Fair value adjustment* R million
Foreign exchange contracts			
Sell: USA dollar (USD)	11.2	74.1	7.2
			7.2
Liabilities			
Foreign exchange contracts			
Buy: British pound (GBP)	0.6	7.6	0.3
Other		3.1	0.3
Sell: USA dollar (USD)	0.4	2.4	0.1
			0.7
Other derivative instruments			
Sugar selling contracts			3.9
Maize purchase contracts			3.5
			7.4
			8.1

31.4 Fair value

On 31 March 2004 and 2003 the fair value of financial instruments equals their carrying value.

	2004 R million	2003 R million
32. Guarantees and contingent liabilities		
32.1 Guarantees		
Guarantees by subsidiary companies	**76**	76
32.2 Contingent liabilities		
Put option	**13**	13
Legal actions pending	**13**	8
Other	**78**	34
	104	55

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

33. Related party information

Transactions
Related party transactions are concluded on an arm's length basis.

Subsidiaries
Details of investments in, and income from, subsidiaries are disclosed in notes 6 and 18 respectively, and in Annexure A.

Associated companies
Details of investments in and income from associated companies are disclosed in notes 5 and 22 respectively, as well as in Annexures B and C. Interest income from associated companies amounted to R178 million (2003: R180 million) and is included in interest received. Interest paid to associated companies amounted to RNil million (2003: R2 million) and is included in finance costs. Fees from associated companies amount to R7 million (2003: R7 million).

Directors
Details of directors' emoluments and shareholding in the Company are disclosed in notes 27 and 28 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 pages 85 and 86 of the Annual Report.

ANNEXURE A

Principal subsidiary companies at 31 March 2004

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		ISSUED CAPITAL R (unless other-wise stated)	EFFECTIVE INTEREST 2004 %	EFFECTIVE INTEREST 2003 %	HELD BY COMPANY SHARES 2004 R	HELD BY COMPANY SHARES 2003 R	HELD BY COMPANY LOAN 2004 R million	HELD BY COMPANY LOAN 2003 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		
Robertsons Holdings (Pty) Limited		1 000	**100.0**	100.0				
Transvaal Sugar Limited		8	**100.0**	100.0				
Rainbow Chicken Limited	*	1 098 714 000	**64.2**	54.5				
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	**63.0**	62.7				
Historical Homes of South Africa Limited		555 000	**51.4**	51.4				
Medi-Clinic Corporation Limited	*	35 007 000	**52.3**	52.4				
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			**6 791**	7 673
Remgro South Africa (Pty) Limited		48 614	**100.0**	100.0	**96 506**	96 506	**912**	12
Stellenryck Trust Limited		700	**100.0**	100.0				
TTR Holdings (Pty) Limited		7	**100.0**	100.0	**7**	7		
				Note 6.1:	**471 615**	471 615	**7 703**	7 685

