Remgro Limited

ANNUAL REPORT

2005

CONTENTS

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 excellent returns to shareholders by way of dividend and capital growth.

GROUP STRUCTURE

AT 31 MARCH 2005

REMGRO LIMITED

ASSOCIATED COMPANIES AND OTHER

TOBACCO INTERESTS	
British American Tobacco	10%

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

INDUSTRIAL INTERESTS	
Unilever Bestfoods Robertsons	41%
Nampak	14%
Total South Africa	25%
Dorbyl	43%
Air Products SA	50%
Distell Group	30%

MINING INTERESTS	
Gencor	11%
Trans Hex Group	34%
Implats	5%

SUBSIDIARY COMPANIES

INDUSTRIAL INTERESTS	
Transvaal Sugar	100%
Wispeco	100%
Rainbow Chicken	63%
Medi-Clinic Corporation	52%

CORPORATE AND OTHER INTERESTS	
Remgro Finance Corporation	100%
Remgro Finance and Services	100%

Percentages represent the direct interests and have been rounded off.
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, building and motor components, life assurance, medical services, mining, petroleum products, food, wine and spirits and various other trade mark products.

The Company's activities are concentrated mainly on the management of investments and the provision of support rather than on being involved in the day-to-day management of business units of investees.

Subsidiaries 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 not controlled by this Company and which are mostly associated companies due to significant influence and Board representation.

GROUP PROFILE

INFORMATION ON THE COMPANIES IN WHICH INVESTMENTS ARE HELD

Effective interest: 10%	• Listed on the London Stock Exchange. • Chief Executive Officer: P Adams • Produces high quality tobacco products for a diverse, worldwide market. The company is involved from the planting and growing of tobacco crops to the marketing of the final products. • Interest is represented by a one-third shareholding in the ordinary shares and a 100% shareholding in the participating securities of R&R Holdings SA (R&R). The other two-thirds shareholding in R&R are held by Compagnie Financière Richemont SA. • Market capitalisation at 31 March 2005: £19 935 million • 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, with an increasing international profile, in South Africa. • Interest is represented by a 50% shareholding in Remgro-KWV Investments Limited which held a 60% share in Distell at 31 March 2005. • Market capitalisation at 31 March 2005: R4 726 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 represented by the wholly-owned subsidiaries FirstRand Bank Holdings Limited and Momentum Group Limited respectively and the health activities in the 66%-owned Discovery Holdings Limited. • Market capitalisation at 31 March 2005: R72 999 million • Website: www.firstrand.co.za
Effective interest: 23%	• Listed on the JSE Securities Exchange South Africa. • Chief Executive Officer: P Cooper • RMBH's interests are: – FirstRand Limited (32%) – RMB Structured Insurance Limited (100%) – OUTsurance Limited (66%) – Glenrand M.I.B Limited (17%) • Market capitalisation at 31 March 2005: R25 455 million • Website: www.rmbh.co.za
Effective interest: 9%	• Listed on the JSE Securities Exchange South Africa. • Chief Executive Officer: S F Booysen • 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 its group companies. • Market capitalisation at 31 March 2005: R49 391 million • Website: www.absa.co.za
Effective interest: 22%	• Listed on the JSE Securities Exchange South Africa. • Chief Executive Officer: G Griffin (resigned on 31 May 2005) • Sage is a South African life assurance, investment and financial services organisation. • Market capitalisation at 31 March 2005: R679 million • Website: www.sage.co.za
Effective interest: 34%	• Listed on the JSE Securities Exchange South Africa. • Chief Executive Officer: L Delport • Exploration for, and mining and marketing of, land and marine diamonds. • Market capitalisation at 31 March 2005: R1 559 million • Website: www.transhex.co.za
Unilever *Effective interest: 41%*	• Unlisted • Chief Executive Officers: K T Kruythoff (South Africa); M Keren (Israel) • The UBR venture covers the territories of Southern Africa and Israel, and manufactures and markets an extensive range of food products, while enjoying market leadership in most of its major categories. Well-known international and local brands include *Robertsons* herbs and spices, *Knorr* soups, *Aromat* seasonings, *Rama* and *Flora* margarine, *Lipton* and *Joko* tea, and *Mrs Ball's* culinary products. • Website: www.unilever.co.za

GROUP PROFILE

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 and plastic to 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 2005: R10 193 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 15%. It distributes to 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 and roofing.
- Market capitalisation at 31 March 2005: R995 million
- Website: www.dorbyl.co.za

Effective interest: 50%

- Unlisted
- Chief Executive Officer: A G Cooper
- Air Products produces oxygen, hydrogen 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 involved in cane growing and the production, transport and marketing of sugar and animal feed. Citrus is 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: 63%

- 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 2005: R1 790 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 of the provision of comprehensive, high-quality hospital services on a cost-effective basis.
- Market capitalisation at 31 March 2005: R5 356 million
- Website: www.mediclinic.co.za

Effective interest: 5%

- Listed on the JSE Securities Exchange South Africa.
- Chief Executive Officer: K Rumble
- Implats 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 2005: R35 027 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.

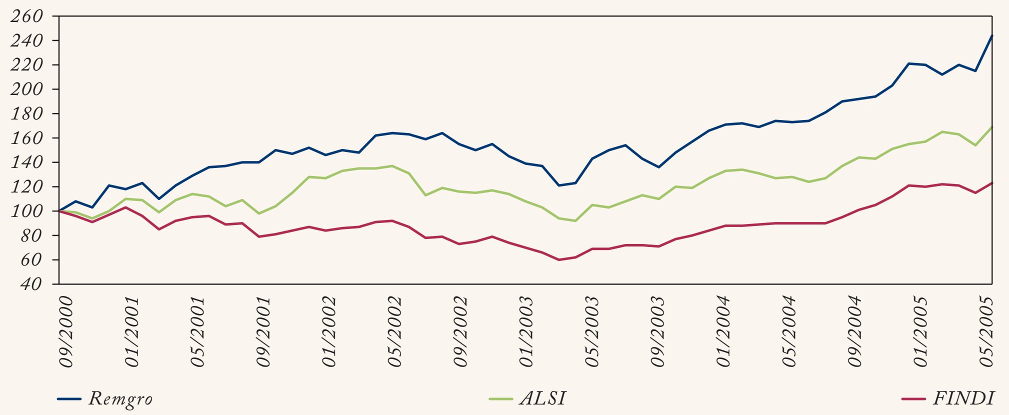
FINANCIAL HIGHLIGHTS

	2005	2004	% change
HEADLINE EARNINGS	**R4 982m**	R4 687m	*6.3*
BASIC EARNINGS – NET PROFIT FOR THE YEAR	**R8 807m**	R3 605m	*144.3*
HEADLINE EARNINGS PER SHARE	**1 001.8c**	931.3c	*7.6*
BASIC EARNINGS PER SHARE	**1 771.0c**	716.3c	*147.2*
Dividends per share			
– Ordinary	**314.00c**	285.00c	
– Special	*****	200.00c	
Net asset value per share			
(attributable to own members)			
– at book value	**R71.77**	R59.26	*21.1*
Tobacco interests	**R27.54**	R17.37	*58.5*
Other investments	**R44.23**	R41.89	*5.6*
– at intrinsic value	**R119.97**	R100.36	*19.5*
Tobacco interests	**R53.94**	R46.91	*15.0*
Other investments	**R66.03**	R53.45	*23.5*
Exchange rates			
Pound sterling/SA rand exchange rate – weighted average for the financial year	**11.5342**	12.1025	
– at 31 March	**11.7520**	11.5950	
Stock exchange prices			
Closing price per share at 31 March	**R93.80**	R72.00	
Change in share price for the year	**30%**	40%	

The comparative figures for the year ended 31 March 2004 have been restated. Please refer to the paragraph headed "Prior year adjustments" in the Report of the Board of Directors.

** Refer to the paragraph headed "Cash flow and utilisation" in the Report of the Board of Directors on page 49.*

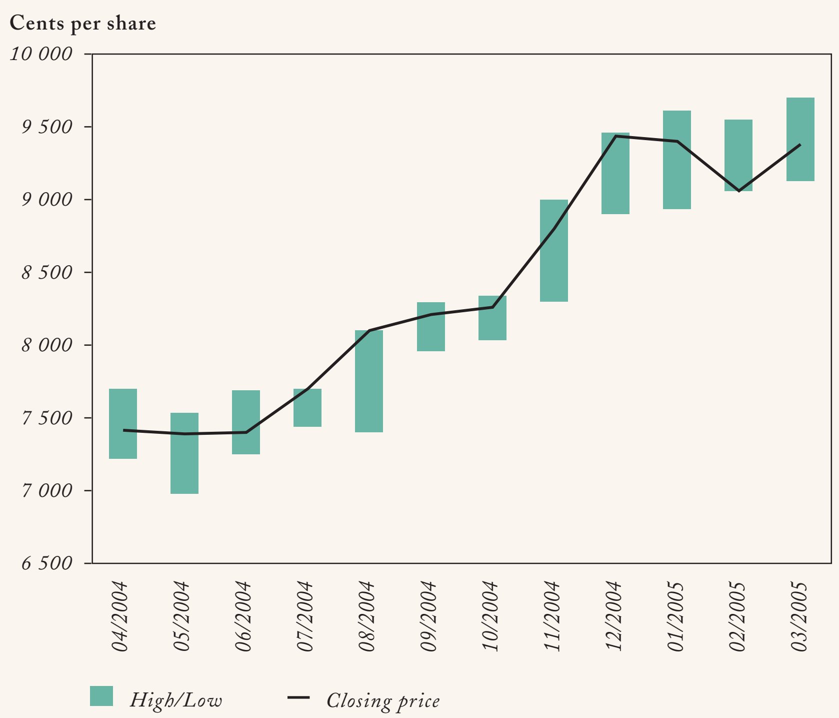
REMGRO'S RELATIVE SHARE PERFORMANCE (BASED TO 100)



SHARE STATISTICS

JSE Securities Exchange South Africa	2005	2004	2003	2002
Weighted number of Remgro ordinary shares in issue ('000)	**461 786**	467 774	481 011	486 494
Market capitalisation at 31 March (R million)				
– Ordinary shares only	**45 633**	35 028	25 030	30 649
Price (cents per share)				
– 31 March	**9 380**	7 200	5 145	6 300
– Highest	**9 701**	7 495	7 399	6 650
– Lowest	**6 980**	5 150	5 145	4 780
Number of shares traded ('000)	**187 389**	187 231	216 082	203 231
Value of shares traded (R million)	**15 553**	11 785	14 105	12 101
Shares traded/weighted number of ordinary shares (%)	**40.6**	40.0	44.9	41.8
Number of transactions	**64 707**	54 055	58 873	67 712

REMGRO SHARE PRICE



SEVEN-YEAR

CONSOLIDATED INCOME STATEMENTS

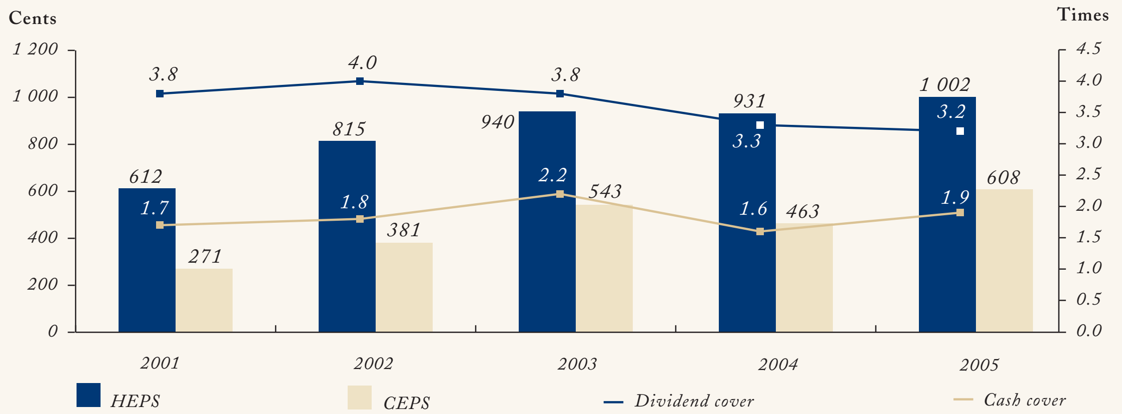
R million	**2005**	2004	2003	2002	2001	2000 *Pro forma*	1999 *Pro forma*
Revenue	**12 823**	11 763	11 212	8 441	7 358	5 738	10 381
Profit before taking into account the following	**1 375**	1 292	1 209	734	504	412	404
Exceptional items and other non-operating income/(expenses)	**2 215**	(132)	1 055	(158)	1 523	202	(25)
Consolidated profit before tax	**3 590**	1 160	2 264	576	2 027	614	379
Taxation	**(400)**	(397)	(394)	(173)	(109)	(100)	(114)
Consolidated profit after tax	**3 190**	763	1 870	403	1 918	514	265
Share in after-tax profit of associated companies	**6 026**	3 177	7 262	3 255	4 765	1 733	2 178
Profit before taking into account the following	**4 495**	4 164	4 421	3 881	2 901	2 307	
Exceptional items and other non-operating income/(expenses)	**1 531**	(987)	2 841	(626)	1 864	(574)	
Group profit after tax	**9 216**	3 940	9 132	3 658	6 683	2 247	2 443
Minority interest	**(409)**	(335)	(446)	(151)	(109)	(76)	(107)
Net profit for the year	**8 807**	3 605	8 686	3 507	6 574	2 171	2 336
Headline earnings	**4 982**	4 687	4 856	4 252	3 195	2 508	2 339
Headline earnings per share (cents)	**1 001.8**	931.3	940.1	814.5	612.1	480.5	448.1
Basic earnings per share (cents)	**1 771.0**	716.3	1 681.6	671.8	1 259.4	415.9	447.5
Dividends per share (cents)							
– Ordinary	**314.00**	285.00	248.00	206.00	162.00	120.00	104.35
– 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 2005 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.

* *Refer to the paragraph headed "Cash flow and utilisation" in the Report of the Board of Directors on page 49.*

DIVIDEND COVER



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

SIX-YEAR

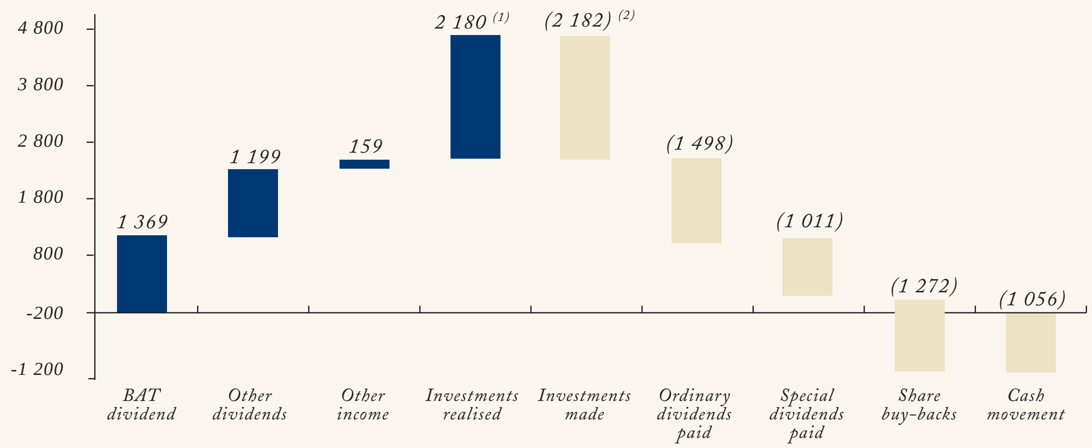
CONSOLIDATED BALANCE SHEETS AND CASH FLOW STATEMENTS

R million	**2005**	2004	2003	2002	2001	2000 *Pro forma*
BALANCE SHEETS						
Property, plant and equipment	**3 982**	3 515	3 253	2 083	2 027	2 259
Investments – Associated companies	**28 415**	22 737	19 844	16 984	13 164	10 660
Other non-current assets	**2 664**	2 106	3 607	2 831	2 968	241
Current assets	**4 765**	5 372	4 079	4 435	3 395	2 283
Total assets	**39 826**	33 730	30 783	26 333	21 554	15 443
Total shareholders' equity	**36 971**	31 411	28 981	24 991	20 177	13 365
Non-current liabilities	**883**	685	472	244	310	296
Current liabilities	**1 972**	1 634	1 330	1 098	1 067	1 782
Total equity and liabilities	**39 826**	33 730	30 783	26 333	21 554	15 443
Net asset value per share (Rand)						
(attributable to own members)						
– at book value	**71.77**	59.26	54.19	46.10	37.14	24.05
– at intrinsic value	**119.97**	100.36	77.23	89.50	64.32	51.43

R million	**2005**	2004	2003	2002	2001	2000 *Pro forma*
CASH FLOW STATEMENTS						
Cash generated from operations	**1 545**	1 383	1 055	618	401	
Cash flow generated from returns on investments	**2 672**	2 013	2 542	1 697	1 196	
Taxation paid	**(546)**	(363)	(220)	(111)	(116)	
Cash available from operating activities	**3 671**	3 033	3 377	2 204	1 481	
Dividends paid	**(2 642)**	(1 438)	(1 765)	(968)	(303)	
Cash inflow/(outflow) from operating activities	**1 029**	1 595	1 612	1 236	1 178	
Net investing activities	**(2 184)**	(528)	(1 943)	(201)	356	
Net financing activities	**9**	62	(82)	(158)	(631)	
Net increase/(decrease) in cash and cash equivalents	**(1 146)**	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.

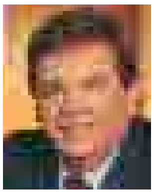
CASH MOVEMENT AT THE HOLDING COMPANY
("CASH AT THE CENTRE") (R MILLION)



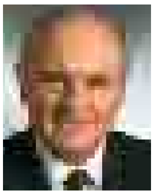
(1) Investments realised consist of the consideration received on the partial redemption of debentures by R&R (R2 100 million) and proceeds from disposal of the Henkel Investment (R80 million).
(2) Investments made consist of the acquisition of participation securities in R&R (R2 098 million) and net loans granted (R84 million).

DIRECTORATE

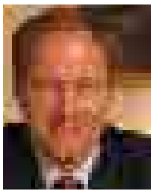
Non-executive directors



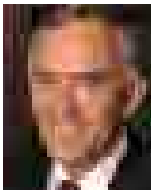
J P Rupert (55)
Chairman
Directorships: Executive Chairman of Compagnie Financière Richemont SA and Richemont Société Anonyme and Non-executive Chairman of VenFin Limited and Chairman of Business Partners Limited.



E de la H Hertzog (55)
Deputy Chairman (*since 22 June 2005*)
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.

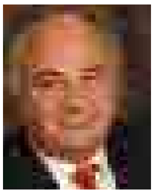


P E Beyers (55)
Directorships: Richemont Société Anonyme, British American Tobacco Plc, VenFin Limited, Distell Group Limited, Unilever Bestfoods Robertsons (Holdings) Limited L.L.C.

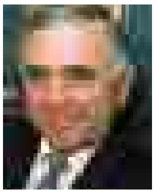


J W Dreyer (54)
Directorships: RMB Holdings Limited and VenFin Limited.

Independent non-executive directors

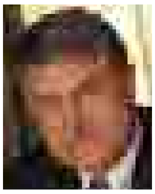


G D de Jager (54)
Directorships: Anglo Suisse Investment Holdings Limited, Lenco Holdings Limited and Sharp Interpack Limited.



P K Harris (55)
Directorships: Chief Executive Officer of FirstRand Bank Limited and director of RMB Holdings Limited and Momentum Group Limited.

E Molobi (60)
Directorship: Chairman of Kagiso Trust Investment Company (Pty) Limited.



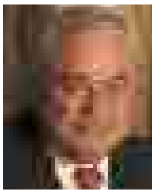
J F Mouton (58)
Directorships: Chairman of PSG Group Limited and Capitec Bank Holdings Limited and director of Steinhoff International Holdings Limited.

D Prins (57)
Directorship: Distell Group Limited.

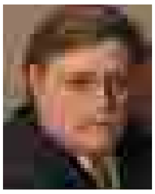
F Robertson (50)
Directorships: Executive Deputy Chairman of Brimstone Investment Corporation Limited and other companies in the Brimstone group, and Chairman of Lion of Africa Insurance Company Limited and Lion of Africa Life Assurance Company Limited.

DIRECTORATE AND MEMBERS OF COMMITTEES

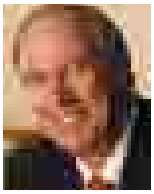
Executive directors



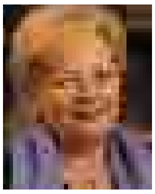
M H Visser (51)
Chief Executive Officer
Qualification: BComm (Hons), CA(SA)
Years of service with the Group: 25
Directorships: British American Tobacco Plc, Distell Group Limited, Nampak Limited, Unilever Bestfoods Robertsons (Holdings) Limited L.L.C. and Chairman of Rainbow Chicken Limited.



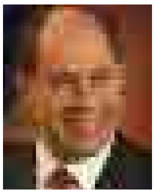
W E Bührmann (50)
Investments
Qualification: BComm, CA(SA)
Years of service with the Group: 18
Directorships: Air Products SA (Pty) Limited, Dorbyl Limited, Gencor Limited, Medi-Clinic Corporation Limited, Rainbow Chicken Limited, Transvaal Sugar Limited, Trans Hex Group Limited and Wispeco Holdings Limited.



D M Falck (59)
Group Finance
Qualification: CA(SA)
Years of service with the Group: 33
Directorships: RMB Holdings Limited, FirstRand Limited, FirstRand Bank Limited and Total South Africa (Pty) Limited.



J A Preller (Mrs) (55)
Corporate Affairs
Qualification: BEcon
Years of service with the Group: 33



T van Wyk (57)
Investments
Qualification: BComm, LLB, LLM, H Dip Tax
Years of service with the Group: 15
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

D Prins (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

The domestic economic performance has been characterised by a strong momentum in spending by households, the government and the private business sector, particularly towards the end of 2004. In all three sectors the acceleration in spending is built on sound foundations, with renewed employment growth in the formal sector of the economy as an important driver of income growth. Both business and consumer confidence reached historic high levels recently.

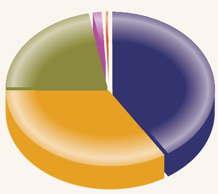
The services sectors and other sectors not producing tradable goods (e.g. retail and construction), are benefiting more from the keen demand conditions and have performed strongly. On the other hand, growth in the sectors producing tradable goods (e.g. agriculture, mining and manufacturing) has been constrained by the sustained strength of the rand.

Domestically inflation has consistently been contained within the 3% – 6% target range for the past 18 months and interest rates continued to drift lower during the early part of 2005. Relative rand strength was also sustained over this period, and contributed to a widening deficit on the current account of the balance of payments. It is expected that the rand will adjust closer to an equilibrium value over the short term as it probably reached overvalued levels early this year. This should assist in a more balanced domestic economic growth.

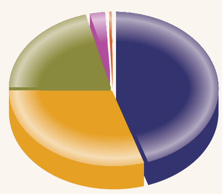
The global economy slowed down during the second half of 2004 and the early part of this year, mainly under the impact of higher crude oil prices and disappointing economic growth performances in Japan and the Euro zone. The macro-economic imbalances in the USA economy, together with China, the engine of world economic growth, remain a cause for concern. International financial markets are uncertain how the US imbalances will correct itself over the medium term.

SEGMENTAL ANALYSIS

CONTRIBUTION TO HEADLINE EARNINGS



2005 %		2004 %
41	*Tobacco interests*	45
34	*Financial services*	30
22	*Industrial interests*	21
2	*Mining interests*	3
1	*Corporate finance and other interests*	1
100		100



	2005 R million	% change	2004 R million
Tobacco interests	**2 029**	(3.4)	2 100
Financial services	**1 695**	21.6	1 394
Industrial interests	**1 125**	13.1	995
Mining interests	**101**	(41.3)	172
Corporate finance and other interests	**32**	23.1	26
	4 982	6.3	4 687

It should be noted that Remgro changed its segmental analysis from 1 April 2004. Distell Group Limited (Distell) and Medi-Clinic Corporation Limited (Medi-Clinic) are classified as "Industrial interests", while previously accounted for as "Trade mark interests" and "Corporate finance and other interests" respectively. Since that date, Caxton and CTP Publishers and Printers Limited, previously accounted for under "Corporate finance and other interests", is also included in "Industrial interests".

After the restatement, R&R Holdings SA, Luxembourg (R&R), which represents Remgro's tobacco interests, is the only remaining interest under "Trade mark interests". The description "Trade mark interests" has therefore been changed to "Tobacco interests". The comparative figures have been restated accordingly.

HEADLINE EARNINGS

Headline earnings for the year to 31 March 2005 increased by 6.3%, from R4 687 million to R4 982 million. However, headline earnings per share increased by 7.6% from 931.3 cents to 1 001.8 cents due to the favourable impact of the share repurchase programme.

Currency movements continued to impact the Group's earnings. Due to a stronger but more stable rand, the unfavourable currency impact on translation of R&R's contribution to headline earnings declined from R520 million in 2004 to R100 million for the year under review, as set out in the table below.

Financial year:	**2005**	2004
Average exchange rate (£/R)	**11.5342**	12.1025
Closing exchange rate at year-end (£/R)	**11.7520**	11.5950
R&R's contribution (£m)	**176**	174
R&R's contribution (Rm)	**2 029**	2 100
Unfavourable currency impact (Rm)	**(100)**	(520)

The contribution of the financial services interests to Remgro's headline earnings increased by 21.6% from R1 394 million in 2004 to R1 695 million. FirstRand and RMBH's combined contribution to headline earnings amounted to R1 172 million (2004: R976 million), while Absa increased its contribution by 23.4% to R517 million (2004: R419 million).

The contribution of the industrial interests increased by 13.1%, mainly as a result of strong performances by Total South Africa, Distell and Medi-Clinic. This was, however, offset by lower results from Rainbow, Nampak, UBR and Transvaal Sugar.

Mining interest's contribution to headline earnings decreased by 41.3% to R101 million. Trans Hex reported lower results and its contribution to headline earnings decreased to R29 million (2004: R79 million).

Analysis of comparable headline earnings (cents per share)

– Excluding contributions by R&R	**2005**	2004
Headline earnings as reported	**1 001.8**	931.3
R&R's contribution	**(408.1)**	(417.3)
Comparable headline earnings after exclusion of the above **(+15.5%)**	**593.7**	514.0

GENERAL REPORT

FINANCIAL REVIEW

BASIC EARNINGS

Basic earnings per share increased by 147.2% to 1 771.0 cents. Basic earnings reflects the net earnings after impairment and goodwill amortisation and after exceptional items. This increase was mainly due to the surplus realised on the redemption by R&R of debentures (refer to the BAT paragraph on page 16) and Remgro's share in the favourable exceptional items of associated companies. The latter mainly comprises the profit realised by BAT following the merger of Brown & Williamson's US businesses with R.J. Reynolds to form a new holding company, Reynolds American Inc., and from the sale of Lane Limited to Reynolds American.

CASH EARNINGS

Attributable cash earnings (excluding the Group's share of net profits retained by associated companies), before exceptional items and impairment and amortisation of goodwill, increased by 29.8% from R2 329 million to R3 023 million, mainly as a result of an increase in dividends received from associated companies. The latter amounted to R2 372 million compared to R1 690 million in 2004. This increase was mainly due to higher dividends from R&R, RMBH, FirstRand and UBR.

REPURCHASE OF SHARES

During the year under review, a wholly-owned subsidiary company of Remgro acquired a further 14 079 239 ordinary Remgro shares (2.9% of the ordinary shares) at an average price of R87.69 for a total amount of R1 234.6 million. Together with those shares acquired in previous financial years, a total of 30 521 841 (6.3%) are held as treasury shares.

During the year under review, The Remgro Share Trust bought 660 018 (2004: 711 000) ordinary Remgro shares at an average price of R90.93 (2004: R65.43) for a total amount of R60.0 million (2004: R46.5 million). During the year under review 514 946 shares were delivered to participants against payment thereof.

DIVIDENDS

Ordinary dividends of 314 cents per share were declared for the year, compared to 285 cents the previous year. This represents an increase of 10.2%. The dividend is covered 3.2 times by headline earnings and 1.9 times by cash earnings, against 3.3 times and 1.6 times respectively the previous year.

It is the Board's intention to also declare a special dividend of 600 cents per share shortly after, and subject to, the Absa transaction being declared unconditional. The salient dates of the special dividend will then be announced on SENS and distributed to shareholders.

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 at the end of March 2005 amounted to R119.97 per share. A schedule setting out the calculation of the intrinsic net asset value per share on 31 March 2005 and 2004 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:

	2005 R million	2004 R million
Per balance sheet	**2 372**	3 446
Less: Cash from other operating subsidiaries	**(1 278)**	(1 296)
Cash at the centre	**1 094**	2 150
– Local	**782**	2 147
– Offshore	**312**	3

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.

	2005	2004	2003	2002	2001
Intrinsic net asset value – Rand per share	**119.97**	100.36	77.23	89.50	64.32
JSE – All share index	**13 299**	10 693	7 680	11 015	8 094
– Fin & Ind 30 index	**13 477**	9 953	6 682	9 713	9 464
– Financial 15 index	**5 258**	3 782	2 744	3 415	3 758

Relative performance	**1 year to 31 March 2005 (% year-on-year)**	**4 years to 31 March 2005 (% comp p.a.)**
Intrinsic net asset value	**+19.5**	**+16.9**
JSE – All share index	**+24.4**	**+13.2**
– Fin & Ind 30 index	**+35.4**	**+9.2**
– Financial 15 index	**+39.0**	**+8.8**

The table below reflects a comparison of Remgro's internal rate of return (IRR) with that of certain selected JSE indices. In all cases it has been assumed that dividends have been reinvested in Remgro's shares or in the appropriate indices.

	IRR From 26 September 2000 to 31 March 2005 (% comp p.a.)
Remgro share	**+26.0**
JSE – All share index	**+15.5**
– Fin & Ind 30 index	**+7.4**
– Financial 15 index	**+11.6**

GENERAL REPORT

INVESTMENT REVIEW

(Note: Only limited commentary is given for listed companies seeing that the information is generally available. The unlisted investments are treated in more detail.)

TOBACCO INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS		
	2005	2004
	R million	R million
R&R Holdings	**2 029**	2 100

R&R Holdings

Remgro's interest in British American Tobacco Plc (BAT) is represented by its one-third holding of the ordinary shares and debentures, as well as all the participation securities, issued by R&R Holdings S.A., Luxembourg (R&R). This gives Remgro an effective interest of 10.03% in BAT at 31 March 2005. The other two-thirds of the ordinary share capital and debentures of R&R are held by Compagnie Financière Richemont SA (Richemont).

In May 2004, optionholders exercised the call warrants that were issued by R&R in January 2003 in respect of the BAT preference shares. These preference shares were converted into ordinary BAT shares and, as a result, Remgro's effective interest in BAT declined from 9.8% to 9.3%.

On 28 February 2005, Remgro's wholly-owned subsidiary Remgro Investments Limited (Jersey) invested £188.0 million in 19 281 686 participation securities issued by R&R. This was funded by the proceeds of the redemption by R&R of debentures amounting to £564.7 million. Remgro and Richemont received £188.2 million and £376.5 million respectively. The debentures that were redeemed formed part of the consideration received from the Rothmans International merger on 1 October 1995. As set out in the 1996 Rembrandt Group Limited Annual Report, no book value was reflected in the group accounts in respect of the original investment in R&R. As a result, the gross proceeds received by Remgro upon redemption of the debentures has been recorded as an exceptional profit.