(GBP) British pound
* *Listed company*

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 2004

NAME OF COMPANY		LISTED				UNLISTED			
		2004		2003		2004		2003	
Incorporated in South Africa unless otherwise stated		Shares held	Effective interest %	Shares held	Effective interest %	Shares held	Effective interest %	Shares held	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)		**9.8**		9.3				
– ordinary shares (29%)									
– preference shares (100%)									
Remgro-KWV Beleggings Limited	(2)					**50**	**50.0**	50	50.0
– held by Remgro-KWV Beleggings Limited:									
– Distell Group Limited (60%)			**29.9**		30.0				
Financial services									
RMB Holdings Limited	(2)	**274 109 670**	**23.1**	274 109 670	23.1				
– held by RMB Holdings Limited:									
– FirstRand Limited (33%)			**7.6**		7.6				
FirstRand Limited	(2)	**520 716 856**	**9.5**	520 716 856	9.6				
Absa Group Limited	(1)	**61 387 729**	**9.4**	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 (8%)			**3.9**		9.2				
Sage Group Limited	(2)	**65 025 446**	**17.9**	10 848 109	7.0				
Industrial interests									
Air Products South Africa (Pty) Limited	(1)					**4 500 000**	**50.0**	4 500 000	50.0
Dorbyl Limited	(1)	**14 058 346**	**42.6**	14 058 346	42.4				
Henkel South Africa (Pty) Limited	(2)								
– ordinary shares						**4 812 500**	**50.0**	4 812 500	50.0
– preference ordinary shares						**12 550 000**	**50.0**	12 550 000	50.0
Nampak Limited	(1)	**86 774 104**	**13.5**	86 774 104	13.5				
Unilever Bestfoods Robertsons (Holdings) Limited L.L.C. – USA	(1)					**8 200**	**41.0**	8 200	41.0
Total South Africa (Pty) Limited	*(2)					**12 872 450**	**33.2**	15 500 000	34.4
Mining interests									
Gencor Limited	(2)	**37 995 039**	**10.9**	37 995 039	10.9				
Impala Platinum Holdings Limited	#	**3 335 911**	**5.0**	–	–				
Trans Hex Group Limited	(1)	**30 215 000**	**34.2**	35 215 000	41.1				
Other interests									
Business Partners Limited	#					**28 696 220**	**16.0**	28 696 220	16.0

Financial period accounted for:
(1) Twelve months to 31 March 2004
(2) Twelve months to 31 December 2003

* Effective interest 24.9%, on a fully diluted basis
\# 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) 2004	FirstRand (Financial services) 2004	Absa (Financial services) 2004	R&R (Tobacco interests) 2004
Effective interest	23.1%	9.5%	9.4%	33⅓%
	R million	R million	R million	R million
Carrying value of investments after elimination of goodwill	2 672	2 228	1 825	8 706
Share of retained equity income				
– Current year	248	334	235	(637)
Normal income	453	519	414	2 100
Dividends	(172)	(197)	(96)	(1 014)
Exceptional items and goodwill amortisation	(59)	(10)	10	(884)
Other changes in reserves and exchange rates	26	22	(93)	(839)
– Cumulative	636	866	1 585	8 706

Summarised financial information:	Per Interim Report 31/12/2003	Per Interim Report 31/12/2003	Per Annual Report 31/03/2004	Per Annual Report 31/03/2004
				Note 1
Balance sheet				
Assets				
Net insurance-related assets	–	3 496	–	–
Net advances, loans and bank-related securities	581	33 638	(15 536)	–
Intangible assets	3 264	561	134	92 899
Property, plant and equipment and other	30	2 319	35 574	29 892
Investments and loans	8 215	3 121	6 416	9 798
Net current assets/(liabilities)	–	(10 171)	–	10 238
	12 090	32 964	26 588	142 827
Equity and liabilities				
Shareholders' funds and long-term debt	12 090	32 964	26 588	142 827

	12 months ended 31/12/2003	12 months ended 31/12/2003	12 months ended 31/03/2004	12 months ended 31/03/2004
				Note 2
Income statement				
Headline earnings	1 964	5 469	4 447	6 300
Net profit for the year	1 707	5 315	4 505	3 648
Dividends paid	653	1 908	1 023	3 042

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 2003 as BAT has not included a balance sheet in its quarterly report to 31 March 2004.

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.

Note 3: The investments above represent 79% of the total carrying value of associated companies.

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 elimination 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 2002 as BAT has not included a balance sheet in its quarterly report to 31 March 2003.

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.

Note 3: The investments above represent 77% of the total carrying value of associated companies.