The participation securities entitle Remgro to all the rewards and risks of directly owning the same number of ordinary shares in BAT. The participation securities can be redeemed by R&R either by delivery of the appropriate number of BAT ordinary shares on a one-for-one basis, or by the payment by R&R to the holder of the proceeds from the disposal of the appropriate number of BAT ordinary shares.

As Remgro and Richemont hold an interest of one-third and two-thirds respectively in R&R's ordinary share capital, and as the transaction did not affect the total number of BAT shares owned by R&R, Remgro and Richemont, as ordinary shareholders, both surrendered their indirect interest in 19 281 686 ordinary BAT shares on a pro rata basis. At the same time Remgro, as an ordinary shareholder, acquired a one-third interest in the £188.0 million cash obtained by R&R from issuing the participation securities.

The net result was that Remgro's effective interest in BAT increased by 12 854 457 shares at a cost of £124.9 million, excluding transaction costs.

For the year under review, R&R's results included its 29.6% interest of BAT's results for the period up to the conversion of the BAT preference shares into ordinary shares at the beginning of June 2004 at which time its interest was diluted to 27.9%. Subsequent share buy-backs by BAT resulted in R&R's percentage holding rising to 28.1% at 30 September 2004, 28.2% at 31 December 2004 and 28.3% at 31 March 2005. The results for the comparative period reflected R&R's 28.8% effective interest for the six months to 30 September 2003 and its 29.4% interest for the six months to 31 March 2004.

As explained in the 2003 Annual Report, the BAT preference shares, referred to above, were treated as debt instruments since January 2003 and were no longer equity accounted. This also resulted in those debt instruments being revalued to fair value. The movement in the present value of the preference shares was therefore recognised and accounted for accordingly. Remgro's share of the deferred net warrant premium of £30 million was included in equity accounted income during the comparative period to 31 March 2004.

R&R's share of BAT's earnings for the twelve months to 31 March 2005 is based on BAT's results for the year ended 31 December 2004 plus the results for the quarter to 31 March 2005 (now reported under International Financial Reporting Standards (IFRS)) less the results for the quarter to 31 March 2004. For this purpose, in order to be in line with the practice in previous years, R&R adjusted BAT's results for the quarter to 31 March 2005 to UK accounting practice. Remgro's share of R&R's headline earnings is included in the table below.

	2005 £ million	2004 £ million
Attributable profit as reported by BAT:		
– for the year ended 31 December 2004 (2004: to 31 December 2003)	1 098	631
– less: for the quarter ended 31 March 2004 (2004: to 31 March 2003)	(219)	(235)
– add: for the quarter ended 31 March 2005 (2004: to 31 March 2004)	267	219
– as reported by BAT under IFRS	458	
– adjustment from IFRS to UK GAAP	(191)	
Adjustments:		
– to eliminate goodwill amortisation	529	426
– to eliminate exceptional items	23	518
	1 698	1 559
– movement in present value of BAT preference shares and dividends	(8)	(42)
Adjusted attributable profit of BAT for the twelve months ended 31 March	1 690	1 517
R&R's share of the adjusted attributable profit of BAT:		
– 1 April 2003 to 31 March 2004	–	440
– 1 April 2004 to 28 February 2005	442	–
– 1 March 2005 to 31 March 2005	38	–
Movement in present value of BAT preference shares and dividends	8	42
R&R's other income	38	8
R&R's headline earnings for the year ended 31 March	526	490
Net warrant premium no longer deferred	–	30
R&R's adjusted headline earnings for the year ended 31 March	526	520
Remgro's share thereof:		
– 33⅓% of R&R's share of the adjusted attributable profit of BAT for the period 1 April 2003 to 31 March 2004	–	147
– 33⅓% of R&R's share of the adjusted attributable profit of BAT for the period 1 April 2004 to 28 February 2005	147	–
– 35.46% of R&R's share of the adjusted attributable profit of BAT for the period 1 March 2005 to 31 March 2005	14	–
– 33⅓% of R&R's non-BAT income	15	27
	176	174
	R million	R million
Translated at an average £/R rate of 11.5342 (2004: 12.1025)	2 029	2 100

GENERAL REPORT

INVESTMENT REVIEW

BAT's own attributable profit for the twelve months to 31 March 2005, excluding goodwill amortisation and exceptional items, was 9% higher than the previous year at £1 698 million. However, after accounting adjustments to reflect the present value of the preference shares and preference share dividends, BAT's results for 2005 were 11% higher compared to the previous year.

In July 2004, BAT completed the agreement to combine its Brown & Williamson (B&W) US domestic businesses with that of R.J. Reynolds (RJR) under Reynolds American Inc., a new holding company, 58% owned by RJR shareholders and 42% by BAT. BAT also sold Lane, its US-based pipe and smoking tobacco business, to Reynolds American for $400 million cash. As a consequence of the merger, B&W and each of its affiliates (other than Reynolds American Inc. and its subsidiaries) will be indemnified by Reynolds American for all existing and future litigation relating to the US tobacco business. BAT expects that the transaction will significantly improve its competitive position in the US domestic market.

BAT – in line with UK accounting practice – included within its equity an amount of £918 million, being the gain on the disposal of subsidiaries and some £216 million in respect of goodwill reinstated on its balance sheet. These items were linked to the deemed disposal of its US operations as a consequence of the Reynolds American transaction. R&R has included its share of the gain on disposal in its profit and loss account for the year to 31 March 2005.

BAT has a 31 December financial year-end. The following commentary is based on the BAT results for the financial year ended 31 December 2004.

BAT's adjusted diluted earnings per share, a good measure of its underlying performance (and which excludes the effects of goodwill amortisation, restructuring costs, disposal of subsidiaries, etc.), grew 10% to 75.83 pence per share. This reflects the higher operating profit, the reduced effective tax rate, lower minority interests and the positive impact of BAT's share buy-back programme.

Cigarette volumes, including make-your-own 'stix', grew by 8% to 853 billion cigarettes. The additional volumes were mainly gained from acquisitions together with the impact of the Reynolds American transaction. Excluding these benefits, the growth in sales volume would have been 0.4%. Cigarette sales volumes include the whole of the Reynolds American volume, as is the case with BAT's other associated companies in India and Denmark. The US volumes, therefore, include seven months from Brown & Williamson and five months from Reynolds American. Excluding merger benefits, there were strong volume performances in Russia, Turkey, India and Pakistan, offset by declines in Germany, France, Canada and Japan. The global drive brands – Dunhill, Kent, Lucky Strike and Pall Mall – grew by 2%. Kent's volume increased by 10% to a new record high of 33 billion.

BAT's operating profit, before goodwill amortisation and exceptional items, was 2% higher at £2 830 million. These results were adversely affected by average sterling exchange rates strengthening against almost all currencies. At comparable rates of exchange, operating profit, before goodwill and exceptional items, would have risen by 7%, reflecting the benefit from the Ente Tabacchi Italiani S.p.A. (ETI) acquisition at the end of 2003 and a good performance in all regions except America-Pacific.

Profit from the America-Pacific region was £795 million, a decrease of £200 million from the same period last year. This was the result of lower profits in Canada and Japan, further accentuated by the translation of US and Canadian results into sterling. Volumes in the region were up 27% to 131 billion, mainly as a result of the Reynolds American transaction, with higher volumes from South Korea more than offset by declines in Canada and Japan.

In Asia-Pacific, regional profit rose by £42 million to £515 million as strong performances in Australia, New Zealand, Malaysia, Vietnam, Pakistan, India and the duty-free business were only partially offset by reduced profit from Indonesia and Taiwan. Regional volumes at 201 billion were 4% higher than last year, with strong increases in India, Vietnam, Pakistan and Bangladesh, partially offset by declines in Indonesia and Malaysia.

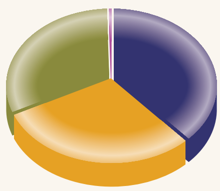
In Latin America, a decrease in profit of £12 million to £428 million was mainly the result of many currencies in this region weakening against sterling. This masked good performances in local currency terms as the region benefited from an improvement in margins. Regional sales volume at 148 billion was down by 2 billion mainly as a result of increased pressure from growing illicit trade, especially after-excise driven price increases in Brazil and Argentina. This was partly offset by the additional volumes from the new business acquisition in Peru, good performances in the majority of the Central American markets and growth in Venezuela.

In Europe, profit increased by £190 million to £726 million, mainly driven by the inclusion of ETI in the results from the beginning of 2004. Excluding ETI, there was good profit growth of 10% at comparable rates of exchange. There were excellent performances in Russia and Romania. The smoking tobacco and cigars business performed well and benefits were realised from cost savings following the closure of factories and a number of reorganisations. These more than offset the adverse impact of markets where excise increases resulted in lower volumes. Regional volumes grew by 7%, reaching 268 billion, primarily due to incremental volume from newly acquired businesses and growth in Russia, partly offset by market-related declines in Western Europe.

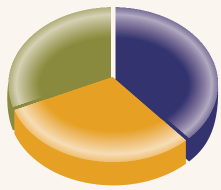
Profits in the Africa and Middle East region grew by £29 million to £366 million, with strong performances from South Africa, Nigeria and the Caucasus, partly offset by the cost of continued investment in new markets and a large fall in profit from Zimbabwe. Volumes rose by 7% to 105 billion mainly as a result of the significant growth in Turkey as well as increases in the Caucasus and Nigeria, partly offset by declines in South Africa and Zimbabwe.

FINANCIAL SERVICES

CONTRIBUTION TO HEADLINE EARNINGS



	2005 R million	%	% Change	2004 R million	%
FirstRand	**632**	**37**	**21**	523	38
RMBH	**540**	**32**	**19**	453	32
Absa	**517**	**31**	**23**	419	30
Other	**6**	**–**		(1)	–
	1 695	**100**	**22**	1 394	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 to headline earnings, as indicated above, excludes the indirect contribution of FirstRand through Remgro's interest in RMBH.

For the reported six months ended 31 December 2004, FirstRand's headline earnings increased by 22.6% to R3 355 million (2003 restated: R2 736 million). These results were achieved in a favourable economic environment which provided strong organic growth opportunities, particularly for the FirstRand Banking Group. This was evident in the high levels of new business growth at Rand Merchant Bank, Wesbank and First National Bank and resulted in headline earnings growth for the FirstRand Banking Group of 23% to R2.8 billion.

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INVESTMENT REVIEW

In May this year, FirstRand announced that all conditions precedent regarding its proposed black economic empowerment (BEE) transaction, had been complied with. The operative date of the scheme was 16 May 2005.

In terms of this transaction, FirstRand has bought back approximately 416.2 million ordinary shares on a pro rata basis from all shareholders in the ratio of 7.6 ordinary shares for each 100 ordinary shares held. The price per ordinary share amounted to R12.28 and in terms of this transaction Remgro received R486.0 million on 16 May 2005. At the same time FirstRand issued 119 million ordinary shares to the BEE consortium, with the result that Remgro's direct interest in FirstRand has been diluted from 10.0% to 9.4%.

This transaction also diluted RMBH's interest in FirstRand from 34.4% to 32.2%. After this transaction, Remgro's total interest in FirstRand, including the indirect interest held by RMBH, is 16.8%.

FirstRand is committed to transformation in South Africa and specifically wishes to ensure that the long-term benefits of the BEE transaction reach the widest possible community of black South Africans, with a specific focus on the lower income groups.

RMBH

For the twelve months ended 31 December 2004, 90.3% (2003: 90.1%) of RMBH's headline earnings was from FirstRand while 9.7% (2003: 9.9%) was contributed by its other interests.

RMBH's other interests included RMB Structured Insurance Limited, OUTsurance Limited (OUTsurance) and Glenrand M.I.B Limited.

OUTsurance posted strong results for the six months to 31 December 2004. Gross premium income equalled R881 million, reflecting a 32% increase. This was driven by strong organic growth in both personal and business lines. RMBH's attributable share of OUTsurance's headline earnings for the six-month period increased by 42% and amounted to R85 million (2003: R60 million).

Effective from 1 January 2004, RMBH sold its 48.4% interest in Global Resorts (SA) (Pty) Limited (GRSA) to a consortium of investors. RMBH received the R530 million sale consideration during May 2004, which resulted in a profit on the disposal of R161 million.

Absa

Absa Group Limited's (Absa) headline earnings for the year ended 31 March 2005 increased by 23.3% to R5 484 million.

Absa's share price appreciated by 61.7% for the year under review, due to a rerating of the South African banking sector in general and Absa in particular, coupled with the Barclays Bank PLC (Barclays) offer to acquire a majority stake in Absa.

Barclays, a leading international financial services institution, recently announced its formal offer to Absa shareholders to acquire a controlling stake in it. The transaction, still subject to certain conditions precedent, will be the largest foreign direct investment in South Africa's history and underlines the commitment of Barclays to both Absa and South Africa. The Report of the Board of Directors contains more particulars regarding this transaction.

Sage

For the year ended 31 December 2004 Sage Group Limited (Sage) reported a headline loss of R46.3 million (headline earnings for the year ended 31 December 2003: R61.2 million).

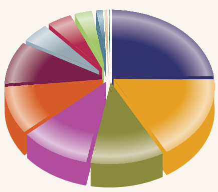
On 20 May 2005 Momentum Group Limited (Momentum), a wholly-owned subsidiary of FirstRand, announced that it has submitted an offer to acquire all the issued shares in Sage, other than those held by Sage Life Limited, by way of a scheme of arrangement in terms of section 311 of the Companies Act.

The consideration payable in terms of the scheme shall be R634 million, or R1.75 per Sage share, comprising of an initial payment of R1.42 per share and a potential subsequent payment of up to a maximum of R0.33 per share. As security for certain potential contingent taxation-related liabilities, an amount of R120 million of the cash consideration will be held in an escrow account. Once the potential tax liabilities have been resolved, the escrow amount will be reduced and the balance will be distributed to Sage shareholders pro rata to their shareholding.

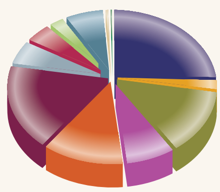
Remgro gave an irrevocable undertaking to Momentum to vote in favour of the proposed scheme and also agreed that the repayment of the R95 million loan to Sage be postponed to 31 October 2005.

INDUSTRIAL INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS



	2005 R million	%	% Change	2004 R million	%
Medi-Clinic	261	23	13	232	23
Total SA	203	18	712	25	3
Rainbow	135	12	(4)	140	14
Distell	129	11	59	81	8
Nampak	119	11	(9)	131	13
UBR	108	10	(41)	183	18
Air Products	55	5		55	6
Wispeco	50	4	11	45	5
Dorbyl	38	3	36	28	3
TSB	19	2	(70)	64	6
Henkel	6	1	(33)	9	1
Other	2	–		2	–
	1 125	100	13	995	100



MEDI-CLINIC

Medi-Clinic Corporation Limited's (Medi-Clinic) turnover increased by 11% to R4 040 million (2004: R3 643 million), while headline earnings increased by 13% to R499 million (2004: R441 million) for the year under review.

Bed capacity increased by approximately 500 to about 6 400 beds due to the commissioning and acquisition of new hospitals. Excluding the increase in capacity, Medi-Clinic's turnover growth amounted to 9%. Medi-Clinic experienced an increase in admissions and bed-days sold of 1.2% and 3.2% respectively mainly as a result of an increase in medical cases.

The group was successful in its efforts to enhance the affordability of healthcare costs. These efforts, in close collaboration with supporting doctors, resulted in a significant slowdown in pharmaceutical price inflation and in some instances a lowering of cost in the pharmaceutical usage mix.

GENERAL REPORT

INVESTMENT REVIEW

Unilever Bestfoods Robertsons (Holdings) LLC (UBR) – Unlisted

The UBR venture covers the territories of Southern Africa and Israel and manufactures and markets an extensive range of food products, while enjoying market leadership in most of its major categories.

Israel

Although overall economic sentiment in Israel improved through the year in step with political developments, the food-retailing sector remains in deflationary and price-sensitive mode. Competition between rival chains has caused some significant movements in market share and as differentiation is low, there is an ongoing emphasis on consumer price. This impacts on manufacturers through tough discussions on trade terms and promotional activities.

Turnover was lower than the prior year mainly due to the disposal of the Rushdie condiment business and a small cheese business. Excluding this effect, sales were flat. The continued focus on strategic brands like Telma cereals, Klik confectionery, Knorr and Lipton resulted in very good levels of brand growth, however the effect of additional discounts to customers lowered turnover and profit marginally. In the Foodservice markets, good business growth was achieved in the catering segments, while on the other hand the food ingredient business declined marginally.

Gross margins were stable across the two years but lower turnover reduced overall profit. While the supply chain savings improved margins, these were negatively impacted by trade discounts. There was also a significant increase in promotional and media support for the portfolio. Exceptional items had a substantial impact on the headline earnings. The recent supply chain restructuring programme was completed and the positive impact on manufacturing and distribution costs is expected to be seen in the 2006 financial year. A second restructuring programme, to increase the efficiency of both sales and head office activities, was announced in December 2004. This programme will be undertaken over the course of 2005 and 2006 and full savings will accrue in 2007.

South Africa

Turnover for the year ended December 2004 was 7% below the prior year. Excluding the impact of disposals, turnover was up by 1%. Margarine gained market share of 2% mainly as a result of improved competitiveness.

Gross margin was higher than the prior year as a result of supply chain efficiencies, the improvement of the exchange rate and the disposal of brands with lower margins. Retail grew on the back of a strong margin delivery, coupled with overhead savings resulting from internal organisational restructuring. Exceptional items included the sales of the factories in Industria, Hartswater, Tzaneen and the oil refinery at the Boksburg site. Brands disposed of were *Carmel*, *Robertsons Baking Aids* and *Pastrex*. Interest on shareholder loans decreased due to the partial repayment of loan capital (Remgro's portion being R266.5 million), as well as lower interest rates.

Subsequent to 31 March 2005, UBR sold its *Bovril*, *Marmite* and *Maizena* brands in South Africa for R110 million. This transaction will be accounted for in UBR's results for the twelve months to 31 March 2006.

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

	2005 **R million**	2004 R million
Earnings before exceptional items – South Africa	**98**	108
– Israel	**29**	51
	127	159
Less: Exceptional items charged against headline earnings	**(49)**	(27)
Headline earnings	**78**	132
Interest on shareholder's loan after taxation	**30**	51
Contribution to headline earnings	**108**	183

UBR produced lower results for the twelve months ended 31 March 2005 compared to the comparative period. This is mainly due to a lower contribution by Israel, where the overall economic environment remained weak during the period under review as well as major restructuring expenses being incurred. As indicated above, the majority of these expenses have been included in headline earnings.

Total South Africa – Unlisted

Total South Africa (Proprietary) Limited (Total SA) reported excellent results for the year to 31 December 2004 due to increased market share and improved margins.

The market shares of main fuels and lubricants stood at 14.8% at the end of 2004 (2003: 14.1%). Retail and Commercial and Specialities market share also grew in 2004. Margin increases granted by government have translated into operating profits. The company again maintained a high level of investment in its marketing operations during the year.

Its results were positively impacted by the constant increase in the fuel price due to the movement in the US dollar crude price and the value of the rand. This translated into gains in the value of inventory on hand, accommodation balances and refining margins.

The black economic empowerment (BEE) involvement in Total SA has continued to contribute to the well-being of the Company, and Tosaco, the BEE partner, has met all its obligations.

Nampak

The contribution to Remgro's headline earnings relates to Nampak Limited's (Nampak) results for the twelve months to 31 March 2005.

For the six months ended 31 March 2005, Nampak reported a decline in headline earnings per share of 11.3% to 70.8 cents (2004: 79.8 cents).

Turnover from continuing operations, including the plastic industrial containers business and Peters Papers which were sold, declined by over 9%. Excluding these businesses, the decline was 4%. A fall-off in volumes occurred, due mainly to reduced direct and indirect exports, as well as increased imports of packaging and finished products. Low inflation and, with the exception of polymer, little movement in raw material prices resulted in selling prices remaining flat.

Effective from 1 March 2005, Nampak sold Peters Papers, its paper merchants division, to Actis, a private equity company in emerging markets, for R220 million. The transaction was concluded in partnership with the management of Peters Papers and Izingwe Capital, a BEE investment company.

Distell

Distell Group Limited's (Distell) contribution to Remgro's headline earnings relates to its twelve months ended 31 December 2004.

Distell's turnover grew by 7.3% to R3.4 billion on a sales volume increase of 1.8% for the latest reported six-month period ended 31 December 2004. Sales volumes in the domestic market, which grew by 0.9%, reflect a favourable sales mix. International sales volumes, excluding Africa, increased by 7.2%. A 6.1% improvement in the value of the rand impacted negatively on turnover, with international turnover declining by 1.6%. Turnover derived from African countries increased by 7.0%. The increase of 14.4% in trading income was driven largely by increased turnover, the continual improvement in the domestic sales mix and enhanced efficiencies across various dimensions of the business.

GENERAL REPORT

INVESTMENT REVIEW

TSB – Unlisted

Transvaal Sugar Limited (TSB) is primarily involved in cane growing and the production, transport and marketing of sugar and animal feed. 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.

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), while 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 process. Due to a difficult marketing environment the Molatek animal feed plant production decreased by 14% during the year under review.

TSB also invested in citrus via Golden Frontiers Citrus (GFC). GFC owns three citrus estates and four packing plants where grapefruit and oranges are cultivated, harvested and packed for the export market. TSB sold 49% of its investment in GFC during the year to the Industrial Development Corporation in terms of a BEE deal. The marketing of the citrus is undertaken by Komati Fruits, a partnership between various citrus producers.

During the year under review TSB acquired a 100% share in Booker Tate Limited (Booker Tate) for R23 million. Booker Tate is based in the United Kingdom and its main business is the rendering of management services to sugar mills and refineries. Mills managed by Booker Tate produced 1.5 million tons of sugar during the year under review.

Due to climatic conditions, the sugar industry's production decreased by 7.6% in 2004/2005. The lower crop, coupled with the strengthening of the rand and the low world sugar price, had a devastating effect on the financial performance of millers and growers throughout the industry.

TSB's sugar production decreased by 13.3% for the year under review compared to the 7.6% for the total industry. This is due to the prolonged drought in the TSB water catchment areas. A total of 3 530 million tons of cane was crushed this season (2004: 3 975 million tons), with a sugar production of 422 868 tons raw sugar (2004: 488 000 tons). Both mills attained good production efficiencies. TSB operates a refinery at the Malelane Mill complex that refines for the local and export market. The refinery produced 324 000 tons of refined sugar during the year (2004: 320 000 tons).

TSB's group results were influenced negatively by the strengthening of the rand and the impact of the drought. Turnover increased by 2.9% to R1 355 million and operating profit decreased by 38.4%. Headline earnings decreased to R19.0 million (2004 restated: R63.8 million).

Due to better climatic conditions, sugar production for the new year is expected to be better than the 2005 financial year. However, a strong South African currency will still have a negative impact on results. Export prices increased marginally over the past few months and will have a positive impact on expected results.

Rainbow

Rainbow Chicken Limited's (Rainbow) headline earnings declined by 6.3% from R227.5 million to R213.0 million.

Rainbow's results were negatively impacted by feed being contaminated for a limited period by a supplier product. This reduced pre-taxation earnings by some R80 million and caused headline earnings to decrease by 6.3% over the comparable period. The full impact of the loss is included in the current year's results.

Feed raw material prices, particularly maize, softened significantly, with the year-on-year closing SAFEX price for yellow maize approximately 50% lower at the end of the financial year. However, Rainbow was unable to benefit fully from this reduction as a result of certain long-term positions held in maize, and to a lesser extent soya.

Rainbow's turnover increased by 5.1% mainly due to chicken turnover, which increased by 5.5% to R3.3 billion (2004: R3.1 billion) on the back of a 6.0% improvement in price realisations.

During the year under review Rainbow acquired a 100% share in Vector Logistics (Pty) Limited for R456 million. It is a specialist third party logistics service provider for the food and food-related industries within Southern Africa. Vector currently distributes approximately 70% of Rainbow's products and its business is made up of approximately 60% of Rainbow's distribution.

The review period was an important one for Rainbow as significant progress has been made towards transforming Rainbow from a commodity manufacturer to a more dynamic, consumer-focused, integrated producer.

Air Products – Unlisted

Air Products South Africa (Proprietary) Limited (Air Products) is the largest 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 cost-effective solutions in the 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 an extensive distribution network.

The company has increased its market share in the packaged gas business through the leadership position established in the small liquid and minitank/maxitank product offering. The company was recently awarded the supply contract for oxygen and nitrogen to Impala Platinum Refineries.

For the six months ended 31 March 2005, Air Products' turnover grew by 11.6% (2004: 2.3%) from R323.9 million to R361.6 million and its headline earnings by 15.8% (2004: 12.6%) from R53.8 million to R62.3 million.

Dorbyl

Dorbyl Limited's (Dorbyl) headline earnings per share increased by 38% from 199.3 cents in 2004 to 275.6 cents in 2005.

Dorbyl's turnover at Alpine in US dollar terms improved by 26% and, in South Africa, Dorbyl Automotive Technologies increased sales by 9%. This resulted in a total rise of 10% to R2.1 billion, although some of this improvement was the result of particularly high steel price increases.

Dorbyl had a significant adverse swing in exceptional items. While last year reflected net profits of R27.2 million (mainly in respect of the disposal of certain operations), the current year reflected a loss of R22.7 million (mainly due to the loss on disposal of the Wheels business at Heidelberg and legal costs incurred in endeavouring to recover money due to Dorbyl in respect of a lease obligation and related costs of R17 million).

On 25 May 2005, Dorbyl entered into an agreement to dispose of its Alpine Engineered Products Division with effect from 1 April 2005. The transaction is subject to the approval of Dorbyl's shareholders. The purchase consideration in terms of the disposal is $158 million. It is the intention of Dorbyl to distribute the major portion of the proceeds on the disposal to its shareholders. After the implementation of the transaction, Dorbyl's prospects will revolve largely around its remaining local Dorbyl Automotive Technologies operations.

GENERAL REPORT

INVESTMENT REVIEW

Wispeco – Unlisted

Wispeco Holdings Limited's (Wispeco) turnover increased by 22% during the year under review and sales volumes increased by 19%, which contributed to the increase in Wispeco's headline earnings from R45 million to R50 million.

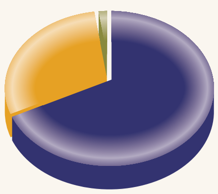
The on-site industry training programmes for aluminium fabricators, introduced in the previous year, are continuing to be highly successful and contribute largely to the increase in aluminium usage.

The commissioning of the sixth extrusion press was completed towards the end of 2004. The additional output from this press as well as that from the one presently being installed in Parow, Cape Town, has added much needed capacity to support the Wispeco philosophy of quick delivery. Smaller expansions of the Alrode and Cape Town finishing plants are continuing, the latest addition being the new automated powder-coating plant, which is to be installed in Epping, Cape Town.

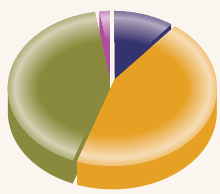
In November 2004 the stockist division was expanded with the acquisition of the aluminium business of the Conways Group, a division of the Iliad Group. This has added three new outlets.

MINING INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS



	2005 R million	2005 %	% Change	2004 R million	2004 %
Implats	70	69	312	17	10
Trans Hex	29	29	(63)	79	46
Gencor	2	2	(97)	72	42
Other	–	–		4	2
	101	100	(41)	172	100



Trans Hex

Trans Hex Group Limited's (Trans Hex) headline earnings per share declined by 56.7% from 222.0 cents in 2004 to 96.2 cents in 2005.

Diamond sales were 3% lower in rand terms at R1 015 million (2004: R1 042 million) and 13% higher in US dollar terms at $162.2 million (2004: $144.1 million). Diamond prices remained strong throughout the period, but the strengthening of the rand had a significant negative impact on earnings. In constant currency terms, headline earnings per share would have been 184.5 cents (a decline of 16.9%). Increased exploration activities, especially in Angola, contributed to increased exploration costs of R67.3 million (2004: R49.7 million).

Trans Hex acquired an effective 39% interest in Matikara Prestação De Serviços SARL. This exploration joint venture holds the exploration rights to three Angolan alluvial properties and has been granted kimberlite exploration rights for one property.

Trans Hex's board has approved a R30 million plant upgrade for the PK (Paleo Canal) facility located in the Lower Orange River region to improve production by 2 100 carats per year. This will replace the production from the discontinued Saxendrift and Reuning facilities.

Implats

Remgro's interest in Implats is 5% and only dividend income is brought into account.

CORPORATE FINANCE AND OTHER INTERESTS

	2005 R million	2004 R million
Central treasury	**98**	104
Net corporate costs	**(72)**	(84)
Other interests	**6**	6
	32	26

Corporate

The central treasury division's contribution to Remgro's headline earnings decreased from R104 million to R98 million. This was mainly the result of lower interest rates during the year under review, as well as lower cash balances due to the special dividend payment in August 2004 and the repurchase of Remgro shares during the year.

Net after-tax corporate costs, which includes donations and the cost of the share incentive scheme, decreased by R12 million from a restated R84 million in 2004 to R72 million in 2005. This was mainly the result of the lower share incentive scheme costs.

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

21 June 2005

INTRINSIC NET ASSET VALUE

AT 31 MARCH 2005

	Notes	Shares held million	Stock exchange closing price	£ million	Exchange rate	31 March 2005 R million	31 March 2004 R million
Tobacco interests							
R&R Holdings				2 235.9	11.7520	26 276	23 517
– BAT ordinary shares	1	214.3	933	1 999.4			
– Cash and dividends receivable				236.4			
– Other net assets				0.1			
Financial services							
FirstRand		520.7	1 333			6 941	5 113
RMB Holdings		274.1	2 143			5 874	4 087
Absa Group		61.4	7 540			4 629	2 863
Sage Group		65.0	185			120	111
Sagecor						26	11
Industrial interests							
Medi-Clinic Corporation		178.6	1 530			2 732	2 143
Unilever Bestfoods Robertsons						1 711	1 754
Distell Group		58.7	2 395			1 405	909
Nampak		86.8	1 580			1 371	1 150
Total South Africa						1 187	933
Rainbow Chicken		172.8	650			1 124	942
Transvaal Sugar						1 028	1 073
Air Products South Africa						606	605
Dorbyl		14.1	3 000			422	260
Wispeco						304	268
Henkel South Africa						–	75
Caxton		7.8	1 145			89	69
Mining interests							
Implats		3.3	52 500			1 751	1 720
Trans Hex Group		30.2	1 750			529	823
Gencor		38.0	15			6	5
Other interests							
Sundry investments and loans						72	72
Other net assets						283	98
Cash at the centre							
– Local	2					782	2 147
– Offshore	2			26.6	11.7520	312	3
Intrinsic net asset value						59 580	50 751
Potential CGT liability	3					(1 141)	(439)
Intrinsic net asset value after tax						58 439	50 312
Issued shares after deduction of shares repurchased and the shares in The Remgro Share Trust (million)						487.1	501.3
INTRINSIC VALUE PER SHARE						R119.97	R100.36

Notes

1. This represents Remgro's effective interest of 10.03% in BAT Plc.
2. Cash at the centre excludes cash held by subsidiaries and associated companies that are separately valued above.
3. The potential capital gains tax (CGT) liability, which is unaudited, is calculated at an effective rate of 14.5% on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and also taking into account the corporate relief provisions.
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
- 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 ten non-executive directors of whom six 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 10 and 11.

ROLE AND RESPONSIBILITIES

The Board is ultimately responsible for the strategic direction, risk appetite, performance and affairs of the Company. 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.