ANNEXURE D

Information on business and geographical segments for the year ended 31 March 2004

	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 2004 Total R million
Business segment analysis						
Revenue	1 061	466	5 949	525	3 901	11 902
Operating profit	(1)	1	634	20	688	1 342
Amortisation of goodwill						(186)
Net impairment of assets						4
Exceptional items						50
						1 210
Taxation						(415)
Profit after taxation of the Company and its subsidiaries						795
Share of after-tax profit of associated companies						3 177
Profit from normal operations	2 183	1 396	420	151	14	4 164
Amortisation of goodwill						(357)
Impairment of assets						(26)
Exceptional items						(604)
Group profit after tax						3 972
Minority interest						(335)
Net profit for the year						3 637
Headline earnings	2 181	1 394	715	171	258	4 719
Other information						
Segment assets	4	2 459	4 123	1 720	5 542	13 848
Investments in associated companies	9 434	6 747	2 959	352	53	19 545
						33 393
Taxation – Deferred						105
– Current						31
Consolidated total assets						33 529
Segment liabilities	1	*	749	*	740	1 490
Taxation – Deferred						422
– Current						151
Consolidated total liabilities						2 063
Additions to property, plant and equipment and intangible assets	*	53	171	–	319	543
Depreciation and amortisation	277	199	202	1	105	784

* *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.

	Capital expenditure 2004 R million	Revenue 2004 R million	Headline earnings 2004 R million	Total assets 2004 R million
South Africa	543	10 888	2 619	24 683
Abroad	–	1 014	2 100	8 710
	543	11 902	4 719	33 393

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 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	CONSOLI-DATED 2003 Total R million
Business segmental analysis						
Revenue	1 321	376	6 107	145	3 263	11 212
Operating profit	*	2	559	2	646	1 209
Amortisation of goodwill						(166)
Impairment of assets						(24)
Exceptional items						1 245
						2 264
Taxation						(394)
Profit after taxation of the Company and its subsidiaries						1 870
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						9 132
Minority interest						(446)
Net profit for the year						8 686
Headline earnings	2 498	1 121	647	322	268	4 856
Other information						
Segment assets	1	2 555	4 338	–	3 938	10 832
Investments in associated companies	10 001	5 908	3 025	867	43	19 844
						30 676
Taxation – Deferred						88
– Current						19
Consolidated total assets						30 783
Segment liabilities	1	4	836	*	588	1 429
Taxation – Deferred						229
– Current						144
Consolidated total liabilities						1 802
Additions to property, plant and equipment and intangible assets	–	62	1 008	–	216	1 286
Depreciation and amortisation	211	216	182	–	77	686

* *Amount smaller that 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.

	Capital expenditure 2003 R million	Revenue 2003 R million	Headline earnings 2003 R million	Total assets 2003 R million
South Africa	1 286	9 935	2 433	21 332
Abroad	–	1 277	2 423	9 344
	1 286	11 212	4 856	30 676

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

COMPANY INFORMATION

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 office
Computershare Investor Services 2004 (Proprietary) 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 (A division of FirstRand Bank Limited)
Corporate Finance

Website
www.remgro.com

SHAREHOLDERS' INFORMATION

Dates of importance to shareholders

Financial year-end	31 March
Annual general meeting	Tuesday, 24 August 2004
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
Final dividend, number 8, and special dividend	
Ordinary dividend per share	184 cents
Special dividend per share	200 cents
Last day to trade in order to participate in the final and special dividend	Friday, 13 August 2004
Trading on or after this date will be ex the final and special dividend	Monday, 16 August 2004
Record date	Friday, 20 August 2004
Payment date	Monday, 23 August 2004

Statistics

at 31 March 2004

	2004 %	2004 Number of shares	2003 %	2003 Number of shares
Major beneficial shareholders				
Ordinary shares				
Public Investment Commissioner	**12.97**	**63 101 913**	12.46	60 606 914
Old Mutual Life Assurance Company SA	**8.78**	**42 692 650**	10.14	49 353 063
Sanlam	**5.66**	**27 546 366**	1.27	6 165 389
Other	**72.59**	**353 152 721**	76.13	370 368 284
	100.00	**486 493 650**	100.00	486 493 650
B ordinary shares				
Rembrandt Trust (Pty) Limited	**100.00**	**35 506 352**	100.00	35 506 352
Total		**522 000 002**		522 000 002

No other shareholder held a beneficial interest of more than 5% in the ordinary shares in your Company on 31 March.