CORPORATE GOVERNANCE

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. Directors do not have long-term contracts or exceptional benefits associated with the termination of services. 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.

- **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.

Risks retained directly by the Board include: strategic risk, opportunity risk and social responsibility.

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.

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, transparent, 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 acquired by directors in the performance of their duties, which is not disclosed publicly, is treated as confidential. 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.

CORPORATE GOVERNANCE

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, budgets and cash flow models
- 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 have voting rights only and 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 18 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 capacities 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 the 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 responded to in time.

- **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 while ensuring that management styles, delegated authorities, business plans and management competency are appropriate, effective and efficient.

  Operational risks are managed mainly 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 Company's 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 and risk funding.

- **Treasury**
  Given the nature and its extent, control of treasury risk is regarded as important. The Group uses the central treasury department of M&I, whose responsibility it is to manage the risks associated with interest rates, liquidity, compliance and credit and foreign exchange transactions in accordance with a written mandate.

  A treasury committee, constituted of nominated members of the Risk and Audit Committee and senior management, is responsible for determining policy and procedures as well as clearly defined levels of competency and risk acceptance and gives regular feedback to the Board.

CORPORATE GOVERNANCE

- **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 managed cost beneficially.

- **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 2005. 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 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 warrant it.

JSE – SRI INDEX

Remgro, as part of its Corporate Governance Accreditation process, chose to participate in the JSE – SRI index. Since its inception, Remgro has qualified in terms of the specified accreditation criteria.

ATTENDANCE AT MEETINGS

	Directorate	Executive Committee	Audit and Risk Committee	Remuneration and Nomination Committee
Number of meetings held	7	5	4	1
Attendance by directors				
J P Rupert	7			1
M H Visser	7	5		
P E Beyers	7			
W E Bührmann	6	5		
G D de Jager	6			
J W Dreyer	7			
D M Falck	7	5	4	
P K Harris	3			1
E de la H Hertzog	7			
E Molobi	3			
J F Mouton	6		3	1
J A Preller	7	5		
D Prins *	7		1	
F Robertson	6		1	–
T van Wyk	7	5		

** Mr D Prins was appointed as chairman of the Audit and Risk Committee on 28 August 2004 and has since attended all the meetings.*

SUSTAINABILITY REPORT

As Remgro is an investment holding company, disclosure regarding sustainability is 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 on 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 as a recipient of social contributions

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

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

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

- 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.

Most of the Company's core activities are regarded as having a low impact on the environment.

The Company benchmarks its current environmental practices against the criteria stipulated in the Global Reporting Initiative™ (GRI) Framework. These include:

- 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. Boards monitor capital projects aimed at reducing environmental usage while increasing biodegradable recycling.

HIV/AIDS POLICY

During February 2003, the GRI published a resource document to serve as a reporting guidance for HIV/Aids. Because the GRI chose South Africa as the development area for this resource document, which will eventually become a technical protocol, Remgro uses this document as its reporting standard.

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 manage the pandemic, and the business risks associated with it, actively. 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 in which employees can choose to participate.

EMPLOYEES

Summary of employees of the operating subsidiaries	**2005**	2004
Medi-Clinic Corporation	**11 635**	11 320
Rainbow Chicken	**7 121**	5 239
Wispeco	**768**	679
Transvaal Sugar	**2 791**	3 004
Other	**11**	11
	22 326	20 253
The employees of M&I, the service company of the Group, are not included above as M&I is not a subsidiary	**195**	198

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. Further analyses in categories are therefore not given here.

SUSTAINABILITY REPORT

EMPLOYMENT EQUITY

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

A steering committee and various work groups, together with M&I's management, are continuously involved in determining training and development needs and in implementing and monitoring a labour plan. Special attention is given to those groups which, because of historic reasons, may be in a disadvantaged position.

In accordance with the requirements of the Employment Equity Act, M&I annually submits a labour plan to the Department of Labour.

Because of the nature of its operations, inter alia to provide 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

M&I believes that the quality of its staff is 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 support the Company's subsidiaries and associated companies' initiatives to give impetus to the BEE process in their industries. Although the ideal is to support people to realise their full potential, special focus is needed on those who, for historical reasons, have lagged behind. The aim is to enable them to compete on merit in the market. 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.

SOCIAL INVESTMENT

Corporate citizenship, namely the commitment of business to contribute to sustainable economic development, endorses the principle that no business exists in isolation but is undeniably part of the environment in which operations take place. In its relations with all stakeholders (clients, personnel and the community), Remgro strives to be a value partner.

Donations to deserving institutions are usually made over specific terms and are not spread over such a broad area that the extent and effect become negligible. During the past year, the Company has been involved in the following projects and institutions:

Entrepreneurship and training

Some years ago Remgro and its sister company VenFin granted a loan to the Peace Parks Foundation (PPF) to be used for the activities of the *SA College for Tourism* in Graaff-Reinet and the *Southern African Wildlife College* near the border of the Kruger National Park. Both colleges are involved in practical training and job creation.

SA College for Tourism – This college in Graaff-Reinet trains especially young black women from previously disadvantaged communities for the hospitality industry. Since the establishment of the College in 2001, more than 100 women from the Southern African Development Community have been trained. Last year's students came from Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe.

Subjects offered include: culinary arts, food and beverage studies, room and front-of-house services, guesthouse management as well as entrepreneurship. The students also gain experience at many big functions held throughout the year.

The College enjoys the support of prominent women in Southern Africa. In 2002 South Africa's First Lady, Mrs Zanele Mbeki, officially opened the College, while Mrs Barbara Mogae, First Lady of Botswana, delivered the keynote address at last year's graduation ceremony.

South African Wildlife College – trains students from many countries in Southern Africa as well as from other parts of Africa in nature conservation management. The College also attends to other aspects of human development. Courses are presented in communication and computer skills, office and basic financial management, tourism management and human resources management, to mention only a few. PPF and WWF-SA are jointly responsible for the management of the College.

Although the College is not a charity organisation, it strives to cultivate a conservation ethic within the community through its involvement in initiatives such as the maintenance of a borehole, support of a local bakery, assistance rendered to a crèche, empowerment courses for women and fundraising for a local clinic.

SciMathUS – This post-matric programme from the Institute for Mathematics and Science Teaching at the University of Stellenbosch reaches an important milestone this year when students from the first class in 2001 will graduate from the University of Stellenbosch and other Western Cape tertiary institutions. Remgro is a founder sponsor of the project.

The aim of the SciMathUS project is to provide students from disadvantaged communities the opportunity to improve their matric results in subjects such as mathematics, science and accountancy in order to gain access to tertiary education. Last year all 64 students who rewrote these subjects qualified for mainstream tertiary education. On average, their 2004 results saw a 16% improvement for mathematics compared to their 2003 school results, 19% for physical science and 14% for accountancy.

SUSTAINABILITY REPORT

Paul Roos Academy – In many respects 2004 was a year of firsts for the Academy. It was the first year that the organisers could see how many children would return after the completion of the school year; also the first year that girls gained access to the Academy; a year in which the relevance of the curriculum could be tested by offering it to a second group of learners; and the year when a new curriculum had to be developed for the returning grade 8 learners.

Of the 61 learners who participated in the 2003 programme, 58 returned in 2004, proof surely of a positive experience of this learning intervention. For 2004, 40 boys and 40 girls were selected, but in the end only 72 of the grade 7 learners showed up. A total of 130 learners therefore received additional training last year.

The Academy, of which Remgro is a founder sponsor, is an imaginative project aimed at identifying leadership talent in disadvantaged schools. Through tuition during holidays it helps these children to realise their full potential. The participating schools consist of five in Khayelitsha, Nyanga and Langa and seven farm schools in the Stellenbosch area.

Rally to Read – For the third consecutive year, Remgro has supported this outreach project aimed at improving the rate of literacy at some of the country's most neglected schools. Since 1998 more than R12.5 million has been invested in this project to improve the quality of education. 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 poorest schools. This year, books valued at R2.5 million were donated, while a teacher development programme of at least R1.3 million was launched.

Independent research has shown that after a two-year READ intervention in a school, learners on average advance two years in reading skills and four years in writing skills.

Environment

WWF-South Africa – As a corporate member, Remgro has supported this conservation organisation since its establishment in 1968. During the past year, WWF-SA redesigned itself and the way it tackles the complexity of the environment. As part of this reorganisation, conservation activities were grouped into distinct programmes that target specific aspects of the environment.

Highlights of the past year's activities included the following:

- Some 340 schools registered with the WWF-SA/WESSA (Wildlife & Environment Society of SA) Eco-Schools Programme of which 110 were awarded their green flags for 2004.
- The exclusive Thonga Beach Lodge opened for business in August. As part of the Sappi/WWF *TreeRoutes* partnership, this innovative ecotourism venture provides jobs for the Mabibi community and will contribute to the conservation of the Maputaland Coastal Forest Reserve on the north coast of KwaZulu-Natal.
- The Mondi Wetlands Project, a freshwater conservation partnership between WESSA and WWF-SA, continues to rehabilitate wetlands, train extension officers and engage with local communities to strengthen wetland management around the country.
- The Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, announced the proclamation of four new Marine Protected Areas. WWF presented the government with a *Gift to the Earth* award in July last year in support of this project.

Cultural development

Klein Karoo National Arts Festival – Remgro's sponsorship of this festival is used mainly for community projects. This year, a group of talented children took part in street performances during the festival, while special performances were also held in Bongolethu. The latter was so successful that the organisers were at one stage asked to stop any further marketing!

The first winner of the Remgro/VenFin bursary for the development of a career in the arts was announced during the festival. Avigail Bushakovitz is a talented violinist who receives instruction from Prof Jack van Wyk in Cape Town. The panel of judges described her as exceptionally talented and a violinist who has a bright future ahead of her.

Stellenbosch Music Festival – Remgro sponsored the concert of the Sontonga String Quartet, one of the country's leading string quartets, during the festival. Young string players of development projects in Kayamandi, Hout Bay and Paarl attended the concert and this persuaded Sontonga to hold workshops for these music projects. When approached on short notice, the Company also agreed to bear the cost of the Buskaid Soweto String Ensemble whose sponsorship fell through at the last minute.

Sport development

SA Golf Development Board (SAGDB) – The promotion of golf amongst the youth in disadvantaged communities went from strength to strength during the fifth year of the SAGDB's existence. During this period approximately 7 000 children between the ages of 7 and 18 years were introduced to the game through this initiative. Proof of the success of the programme to date has been the promotion of 11 players to join the "crème of the crop" in the Ernie Els Foundation.

Limpopo, Mpumalanga and North West are the only provinces not yet reached by the golf project – an issue which will receive attention this year. Remgro and its sister company VenFin are responsible for the administrative costs of the SAGDB.

Western Cape Cricket Academy – Remgro has recently extended its sponsorship of the Cricket Academy for a further term of three years. The Academy is held in high esteem by the cricket fraternity and some 120 applications are received annually, of which only 36 can be approved. Since its inception in 1993, nine Academy players have played for South Africa and a further 16 for other national teams. Boland used 30 Academy players over the years in its provincial side and WP 22. The role of the Academy as seedbed for the southern provinces can clearly been deduced from these statistics.

Community development

Ikamva Labantu – This welfare organisation in the black townships of Cape Town went through a very difficult phase when Remgro committed itself for an initial period of five years to sponsor a portion of the administrative costs of this development project.

Instead of spending most of its time on survival issues, *Ikamva Labantu* could, in the years that followed, focus its attention on innovative ways to reach target groups; appoint professional staff; and, rather than looking inward, could improve external communication and networking.

Ikamva Labantu's focus remains on early childhood development, foster care, youth development, the visually impaired, home-based care, frail care, health care, poverty alleviation as well various other community programmes.

SUSTAINABILITY REPORT

Health care

Wits/Donald Gordon Medical Centre – is being developed to build a teaching and research network in the private healthcare sector. It is modelled on well-known American academic hospitals such as the Mayo Clinic, Harvard's Massachussets General Hospital and the Stanford University Hospital. Remgro and VenFin have agreed to contribute $1 million over ten years to the centre.

The need for such a facility has its origin in the government's increased focus on primary and community health, which has resulted in tertiary hospitals having increasingly fewer resources available to fund medical posts. In addition, because of a widening of the salary gap between the private and the public sector, academic hospitals are no longer able to retain their best people.

Organ Donor Foundation of SA – During the past year, the lives of approximately 500 people have been saved by organ transplantation. Remgro is grateful that it could make a small contribution to this end by sponsoring four flights for the transport of organs. We would like to thank our staff at Falconair for sacrifices made in this regard.

Remgro Limited

FINANCIAL REPORT

2005

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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 implementation of the South African Statements of Generally Accepted Accounting Practice, AC 140 (IFRS 3): Business combinations, AC 128 (IAS 36): Impairment of assets, AC 129 (IAS 38): Intangible assets and AC 501: Accounting for secondary taxation on companies (STC), 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
21 June 2005

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
21 June 2005

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF REMGRO LIMITED

We have audited the annual financial statements and Group annual financial statements of Remgro Limited set out on pages 47 to 92 for the year ended 31 March 2005. 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 2005 and the results of their operations, changes in equity and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

PricewaterhouseCoopers Inc

Registered Accountants and Auditors
Chartered Accountants (SA)

Stellenbosch
21 June 2005

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2005

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, building and motor components, life assurance, medical services, mining, petroleum products, food, wine and spirits and various other trade mark products.

RESULTS

Year ended 31 March:	**2005**	2004
Headline earnings (R million)	**4 982**	4 687
– per share (cents)	**1 001.8**	931.3
– diluted (cents)	**998.7**	929.3
Basic earnings – net profit for the year (R million)	**8 807**	3 605
– per share (cents)	**1 771.0**	716.3
– diluted (cents)	**1 765.4**	714.8
Dividends (R million)*	**1 639**	2 532
– ordinary – per share (cents)	**314.00**	285.00
– special – per share (cents)	**	200.00

* *A final dividend of 198 cents (2004: 184 cents) per share was declared after the year-end and consequently not provided for in the annual financial statements.*

** *Refer to the paragraph headed "Cash flow and utilisation" on page 49.*

INVESTMENTS

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

Tobacco interests

In May 2004, optionholders exercised the call warrants that were issued by R&R Holdings SA, Luxembourg (R&R), in January 2003 in respect of the BAT preference shares. These preference shares were converted into ordinary BAT shares and, as a result, Remgro's effective interest in BAT declined from 9.8% to 9.3%.

On 28 February 2005, Remgro's wholly-owned subsidiary Remgro Investments Limited (Jersey) invested £188.0 million in 19 281 686 participation securities issued by R&R. This was funded by the proceeds of the redemption by R&R of debentures amounting to £564.7 million. Remgro and Richemont received £188.2 million and £376.5 million respectively. The debentures that were redeemed formed part of the consideration received from the Rothmans International merger on 1 October 1995. As set out in the 1996 Rembrandt Group Limited Annual Report, no book value was reflected in the group accounts in respect of the original investment in R&R. As a result, the gross proceeds received by Remgro upon redemption of the debentures has been recorded as an exceptional profit.

The participation securities entitle Remgro to all the rewards and risks of directly owning the same number of ordinary shares in BAT. The participation securities can be redeemed by R&R either by delivery of the appropriate number of BAT ordinary shares on a one-for-one basis, or by the payment by R&R to the holder of the proceeds from the disposal of the appropriate number of BAT ordinary shares.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2005

As Remgro and Compagnie Financière Richemont SA (Richemont) hold an interest of one-third and two-thirds respectively in R&R's ordinary share capital, and as the transaction did not affect the total number of BAT shares owned by R&R, Remgro and Richemont, as ordinary shareholders, both surrendered their indirect interest in 19 281 686 ordinary BAT shares on a pro rata basis. At the same time Remgro, as an ordinary shareholder, acquired a one-third interest in the £188.0 million cash obtained by R&R from issuing the participation securities.

The net result was that Remgro's effective interest in BAT increased by 12 854 457 shares at a cost of £124.9 million, excluding transaction costs. At 31 March 2005 Remgro's effective interest in BAT was 10.03%.

Vector Logistics (Proprietary) Limited (Vector)

During the year under review Remgro's subsidiary company, Rainbow Chicken Limited (Rainbow), acquired a 100% share in Vector for R456 million. Vector currently distributes approximately 70% of Rainbow's products.

Henkel South Africa (Proprietary) Limited (Henkel)

During October 2004 Remgro sold its 50% interest in Henkel for R80 million. An after-tax capital surplus of R43.9 million was realised and is accounted for as an exceptional item.

Sage Group Limited (Sage)

During January 2005 Remgro advanced R95.0 million to Sage in order to enable it to settle certain debt instruments. Interest is charged at market-related rates and the loan is repayable by 31 October 2005. Please refer to the Sage paragraph under "Subsequent to the year-end".

Repurchase of shares

During the year under review, a wholly-owned subsidiary company of Remgro acquired a further 14 079 239 ordinary Remgro shares (2.9% of the ordinary shares) at an average price of R87.69 for a total amount of R1 234.6 million. Together with those shares acquired in previous financial years, a total of 30 521 841 (6.3%) are held as treasury shares.

During the year under review, The Remgro Share Trust purchased 660 018 (2004: 711 000) ordinary Remgro shares at an average price of R90.93 (2004: R65.43) for a total amount of R60.0 million (2004: R46.5 million). During the year under review 514 946 shares were delivered to participants against payment thereof.

SUBSEQUENT TO THE YEAR-END

Absa Group Limited (Absa)

On 5 May 2005, Barclays Bank Plc (Barclays) made an offer to Absa shareholders to acquire a 60% interest in Absa (the Barclays transaction). Remgro entered into an agreement with Barclays whereby Remgro undertook to dispose of all or part of its interest in Absa.

The Barclays transaction will be implemented through two inter-conditional processes:

- a scheme of arrangement in terms of section 311 of the Companies Act, whereby Barclays will acquire 32% of the Absa ordinary shares held by each Absa ordinary shareholder, excluding the Absa Group Limited Share Incentive Scheme Trust and Barclays and its subsidiaries, except to the extent that they hold Absa shares on behalf of third parties; and
- a partial offer by Barclays to acquire an additional 28% of Absa ordinary shares held by each Absa ordinary shareholder.

The consideration amounts to R82.50 per share, plus the entitlement to receive the final dividend of R2.00 per share declared by Absa in respect of its financial year to 31 March 2005.

To the extent that Barclays does not secure sufficient acceptances to reach the required level of a 60% shareholding in Absa, Remgro has agreed to tender additional Absa shares, up to Remgro's total shareholding, as part of the partial offer. Barclays will acquire such additional shares from Remgro on the same terms and conditions as all other Absa shares subject to the Barclays transaction.

The effective date of the disposal will be determined by the operative date of the scheme of arrangement and the record date of the partial offer.

FirstRand Limited (FirstRand)

In May this year, FirstRand announced that all conditions precedent regarding its proposed black economic empowerment (BEE) transaction had been complied with. The operative date of the scheme was 16 May 2005.

In terms of this transaction, FirstRand has bought back approximately 416.2 million ordinary shares on a pro rata basis from all shareholders in the ratio of 7.6 ordinary shares for each 100 ordinary shares held. The price per ordinary share amounted to R12.28 and in terms of this transaction Remgro received R486.0 million on 16 May 2005. At the same time FirstRand issued 119 million ordinary shares to the BEE consortium, with the result that Remgro's direct interest in FirstRand has been diluted from 10.0% to 9.4%.

This transaction also diluted RMB Holdings Limited's (RMBH) interest in FirstRand from 34.4% to 32.2%. After this transaction, Remgro's total interest in FirstRand, including the indirect interest held by RMBH, is 16.8%.

Sage

On 20 May 2005 Momentum Group Limited (Momentum), a wholly-owned subsidiary of FirstRand, announced that it has submitted an offer to acquire all the issued shares in Sage, other than those held by Sage Life Limited, by way of a scheme of arrangement in terms of section 311 of the Companies Act.

The consideration payable in terms of the scheme shall be R634 million, or R1.75 per Sage share, comprising an initial payment of R1.42 per share and a potential subsequent payment of up to a maximum of R0.33 per share. As security for certain potential contingent taxation-related liabilities, an amount of R120 million of the cash consideration will be held in an escrow account. Once the potential tax liabilities have been resolved, the escrow amount will be reduced and the balance will be distributed to Sage shareholders pro rata to their shareholding.

Remgro gave an irrevocable undertaking to Momentum to vote in favour of the proposed scheme and also agreed that the repayment of the R95 million loan to Sage be postponed to 31 October 2005.

CASH FLOW AND UTILISATION

The Company's cash resources at 31 March 2005 are as follows:

	Local R million	Offshore R million	Total R million
Per consolidated balance sheet	2 060	312	2 372
Less: Cash from other operating subsidiaries	(1 278)	–	(1 278)
Cash at the centre	782	312	1 094
Attributable share of R&R's cash	–	2 778	2 778
Available cash	**782**	**3 090**	**3 872**

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2005

In the light of the 7.6% increase in headline earnings per share, the Board has decided to increase the ordinary dividend per share by 10.2% from 285 cents to 314 cents for the financial year ended 31 March 2005. The increase in the final dividend is 7.6%.

Local cash at the centre may increase substantially subsequent to year-end. Over and above normal cash flows from dividend income, the proceeds of the FirstRand transaction have already been received and those of the Absa and Sage transactions are receivable as soon as all conditions precedent are fulfilled.

It is the Board's intention to also declare a special dividend of 600 cents per share shortly after, and subject to, the Absa transaction being declared unconditional. The salient dates of the special dividend will then be announced on SENS and distributed to shareholders.

On the assumption that the Absa transaction goes ahead and Remgro sells at least 60% of its Absa shares to Barclays, the Group will still have sufficient cash resources to pursue further investment opportunities and to continue its share repurchase programme.

If the special dividend referred to above is also declared, the total distribution to shareholders in respect of the financial year will be R4 771 million and be made up as follows:

(Based on total issued capital)	**2005** **R million**	2004 R million
Ordinary		
– Interim	**606**	527
– Final	**1 033**	961
Total	**1 639**	1 488
Special	**3 132**	1 044
	4 771	2 532

GROUP FINANCIAL REVIEW

Prior year adjustments

Changes in accounting policy

AC 140 (IFRS 3): Business combinations and related accounting statements

With effect from 1 April 2004 Remgro adopted AC 140 (IFRS 3), AC 128 (IAS 36): Impairment of assets and AC 129 (IAS 38): Intangible assets. In terms of the provisions of AC 140, goodwill arising from a business combination for which the agreement date is on or after 31 March 2004, will not be amortised, but be carried at cost less accumulated impairment losses.

As from 1 April 2004 all goodwill that already existed on this date is also treated in accordance with AC 140. All existing goodwill is therefore no longer amortised but carried at cost less accumulated impairment losses. Due to the fact that the comparative figures are not restated under the transitional provisions of AC 140, certain items are not directly comparable on a line-for-line basis with those of the prior year.

AC 501: Accounting for secondary tax on companies (STC)

In terms of this accounting statement, a deferred tax asset should be recognised for unutilised STC credits to the extent that it is probable that the entity will declare dividends against which the STC credits can be utilised.

Remgro's history regarding dividends received against ordinary dividends paid suggests increasing STC credits over time. It is therefore not likely that Remgro's STC credits will be employed against ordinary dividends paid in the foreseeable future, and consequently no deferred tax asset has been created for the Company's unutilised STC credits. For particulars about Remgro's STC credits on 31 March 2005 refer to note 22.

A subsidiary company, Medi-Clinic Corporation Limited, has however recognised a deferred tax asset for its unutilised STC credits in terms of AC 501, and its comparative figures for 2004 have been restated accordingly. This has had no effect on Remgro's earnings for the comparative year. The comparative balance sheet has been restated accordingly.

Other adjustments

Restatement of comparative figures in respect of inventories

During the year Transvaal Sugar Limited changed its revenue recognition policy in respect of sugar sales from a seasonal basis to an accrual basis. This had the effect that carry-over sugar inventory, which was previously recognised as revenue, is now accounted for as inventory. The effect on Remgro's 2004 results was a decrease in headline earnings of R32 million. The comparative balance sheet has been restated accordingly.

Restatement of comparative figures relating to goodwill

As reported above Remgro adopted AC 140 (IFRS 3), AC 128 (IAS 36) and AC 129 (IAS 38) with effect from 1 April 2004. In terms of these accounting standards goodwill is tested annually for any possible impairments, and for this purpose it is allocated to the different cash-generating units to which it relates.

Consequently, goodwill attributable to investments in associated companies is reported under "Investments – Associated companies" in the 2005 annual financial statements while previously it was reported under "Goodwill and trade marks". The comparative balance sheet has been restated accordingly.

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

	Year ended 31 March 2004 R million
Income statement	
Headline earnings as previously reported	4 719
Restatement of comparative figures in respect of inventories	(32)
Restated headline earnings	4 687
Headline earnings per share as previously reported (cents)	937.6
Restated headline earnings per share (cents)	931.3
	R million
Balance sheet	
Decrease in reserves	(57)
Increase in minority interest	2
Decrease in goodwill and trade marks	(3 192)
Increase in investments – associated companies	3 192
Increase in deferred tax assets	37
Increase in current assets	164
Decrease in deferred tax liability	(28)
Increase in current liabilities	284

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2005

International Financial Reporting Standards (IFRS)

With effect from 1 April 2005 Remgro will implement IFRS and in the Group's financial statements for the year ending 31 March 2006 the comparative figures for 2005 will be restated accordingly. In the announcement of the interim results for the six months ending 30 September 2005, which will be presented in terms of IFRS, the effects of these new accounting standards will be fully disclosed.

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.

	2005		2004	
	R million	**R per share**	R million	R per share
Equity employed				
Interest of own members	**34 960**	**71.77**	29 709	59.26
Employment of equity				
Tobacco interests	**13 725**	**28.18**	8 709	17.37
Financial services	**10 184**	**20.91**	9 205	18.36
Industrial interests	**8 039**	**16.50**	7 194	14.35
Mining interests	**1 923**	**3.95**	1 977	3.94
Corporate finance and other interests	**1 089**	**2.23**	2 624	5.24
	34 960	**71.77**	29 709	59.26

Income statement

	2005		2004	
	R million	**%**	R million	%
Source of headline earnings				
Tobacco interests	**2 029**	**41**	2 100	45
Financial services	**1 695**	**34**	1 394	30
Industrial interests	**1 125**	**22**	995	21
Mining interests	**101**	**2**	172	3
Corporate finance and other interests	**32**	**1**	26	1
	4 982	**100**	4 687	100

	2005	2004
	R million	R million
Composition of headline earnings		
Subsidiary companies and joint ventures	**594**	573
Profits	**597**	578
Losses	**(3)**	(5)
Associated companies	**4 388**	4 114
Profits	**4 390**	4 117
Losses	**(2)**	(3)
	4 982	4 687

COMPANY NET PROFIT AND APPROPRIATION

	2005 R million	2004 R million
The Company's own distributable reserves at the beginning of the year amounted to	7 692	7 676
Net profit for the year	2 904	1 378
Dividend No 8 of 184.00c per share paid in August 2004 (2003: 160.00c)	(960)	(835)
Special dividend of 200.00c per share paid in August 2004	(1 044)	–
Dividend No 9 of 116.00c per share paid in January 2005 (2004: 101.00c)	(606)	(527)
The Company's own distributable reserves carried forward to the following year amounted to	7 986	7 692

SHARE SCHEME

During the year the trustees of the Remgro Share Scheme (the "scheme") offered ordinary shares to participants as follows (also refer note 29):

Date	Offer price (Rand)	Number of shares offered	Number of shares accepted as at 31 March 2005
01/04/2004	72.00	11 270	11 270
03/05/2004	74.15	1 950	1 950
01/06/2004	73.90	547	547
20/09/2004	81.50	111 410	110 110
30/11/2004	87.86	547 143	547 143
05/01/2005	93.25	487	487
03/02/2005	94.00	482	482
		673 289	671 989

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	47.97	4 236 898
Offered and accepted in current financial year	86.51	671 989
Shares paid for and delivered	44.31	(514 946)
Resignations and other		(18 159)
Total at 31 March 2005	54.26	4 375 782

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 ordinary 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. Refer to Ordinary Resolution Number 9 on pages 99 and 102 where it is recommended that this period of ten years be changed to seven years.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2005

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Proprietary) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 44.02% (2004: 43.3%) of the total votes.

An analysis of the shareholders appears on pages 95 and 96.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

DIRECTORS

The names of the directors appear on pages 10 and 11.

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

Mr P G Steyn retired as a non-executive director with effect from 25 August 2004. The Board would like to thank him for his contribution over many years.

Mr M H Visser, the Chief Executive Officer of Remgro, acted as Deputy Chairman of the Board until 22 June 2005, when Dr E de la H Hertzog, a non-executive director, was appointed as Deputy Chairman.

DIRECTORS' INTERESTS

At 31 March 2005 the aggregate of the direct and indirect interests of the directors in the issued ordinary share capital of the Company amounted to 0.57% (2004: 0.69%).

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 97.

DIRECTORS' EMOLUMENTS

The Board recommends that directors' fees for services rendered as directors during the past financial year be fixed at R1 720 000 (2004: R865 000) 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 98.

SPECIAL RESOLUTIONS

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

DIVIDEND DECLARATION

Dividend No 10

A final dividend of 198 cents (2004: 184 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 2005.

Payment

The final dividend is payable to shareholders of the Company registered at the close of business on Friday, 19 August 2005.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 15 August 2005, and Friday, 19 August 2005, both days inclusive.

SECRETARY

The name and address of the Company Secretary appears on page 93.

APPROVAL

The annual financial statements set out on pages 47 to 92 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
21 June 2005

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2005

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 1973, as amended, and the Listings Requirements of the JSE Securities Exchange South Africa. These financial statements incorporate the following principal accounting policies which are consistent in all respects with those of the previous year, with the exception of the implementation of South African Statements of Generally Accepted Accounting Practice, AC 140 (IFRS 3): Business combinations, AC 128 (IAS 36): Impairment of assets, AC 129 (IAS 38): Intangible assets and AC 501: Accounting for secondary tax on companies (STC):

(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.

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 accounting policies of associated companies do not in all circumstances correspond with those of the group. No adjustments are made for such differences where it is not practicable. 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 date on which effective significant influence begins or until it ceases.

(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.

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 assets, liabilities and contingent liabilities acquired.

Goodwill is the difference between the cost of the investments and the fair value of attributable net assets of the subsidiary companies, joint ventures and associated companies at the acquisition dates. Goodwill is reported in the balance sheet as non-current assets. Where, at the date of acquisition, the net assets of subsidiary companies, joint ventures and associated companies exceed the cost of the investments, the difference is immediately accounted for in the income statement.

With effect from 1 April 2004 Remgro adopted AC 140 (IFRS 3): Business Combinations. In terms of the provision of this accounting statement goodwill, arising from a business combination for which the agreement date is on or after 31 March 2004, will not be amortised, but carried at cost less accumulated impairment losses.

As from 1 April 2004 all goodwill that already existed on this date is also treated in accordance with AC 140 (IFRS 3), and this goodwill is also no longer being amortised. The exception to this is goodwill that is still amortised by certain associated companies and such amortisation is accounted for in the annual financial statements. This is mainly due to year-ends of companies that differ, resulting in the later implementation of new accounting standards.

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. 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, 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, debtors and short-term loans, 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.