SHAREHOLDERS' INFORMATION

	2004	2003	2002	2001
Distribution of shareholders				
Ordinary shares				
Public shareholders	25 600	25 657	17 070*	6 920
Percentage of shareholders	99.91	99.89	99.80	99.70
Number of shares	462 478 974	467 859 404	483 412 586	483 481 856
Percentage of shares issued	95.06	96.17	99.37	99.38
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	24	30	27	19
Percentage of shareholders	0.09	0.11	0.20	0.30
Number of shares	24 014 676	18 634 246	3 081 064	3 011 794
Percentage of shares issued	4.94	3.83	0.63	0.62
Number of shareholders	25 624	25 687	17 097	6 939

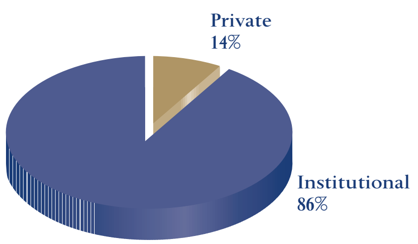
* *The increase in the number of shareholders, when compared to the prior year is due to disclosure of beneficial ownership as from 2002 compared to the registered ownership in the previous year.*

	2004	2003	2002	2001
Number of shares in issue				
– Ordinary shares of 1 cent each	486 493 650	486 493 650	486 493 650	486 493 650
– Unlisted B ordinary shares of 10 cents each	35 506 352	35 506 352	35 506 352	35 506 352
Total number of shares in issue	522 000 002	522 000 002	522 000 002	522 000 002
Ordinary shares repurchased and held in treasury	(16 442 602)	(11 616 128)	–	–
Ordinary shares purchased by The Remgro Share Trust and accounted for as treasury shares	(4 236 087)	(3 950 000)	–	–
	501 321 313	506 433 874	522 000 002	522 000 002
Weighted number of shares	503 280 054	516 517 429		

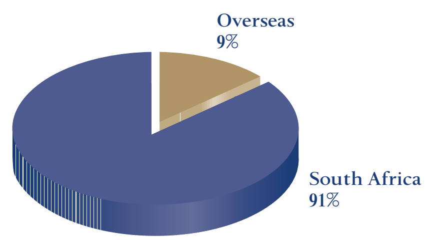
	2004	2003	2002	2001
JSE Securities Exchange South Africa				
Market capitalisation at 31 March (R million)				
– Ordinary shares only	35 028	25 030	30 649	22 865
Price (cents per share)				
– 31 March	7 200	5 145	6 300	4 700
– Highest	7 495	7 399	6 650	5 550
– Lowest	5 150	5 145	4 780	3 850
Number of shares traded ('000)	187 231	218 938	203 231	78 267

Additional information (2004)

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 2004					
P E Beyers	**34 024**	**–**	**7 000**	**–**	**41 024**
W E Bührmann	**38 027**	**–**	**–**	**–**	**38 027**
G D de Jager	**1 740**	**–**	**128 300**	**–**	**130 040**
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**
F Robertson	**–**	**–**	**1 000**	**–**	**1 000**
J P Rupert	**–**	**–**	**270 001**	**–**	**270 001**
P G Steyn	**–**	**–**	**708 870**	**–**	**708 870**
T van Wyk	**47 996**	**–**	**–**	**–**	**47 996**
M H Visser	**–**	**–**	**244 649**	**–**	**244 649**
	376 547	**–**	**2 954 956**	**4 484**	**3 335 987**
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

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.

NOTICE TO SHAREHOLDERS

The 2004 Annual General Meeting of the Company will be held on Tuesday, 24 August 2004, at 15:30 in Somerset Suite 2, 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 2004 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 R865 000 for the year ended 31 March 2004 be approved.

3. ELECTION OF DIRECTOR

Ordinary Resolution Number 3

Resolved that Mr P E Beyers who retires in terms of clause 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be hereby re-elected as a director of the Company.