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 wholly-owned subsidiary companies 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 2005

		CONSOLIDATED		THE COMPANY	
R million	Notes	**2005**	2004	**2005**	2004
ASSETS					
Non-current assets					
Property, plant and equipment	1	**3 864**	3 408	**–**	–
Biological agricultural assets	2	**94**	85	**–**	–
Investment properties	3	**24**	22	**–**	–
Goodwill and trade marks	4	**386**	54	**–**	–
Investments – Associated companies	5	**28 415**	22 737	**–**	–
– Other	6	**1 948**	1 861	**8 000**	7 703
Loans	7	**157**	49	**–**	–
Deferred taxation	22	**173**	142	**–**	–
		35 061	28 358	**8 000**	7 703
Current assets		**4 765**	5 372	**–**	2
Inventories	8	**653**	628	**–**	–
Biological agricultural assets	2	**239**	217	**–**	–
Debtors and short-term loans		**1 440**	1 043	**–**	–
Derivative instruments	32	**1**	7	**–**	–
Taxation		**60**	31	**–**	2
Cash and cash equivalents	9	**2 372**	3 446	**–**	–
Total assets		**39 826**	33 730	**8 000**	7 705
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	10	**8**	8	**8**	8
Reserves	11	**37 504**	30 994	**7 986**	7 692
Treasury shares	10	**(2 552)**	(1 293)	**–**	–
Total shareholders' equity		**34 960**	29 709	**7 994**	7 700
Minority interest		**2 011**	1 702		
Non-current liabilities		**883**	685	**–**	–
Retirement benefits	12	**231**	119	**–**	–
Long-term loans	13	**200**	172	**–**	–
Deferred taxation	22	**452**	394	**–**	–
Current liabilities		**1 972**	1 634	**6**	5
Trade and other payables		**1 552**	1 164	**6**	5
Short-term interest-bearing loans	14	**155**	105	**–**	–
Provisions	15	**179**	176	**–**	–
Derivative instruments	32	**17**	8	**–**	–
Taxation		**69**	181	**–**	–
Total equity and liabilities		**39 826**	33 730	**8 000**	7 705

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

R million	Notes	CONSOLIDATED 2005	CONSOLIDATED 2004	THE COMPANY 2005	THE COMPANY 2004
Revenue	16	12 823	11 763	2 910	1 384
Consolidated profit before taking into account the following	17 & 19	1 429	1 331	2 905	1 378
Finance costs		(54)	(39)	–	–
Impairment and amortisation of goodwill	20	(3)	(186)		
Net reversal of impairment of investments and assets		24	4		
Exceptional items	21	2 194	50	–	–
Consolidated profit before tax		3 590	1 160	2 905	1 378
Taxation	22	(400)	(397)	(1)	–
Consolidated profit after tax		3 190	763	2 904	1 378
Share of after-tax profit of associated companies	23	6 026	3 177		
Profit before taking into account the following		4 495	4 164		
Impairment and amortisation of goodwill	20	(403)	(383)		
Net impairment of investments and assets		(30)	–		
Exceptional items	21	1 964	(604)		
Group profit after tax		9 216	3 940	2 904	1 378
Minority interest	24	(409)	(335)		
Net profit for the year		8 807	3 605	2 904	1 378

Reconciliation of headline earnings:			
Basic earnings – net profit for the year		8 807	3 605
Plus/(minus) – portion attributable to own members:			
– Impairment and amortisation of goodwill	20	405	568
– Net impairment of investments and assets		23	(1)
– Exceptional items of a capital nature		(4 184)	523
– Net loss/(surplus), after taxation, on the disposal of property, plant and equipment		(69)	(8)
Headline earnings		4 982	4 687

Earnings per share		Cents	Cents
Headline earnings per share	25	1 001.8	931.3
– Diluted		998.7	929.3
Basic earnings per share	25	1 771.0	716.3
– Diluted		1 765.4	714.8

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2005

CONSOLIDATED

R million	Issued capital	Equity accounted reserves	Other non-distributable reserves	Fair value reserve	Distributable reserves	Treasury shares	Total
2005							
Balances at 1 April – as previously reported	8	13 704	566	1 215	15 566	(1 293)	29 766
Prior year adjustments					(57)		(57)
Adjusted balances at 1 April	8	13 704	566	1 215	15 509	(1 293)	29 709
Net fair value adjustments for the year (AC 133)				46			46
Net profit for the year					8 807		8 807
Dividends paid					(2 509)		(2 509)
Exchange rate adjustments		118	112		9		239
Change in reserves of subsidiary companies, associated companies and joint ventures and other transfers between reserves		(73)	428		(428)		(73)
Transfer of retained income of associated companies		3 515			(3 515)		–
Purchase of shares by wholly-owned subsidiary (treasury shares)						(1 235)	(1 235)
Net shares purchased by The Remgro Share Trust*						(24)	(24)
Balances at 31 March	8	17 264	1 106	1 261	17 873	(2 552)	34 960
2004							
Balances at 1 April – as previously reported	8	13 819	559		14 038	(981)	27 443
Prior year adjustments					(25)		(25)
Adjusted balances at 1 April	8	13 819	559		14 013	(981)	27 418
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					3 605		3 605
Dividends paid					(1 316)		(1 316)
Exchange rate adjustments		(671)	(4)		(19)		(694)
Change in reserves of subsidiary companies, associated companies and joint ventures and other transfers between reserves		(425)	(4)		183		(246)
Transfer of retained income of associated companies		981			(981)		–
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	15 509	(1 293)	29 709

** Also accounted for as treasury shares*

THE COMPANY

R million	2005	2004
Balances at 1 April	7 700	7 684
Issued capital	8	8
Distributable reserves	7 692	7 676
Net profit for the year	2 904	1 378
Dividends paid	(2 610)	(1 362)
Balances at 31 March	7 994	7 700

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

R million	Notes	CONSOLIDATED 2005	CONSOLIDATED 2004	THE COMPANY 2005	THE COMPANY 2004
Cash flows – operating activities					
Consolidated profit before taxation		3 590	1 160	2 905	1 378
Adjustments	26.1	(2 192)	96	(2 907)	(1 380)
Consolidated profit/(loss) before working capital changes		1 398	1 256	(2)	(2)
Working capital changes	26.2	147	127	1	2
Cash generated/(utilised) from operations		1 545	1 383	(1)	–
Cash flow generated from returns on investments		2 672	2 013	2 907	1 380
Interest received		273	334	–	–
Interest paid		(54)	(39)	–	–
Dividends received	26.3	2 453	1 718	2 907	1 380
Taxation (paid)/received	26.4	(546)	(363)	1	–
Cash available from operating activities		3 671	3 033	2 907	1 380
Dividends paid	26.5	(2 642)	(1 438)	(2 610)	(1 362)
Cash inflow/(outflow) from operating activities		1 029	1 595	297	18
Cash flows – investing activities					
Net investments to maintain operations		(63)	(145)	–	–
Replacement of property, plant and equipment		(157)	(155)	–	–
Proceeds on disposal of property, plant and equipment		94	10	–	–
Investments to expand operations		(3 134)	(571)	–	–
Additions to – property, plant and equipment		(315)	(315)	–	–
– investments and loans		(218)	(99)	–	–
Buy-out of subsidiary company's minorities		–	(119)	–	–
Business acquired		(503)	(38)	–	–
Investment in participation securities		(2 098)	–	–	–
Proceeds from disposal of investments and business		2 285	511	–	–
Proceeds from disposal of – investments and loans		185	511	–	–
– debentures		2 100	–	–	–
Purchase of treasury shares		(1 272)	(323)	–	–
Net cash generated/(utilised) before financing activities		(1 155)	1 067	297	18
Cash flows – financing activities		9	62	(297)	(18)
(Increase)/decrease in loans to subsidiary companies		(10)	41	(297)	(18)
Issue of new shares by subsidiary companies		7	8	–	–
Capital contributed by minorities of subsidiary company		1	7	–	–
Buy-back of shares by a subsidiary company		11	6	–	–
Net increase/(decrease) in cash and cash equivalents		(1 146)	1 129	–	–
Cash and cash equivalents at the beginning of the year		3 393	2 264	–	–
Cash and cash equivalents at the end of the year		2 247	3 393	–	–
Cash and cash equivalents – per balance sheet		2 372	3 446		
Bank overdraft		(125)	(53)		

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FOR THE YEAR ENDED 31 MARCH 2005

1. Property, plant and equipment

	2005			2004		
	Cost R million	*Accumulated depreciation* R million	*Net value* R million	*Cost* R million	*Accumulated depreciation* R million	*Net value* R million
Land and buildings	**2 233**	**204**	**2 029**	1 970	182	1 788
Capital expansion in progress	**274**	**–**	**274**	269	–	269
Machinery and equipment	**3 095**	**1 693**	**1 402**	2 709	1 459	1 250
Vehicles	**216**	**135**	**81**	98	66	32
Office equipment	**226**	**148**	**78**	187	118	69
	6 044	**2 180**	**3 864**	5 233	1 825	3 408

Depreciation rates are as follows:	**2005** %	2004 %
Buildings	**2 – 5**	2 – 5
Machinery and equipment	**4 – 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	**2005** R million	2004 R million
Balances at 1 April	**2 057**	**1 351**	**3 408**	3 149
Additions	**156**	**316**	**472**	470
Disposals	**(24)**	**(18)**	**(42)**	(14)
Depreciation	**(20)**	**(247)**	**(267)**	(240)
Businesses acquired	**185**	**109**	**294**	36
Other	**(51)**	**50**	**(1)**	7
Balances at 31 March	**2 303**	**1 561**	**3 864**	3 408

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by property, plant and equipment with a book value of R227 million (2004: R622 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 and tea* R million	**2005** R million	2004 R million
Balances at 1 April	**37**	**35**	**13**	**85**	82
Fair value adjustment	**8**	**–**	**1**	**9**	3
Balances at 31 March	**45**	**35**	**14**	**94**	85

The quantity at 31 March is as follows:		
Sugarcane roots (ha)	**8 705**	8 191
Sugarcane plants (tons)	**37 655**	33 371
Citrus (ha)	**1 443**	1 438
Tea (kg)	**160 025**	160 025

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	**2005** R million	2004 R million
Balances at 1 April	139	78	217	214
Additions	385	1 990	2 375	2 296
Decrease due to harvest	(377)	(1 980)	(2 357)	(2 300)
Fair value adjustment	1	3	4	7
Balances at 31 March	148	91	239	217

3. Investment properties

	2005 *Cost* R million	**2005** *Accumulated depreciation* R million	**2005** *Net value* R million	2004 *Cost* R million	2004 *Accumulated depreciation* R million	2004 *Net value* R million
Land	3	–	3	3	–	3
Buildings	28	7	21	26	7	19
	31	7	24	29	7	22

	2005 %	2004 %
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	**2005** R million	2004 R million
Balances at 1 April	3	19	22	22
Additions	–	–	–	1
Depreciation	–	–	–	(1)
Businesses acquired	–	2	2	–
Balances at 31 March	3	21	24	22

The investment properties were valued during the year by an independent, qualified valuer. The fair value of the investment properties, VAT exclusive, is R268 million (2004 valuation: R250 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.

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4. Goodwill and trade marks

	2005 Cost or valuation R million	2005 Accumulated impairment/ amortisation R million	2005 Net value R million	2004 Cost or valuation R million	2004 Accumulated impairment/ amortisation R million	2004 Net value R million
Goodwill	382	3	379	53	7	46
Trade marks	67	60	7	67	59	8
	449	63	386	120	66	54

	2005	2004
Amortisation rates are as follows:	%	%
Goodwill	–	5
Trade marks	4 – 6⅔	5 – 6⅔

Reconciliation of carrying value at the beginning and end of the year	Goodwill R million	Trade marks R million	2005 R million	2004 R million
Balances at the beginning of the year	46	8	54	40
Additions	–	–	–	19
Amortisation	–	(1)	(1)	(5)
Impairment	(3)	–	(3)	–
Businesses acquired	336	–	336	–
Balances at the end of the year	379	7	386	54

Goodwill is tested annually for any possible impairment and for this reason allocated to the respective cash-generating units as indicated below:

	Rainbow Chicken Limited and its subsidiaries	Transvaal Sugar Limited and its subsidiaries	Medi-Clinic Corporation Limited and its subsidiaries	Other	2005 Total
Goodwill allocated (R million)	291	42	44	2	379
Basis of valuation of cash-generating units	Fair value based on active market	Directors' valuation	Fair value based on active market		

5. Investments – associated companies

(Annexures B & C)

	2005			2004		
	Listed R million	*Unlisted* R million	*Total* R million	*Listed* R million	*Unlisted* R million	*Total* R million
Shares – at cost	4 392	2 779	7 171	4 409	740	5 149
Goodwill	2 927	424	3 351	2 910	282	3 192
Equity adjustment	4 685	12 619	17 304	3 695	10 049	13 744
Carrying value	12 004	15 822	27 826	11 014	11 071	22 085
Long-term loans						
Originated loans	–	589	589	–	652	652
	12 004	16 411	28 415	11 014	11 723	22 737
Market values of listed investments	19 893		19 893	14 413		14 413
Directors' valuation of unlisted investments		31 301	31 301		27 903	27 903
Market values and directors' valuation	19 893	31 301	51 194	14 413	27 903	42 316
Excess of market values and directors' valuation over the carrying value of investments:						
– attributable to own members			22 760			19 559
– attributable to minority			19			20
			22 779			19 579

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R27 707 million (2004: R24 438 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

Reconciliation of carrying value at the beginning and end of the year	2005 R million	2004 R million
Carrying value at the beginning of the year	22 737	23 165
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	118	(671)
Income of associated companies retained	3 539	998
Share of net attributable profit of associated companies	6 026	3 177
Dividends received from associated companies	(2 501)	(2 156)
Exchange rate differences on translation between average rate to year-end rates	14	(23)
Equity-accounted movements on reserves	(71)	(237)
Loans repaid	(84)	(193)
Disposals	(35)	(208)
Investments	2 098	94
Associated investments reclassified as subsidiary companies	(7)	–
Other movements	120	(29)
Amortisation of goodwill	–	(182)
Carrying value at the end of the year	28 415	22 737

	2005 R million	2004 R million
6. INVESTMENTS – SUBSIDIARY COMPANIES AND OTHER		
(Annexures A & B)		
6.1 The Company		
Unlisted subsidiary companies and other:		
Advances and loans	**8 000**	7 703

	2005 *Listed* R million	2005 *Unlisted* R million	2005 *Total* R million	2004 *Listed* R million	2004 *Unlisted* R million	2004 *Total* R million
6.2 Consolidated						
Investments – other						
Shares – available-for-sale	**1 866**	**82**	**1 948**	1 795	66	1 861
Market values of listed investments	**1 866**		**1 866**	1 795		1 795
Directors' valuation of unlisted investments		**82**	**82**		66	66
Market values and directors' valuation	**1 866**	**82**	**1 948**	1 795	66	1 861

Reconciliation of carrying value of investments available-for-sale at the beginning and end of the year	2005 R million	2004 R million
Balances at the beginning of the year	**1 861**	109
Cumulative opening balance adjustment (AC 133)	**–**	12
Fair value adjustments for the year (AC 133)	**56**	1 303
Additions	**31**	437
Balances at the end of the year	**1 948**	1 861

	2005 R million	2004 R million
7. LOANS		
Loan to a wholly-owned subsidiary of the service company, M&I Management Services (Proprietary) Limited, to partially finance aircraft for use by Group members	**105**	–
Other	**52**	49
	157	49
8. INVENTORIES		
Raw materials	**307**	336
Finished products	**296**	242
Work in progress	**2**	2
Consumable stores	**48**	48
	653	628

Included above is inventory valued at R6 million (2004: R3 million) that has been written down to net realisable value.

	2005 R million	2004 R million
9. CASH AND CASH EQUIVALENTS		
Cash at the centre	**1 094**	2 150
Other operating subsidiaries	**1 278**	1 296
	2 372	3 446

	2005 R million	2004 R million
10. 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 (2004: 486 493 650) ordinary shares of 1 cent each	4.9	4.9
35 506 352 (2004: 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): 34 903 000 (2004: 20 678 689).