4. ELECTION OF DIRECTOR

Ordinary Resolution Number 4

Resolved that Mr G D de Jager who retires in terms of clause 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be hereby re-elected as a director of the Company.

5. ELECTION OF DIRECTOR

Ordinary Resolution Number 5

Resolved that Mr P K Harris who retires in terms of clause 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be hereby re-elected as a director of the Company.

6. ELECTION OF DIRECTOR

Ordinary Resolution Number 6

Resolved that Mr E Molobi who retires in terms of clause 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be hereby re-elected as a director of the Company.

7. ELECTION OF DIRECTOR

Ordinary Resolution Number 7

Resolved that Mr D Prins who retires in terms of clause 31.4.1.1 of the Company's Articles of Association and who has offered himself for re-election, be hereby re-elected as a director of the Company.

8. ELECTION OF DIRECTOR

Ordinary Resolution Number 8

Resolved that Mr M H Visser who retires in terms of clause 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be hereby re-elected as a director of the Company.

Biographical details of all directors of the Company are set out on pages 8 and 9.

9. AUTHORITY TO PLACE SHARES UNDER CONTROL OF THE DIRECTORS

Ordinary Resolution Number 9

Resolved that the ordinary shares of one cent each ("ordinary shares") 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 in accordance with the rules of The Remgro Share Trust.

10. GENERAL ISSUE OF SHARES FOR CASH

Ordinary Resolution Number 10

Resolved that the Board of Directors of the Company are hereby authorised, by way of a renewable general authority, to issue equity shares in the authorised but unissued share capital of the Company for cash as and when they in their discretion deem fit, subject to the Companies Act and the Listings Requirements, when applicable, and the following limitations, provided that:

- this general authority shall be valid until the Company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;
- the equity shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- the equity shares which must be issued to public shareholders (as defined in the Listings Requirements) and not to related parties (as defined in the Listings Requirements);
- the equity shares which are the subject of the issue for cash may not exceed 15% in the aggregate in any one financial year of the number of equity shares in issue of that class;
- the maximum discount at which the equity shares may be issued is 10% of the weighted average traded price of the Company's ordinary shares measured over 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company; and
- an announcement be published by the Company when the Company has issued, on a cumulative basis within a financial year, 5% or more of the number of equity shares in issue prior to that issue, in terms of 11.22 of the Listings Requirements.

The general authority contained in this Ordinary Resolution Number 9 is hereby granted and shall apply *mutatis mutandis* to the use of equity shares in the Company that are held by subsidiaries of the Company.

In terms of the Listings Requirements, approval for this ordinary resolution is obtained by achieving a 75% majority of the votes cast in favour of this resolution at the annual general meeting by all equity security holders present or represented by proxy.

11. AUTHORITY TO REPURCHASE SHARES

Special Resolution Number 1

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

- this general authority shall be valid until the Company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;
- the ordinary shares be purchased through the order book of the JSE trading system and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty;
- an announcement complying with 11.27 of the Listings Requirements be published by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the ordinary shares in issue as at the time the general authority was given ("the initial number"); and (ii) for each 3% in aggregate of the initial number of ordinary shares acquired thereafter by the Company and/or its subsidiaries;
- the general repurchase by the Company of its own ordinary shares shall not in the aggregate in any one financial year exceed 20% of the Company's issued share capital of that class, provided that the acquisition of ordinary shares as treasury stock by a subsidiary of the Company shall not exceed 10% in the aggregate of the number of issued shares of the Company;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- the Company will after a repurchase still comply with the provisions of the Listings Requirements regarding shareholder spread;
- the Company and the subsidiary will not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements); and
- such repurchase shall be subject to the Companies Act, the Company's Articles of Association and the Listings Requirements.

NOTICE TO SHAREHOLDERS

It is the intention of the Board of Directors that they may use such general 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 while this general authority is valid, unless:

- the Company and its group subsidiary companies will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the notice of the annual general meeting at which this resolution is proposed ("the annual general meeting");
- the assets of the Company and its group subsidiary companies will exceed the liabilities of the Company and its subsidiary companies for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the Company's latest audited annual group financial statements;
- the Company and its group subsidiary companies will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting;
- the working capital of the Company and its group subsidiaries will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting; and
- upon entering the market to proceed with the repurchase, the Company's sponsor has confirmed the adequacy of Remgro's working capital for the purposes of undertaking a repurchase of shares in writing to the JSE.

Reason for and effect of the Special Resolution
The reason for and the effect of the special resolution is to grant the Company's directors a general authority to approve the Company's repurchase of its shares in itself and to permit a subsidiary of the Company to purchase shares in the Company.

For the purposes of considering Special Resolution Number 1 and in compliance with 11.26 of the Listings Requirements, the information listed below has been included in the Annual Report, in which this notice of annual general meeting is included, at the places indicated:

- Directors and management (pages 8 and 9);
- Major shareholders (page 85);
- No material changes to report on;
- Directors' interests in securities (page 87);
- Share capital of the Company (pages 64 and 86);
- The directors, whose names are set out on pages 8 and 9 of this report, collectively and individually accept full responsibility for the accuracy of the information contained in this Special Resolution Number 1 and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable queries in this regard;
- There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware), which may have or have had a material effect on Remgro's financial position over the last 12 months.

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 of the Company. Proxy forms should be forwarded to reach the registered office of the Company/ Company's transfer office by Friday, 20 August 2004, at 15:30 (South African time).

Proxy forms should only be completed by members who have not dematerialised their shares or who have dematerialised their shares with "own name" registration.

On a show of hands, every member of the Company present in person or represented by proxy shall have one vote only. On a poll, every member of the Company shall have one vote for every share held in the Company by such member.

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
23 June 2004

EXPLANATORY NOTES TO THE NOTICE TO SHAREHOLDERS

Ordinary resolutions

Ordinary Resolution Number 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 consideration.

Ordinary Resolution Number 2

Approval of directors' remuneration

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

Ordinary Resolution Numbers 3-8

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. A person appointed by the directors shall retire at the following annual general meeting and shall not form part of the one-third of directors who are required to retire by rotation. Directors may offer themselves for re-election. Biographical details of all directors of the Company are set out on pages 8 and 9.

Ordinary Resolution Number 9

Authority to place shares under control of the directors

In terms of the Act, the directors shall not have the power to allot or issue shares of the Company without approval of the members of the Company. The current authority to place the unissued shares under the control of the directors is due to expire at the forthcoming annual general meeting, unless renewed.

Ordinary Resolution Number 10

Authority to issue shares for cash

In terms of the JSE Securities Exchange South Africa Listings Requirements, the Board of Directors requires a general authority to enable them to issue shares in the Company for cash. In addition, treasury shares held by a subsidiary of the Company can only be used by the Company if the Company complies with the issue of shares for cash requirements contained in the Listings Requirements.

Special resolution

Special Resolution Number 1

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.

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 2004

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 2004 Annual General Meeting of the Company to be held on Tuesday, 24 August 2004, at 15:30 in Somerset Suite 2, The Lord Charles Hotel, Corner 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 director – Mr P E Beyers			
4. Election of director – Mr G D de Jager			
5. Election of director – Mr P K Harris			
6. Election of director – Mr E Molobi			
7. Election of director – Mr D Prins			
8. Election of director – Mr M H Visser			
9. Authority to place shares under control of the directors			
10. General issue of shares for cash			
Special resolution			
11. Authority to repurchase shares			

Signed at ______________________ on ______________________ 2004

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 Limited 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 office.
4. To be valid, the completed forms of proxy must be lodged with the transfer office of the Company, Computershare Investor Services 2004 (Pty) Limited at 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the transfer office at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Friday, 20 August 2004, 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 office 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.