At a general meeting held on 24 August 2004, the Company placed the entire authorised but unissued share capital of the Company, comprising 26 000 000 ordinary shares of 1 cent each and 5 000 000 B ordinary shares of 10 cents each which shares were reserved for allotment and issue in terms of The Remgro Share Trust in terms of an ordinary resolution of shareholders adopted on 21 September 2000, 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 in accordance with the rules of The Remgro Share Trust.

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

	2005 R million	2004 R million
11. RESERVES		
11.1 Composition of reserves		
The Company:		
Distributable reserves	7 986	7 692
Subsidiary companies and joint ventures	12 254	9 598
Non-distributable reserves	2 367	1 781
Distributable reserves	9 887	7 817
Associated companies:		
Non-distributable reserves	17 264	13 704
	37 504	30 994
Statutory non-distributable reserves included in	380	375
General capital reserves	9	9
Equity accounted reserves	371	366

11.2 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	2005 Total R million	2004 Total R million
Balances at 1 April	123	1 633	(1)	1 755	2 449
Exchange rate adjustments during the year	112	118	9	239	(694)
Transfer of equity adjustment		14	(14)	–	–
Balances at 31 March	235	1 765	(6)	1 994	1 755

12. Retirement benefits

12.1 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 actuarial valuation of these funds were conducted from 31 March 2002 to 31 December 2004.

	2005 R million	2004 R million
Balance sheet		
Amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	650	178
Fair value of plan assets	(615)	(205)
Funded position	35	(27)
Unrecognised actuarial losses	(5)	(12)
Pension fund surplus limitation*	41	39
Net liability in balance sheet	71	Nil
Movement for the year:		
Balances at 1 April	–	–
Pension fund surplus limitation*	1	(1)
Total expense	10	13
Liabilities acquired in business combinations	75	–
Contributions	(15)	(12)
Balances at 31 March	71	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.*

	2005 R million	2004 R million
Income statement		
Amounts recognised in the income statement are as follows:		
Current service costs	17	13
Interest on liability	30	18
Expected return on plan assets	(33)	(19)
Recognised net actuarial (profits)/losses in the year	(4)	1
Total expenses	10	13
Pension fund surplus limitation	1	(1)
Totals included in staff costs	11	12
Actual return on plan assets	84	33
Principal actuarial assumptions on balance sheet date	%	%
Discount rate	5.5 – 8.5	11.0 – 15.0
Expected rates of return on plan assets	7.5 – 8.5	11.0 – 15.0
Future salary increases	2.75 – 5.5	7.5 – 13.5
Future pension increases	6.5	6.5 – 10.0
Inflation rate	2.75 – 4.0	6.0

	2005 R million	2004 R million
12. Retirement benefits *(continued)*		
12.2 Post-retirement medical benefits		
Balance sheet		
Amounts recognised in the balance sheet are as follows:		
Present value of obligations	160	119
Movement for the year:		
Balances at 1 April	119	103
Total expenses recognised in the income statement	24	18
Liability acquired in business combination	26	–
Contributions	(9)	(2)
Balances at 31 March	160	119
Income statement		
Amounts recognised in the income statement are as follows:		
Current service costs	13	8
Interest on liability	12	12
Recognised net actuarial (profits)/losses in the year	(1)	(2)
Totals included in staff costs	24	18
Principal actuarial assumptions on balance sheet date	%	%
Discount rate	8.5	8.0 – 11.0
Future salary increases	4.0 – 5.5	6.0
Annual increase in healthcare costs	4.0 – 6.5	6.0 – 9.0

	2005 R million	2004 R million
13. Long-term loans		
Interest-bearing loans		
Secured long-term loans with effective interest rates of between 9.00% and 13.60% per annum (2004: 10.25% and 13.68%), repayable over a period of between four to six years	187	191
These liabilities are secured by property and plant with a net book value of R225 million (2004: R236 million).		
Net liabilities resulting from various capitalised finance leases and instalment sale agreements payable in monthly, quarterly and annual instalments at an effective interest rate of 16.07% per annum (2004: 16.07% and 18.00%), amount to	3	30
These liabilities are secured by plant and equipment with a net book value of R2 million (2004: R386 million).		
Unsecured sundry loans with varying interest rates and terms	1	3
	191	224
Interest-free loan with no fixed repayment conditions	39	–
	230	224
Instalments payable within one year transferred to short-term interest-bearing loans	30	52
	200	172
Payable – two to five years	105	147
Payable thereafter	95	25
	200	172

	2005 R million	2004 R million
14. Short-term interest-bearing loans		
Portion of long-term interest-bearing loans payable within one year	**30**	52
Bank overdrafts	**125**	53
	155	105

	Legal disputes R million	*Bonuses and leave pay* R million	*Other** R million	2005 R million	2004 R million
15. Provisions					
Balances at 1 April	**30**	**137**	**9**	**176**	180
Businesses acquired	**–**	**4**	**1**	**5**	1
Additional provisions	**–**	**99**	**3**	**102**	95
Unused amounts – reversed	**(1)**	**–**	**(3)**	**(4)**	–
	29	**240**	**10**	**279**	276
Provisions utilised during the year	**(14)**	**(83)**	**(3)**	**(100)**	(100)
Balances at 31 March	**15**	**157**	**7**	**179**	176

** Various smaller provisions*

16. 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.

	2005 R million	2004 R million
Operating revenue	**9 969**	9 245
Dividends and interest	**2 854**	2 518
Revenue	**12 823**	11 763

	2005 R million	2004 R million
17. Profit		
Profit is stated after taking the following into account:		
Income		
Fair value adjustment – biological assets (AC 137)	14	3
Foreign exchange profits	26	6
Interest received	273	334
Shareholders' loan to associated company	44	72
Other	229	262
Property rental income	9	8
Profit/(loss) on sale of property, plant and equipment	35	(5)
Expenses		
Amortisation of trade marks	1	1
Auditors' remuneration – audit fees	8	7
– other services	1	1
Cost of sales	7 496	7 182
Depreciation	267	240
Buildings	20	21
Machinery and equipment	208	187
Vehicles	14	10
Office equipment	25	22
Fair value adjustment – investments (AC 133)	60	(14)
Professional fees	13	9
Property expenses	2	2
Rental	71	56
Land and buildings	41	28
Machinery and equipment	20	16
Vehicles	6	6
Office equipment	4	6
Research and development costs written off	1	2
18. Administration and management fees		
Paid to M&I Management Services (Proprietary) Limited	91	87
Less: Fees received	(14)	(13)
Intergroup – excluding wholly-owned subsidiaries	(7)	(6)
Other	(7)	(7)
Net	77	74

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	THE COMPANY		CONSOLIDATED	
	2005 R million	2004 R million	**2005 R million**	2004 R million
19. Dividend income				
Included in profit:				
Listed	**–**	–	**74**	19
Unlisted – Subsidiary companies	**2 907**	1 380		
– Other	**–**	–	**7**	9
	2 907	1 380	**81**	28
Dividends from associated companies set off against investments			**2 501**	2 156

	2005 R million	2004 R million
20. Impairment and amortisation of goodwill		
Subsidiary companies	**3**	186
Associated companies	**403**	383
	406	569
21. Exceptional items		
Exceptional items of subsidiary companies:		
Capital surplus on redemption of debentures by R&R	**2 100**	–
Net capital surplus on the sale of investments and businesses	**45**	50
Other	**49**	–
Total before taxation	**2 194**	50
Taxation	**(8)**	(3)
Total after taxation	**2 186**	47
Share of exceptional items of associated companies	**1 964**	(604)
Grand total	**4 150**	(557)
Attributable to minorities	**(20)**	–
Attributable to own members	**4 130**	(557)
22. Taxation		
22.1 Taxation in income statement		
Current	**361**	363
– current year – South African normal taxation	**330**	348
– Taxation on capital gain	**12**	4
– Foreign taxation	**17**	9
	359	361
– previous year – South African normal taxation	**3**	2
– Foreign taxation	**(1)**	–
Secondary taxation on companies	**–**	10
– current	**11**	10
– deferred (AC 501)	**(11)**	–
Deferred – current year	**41**	24
– previous year	**(2)**	–
	400	397

22. TAXATION *(continued)*

	2005	2004
22.2 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate	**%**	%
Effective tax rate	**26.8**	34.2
Reduction/(increase) in standard rate as a result of:		
Permanent differences	**2.8**	(3.4)
Foreign taxation	**(0.6)**	(0.1)
Taxation in respect of previous years	**–**	(0.2)
Taxation losses that can be utilised in future periods	**0.2**	–
Exempt capital gain	**0.8**	0.3
Secondary tax on companies	**–**	(0.8)
Standard rate	**30.0**	30.0

	2005 R million	2004 R million
22.3 Deferred taxation		
Deferred taxation liability	**452**	394
Property, plant and equipment	**274**	227
Inventories	**76**	70
Provisions	**(29)**	(27)
Biological agricultural assets	**24**	26
Other	**–**	(2)
Investments (AC 133)	**107**	100
Deferred tax asset	**(173)**	(142)
Property, plant and equipment	**16**	–
Inventories	**(24)**	(31)
Provisions	**(148)**	(106)
STC credits (AC 501)	**(15)**	(4)
Other	**1**	–
Tax losses utilised	**(3)**	(1)
Net deferred taxation	**279**	252
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	**317**	141
Prior year adjustments	**(65)**	(30)
Adjusted balance	**252**	111
Movements during the year attributable to:		
Property, plant and equipment	**63**	7
Inventories	**12**	(16)
Provisions	**(44)**	(10)
Biological agricultural assets	**(1)**	1
STC credits (AC 501)	**(11)**	–
Other	**3**	(4)
Tax losses utilised	**(2)**	63
Investments (AC 133)	**7**	100
	279	252

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FOR THE YEAR ENDED 31 MARCH 2005

		2005 R million	2004 R million
22.	**Taxation** *(continued)*		
	22.4 Tax losses		
	Estimated tax losses available for set-off against future taxable income	10	2
	Utilised to create deferred tax asset	(10)	(2)
		–	–
	22.5 Secondary taxation on companies (STC)		
	The STC credits on 31 March, which could be set off against future dividend payments, amount to	4 029	3 813
	– The Company	980	684
	– Subsidiary companies	3 049	3 129
	Utilised to create deferred tax asset (AC 501)	(117)	(32)
	Unutilised STC credits	3 912	3 781

Remgro's history regarding dividends received against ordinary dividends paid suggests increasing STC credits in time. It is therefore not likely that Remgro's STC credits will be utilised against ordinary dividends paid in the foreseeable future, and consequently no deferred tax asset has been created for the Company's unutilised STC credits.

		2005 R million	2004 R million
23.	**Equity adjustment**		
	Share of net profit of associated companies:		
	Profit from operations	6 749	6 292
	Impairment and amortisation of goodwill	(403)	(383)
	Net impairment of investments and assets	(30)	–
	Exceptional items	1 749	(696)
	Share of net profit of associated companies – before taxation	8 065	5 213
	Taxation	(1 811)	(1 780)
	Normal operations	(2 023)	(1 871)
	Exceptional items	212	91
	After taxation	6 254	3 433
	Share of minority of associated companies	(228)	(256)
	Share of net attributable profit of associated companies – per income statement	6 026	3 177
	Minority interest	(12)	(8)
	Share of net profit retained in distributable reserves	(12)	(9)
	Dividends received from associated companies	(2 501)	(2 156)
	Share of net profit retained by associated companies	3 501	1 004
	Exchange rate differences on translation between average rates and year-end rates	14	(23)
	Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	3 515	981
	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	445	554
24.	**Minority interest**		
	Subsidiaries and joint ventures – per income statement	409	335
	Share of minority interest of associated companies	228	256
		637	591

25. Earnings per share

Earnings per share

In determining the headline and basic earnings per share the weighted number of shares in issue, being 497 292 403 (2004: 503 280 054), 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 ordinary shares for no consideration. These imputed shares total 1 561 356 (2004: 1 090 042) and have been added to the weighted number of shares to determine the dilutive effect.

26. Cash flow information

	CONSOLIDATED 2005 R million	CONSOLIDATED 2004 R million	THE COMPANY 2005 R million	THE COMPANY 2004 R million
26.1 Adjustments				
Depreciation, amortisation of goodwill and trade marks	271	427	–	–
Other	(24)	9	–	–
Movement in provisions	13	12	–	–
Interest received	(273)	(334)	–	–
Interest paid	54	39	–	–
Dividends received	(81)	(28)	(2 907)	(1 380)
Capital loss/(surplus) on the sale of investments	(46)	(50)	–	–
Net impairment of assets	(16)	(7)	–	–
Share scheme cost	13	25	–	–
Loan written off	–	2	–	–
Unrealised agricultural gains	–	(3)	–	–
Cash flow hedge	(3)	4	–	–
Profit on the disposal of debentures	(2 100)	–	–	–
	(2 192)	96	(2 907)	(1 380)
26.2 Decrease/(increase) in working capital				
Decrease/(increase) in inventories and biological agricultural assets	13	(105)	–	–
Decrease/(increase) in trade and other receivables	300	54	–	–
Increase/(decrease) in trade and other payables	(181)	123	1	2
Net movement in derivative instruments	15	55	–	–
	147	127	1	2
26.3 Reconciliation of dividends received				
Per income statement	81	28	2 907	1 380
Dividends from associated companies set off against investments	2 501	2 156		
Dividend in specie	–	(466)		
Receivable at the end of the year	(129)	–	–	–
Cash received	2 453	1 718	2 907	1 380

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	CONSOLIDATED 2005 R million	CONSOLIDATED 2004 R million	THE COMPANY 2005 R million	THE COMPANY 2004 R million
26. CASH FLOW INFORMATION *(continued)*				
26.4 Reconciliation of taxation paid with the amount disclosed in the income statement				
Paid in advance at the beginning of the year	**31**	19	**2**	2
Unpaid at the beginning of the year	**(181)**	(158)	**–**	–
Per income statement	**(372)**	(373)	**(1)**	–
– normal income	**(352)**	(361)	**(1)**	–
– exceptional items	**(9)**	(2)	**–**	–
– STC	**(11)**	(10)	**–**	–
Business acquired	**(15)**	(1)	**–**	–
Business disposed	**–**	–	**–**	–
Unpaid at the end of the year	**60**	181	**–**	–
Paid in advance at the end of the year	**(69)**	(31)	**–**	(2)
Cash (paid)/received	**(546)**	(363)	**1**	–
26.5 Reconciliation of dividends paid				
Per statements of changes in equity	**(2 509)**	(1 316)	**(2 610)**	(1 362)
Paid by subsidiary companies to minority	**(133)**	(122)		
Cash paid	**(2 642)**	(1 438)	**(2 610)**	(1 362)

	2005 R million	2004 R million
27. STAFF COSTS		
– of subsidiary companies		
Salaries and wages	**2 146**	1 816
Long-term share incentive scheme cost	**13**	25
Retirement benefits	**1**	1
Pension costs – defined contribution	**98**	84
Pension costs – defined benefit	**11**	12
Other post-retirement benefits	**24**	18
Other	**162**	90
	2 455	2 046

	Number	Number
Persons employed by subsidiary companies at year-end:		
South Africa	**22 209**	20 250
Abroad	**117**	3
	22 326	20 253

28. Directors' emoluments

	2005 Executive R'000	2005 Non-executive R'000	2005 Total R'000	2004 Executive R'000	2004 Non-executive R'000	2004 Total R'000
Salaries and fees	9 571.1	820.0	10 391.1	8 297.6	415.0	8 712.6
Retirement fund contributions	2 022.7		2 022.7	1 764.4		1 764.4
Other benefits	1 236.2		1 236.2	1 231.0		1 231.0
	12 830.0	820.0	13 650.0	11 293.0	415.0	11 708.0

	2005 Fees R'000	2005 Salaries and other R'000	2005 Total R'000	2004 Fees R'000	2004 Salaries and other R'000	2004 Total R'000
Paid by:						
The Company	820.0		820.0	415.0		415.0
Management company	500.0	12 330.0	12 830.0	250.0	11 043.0	11 293.0
	1 320.0	12 330.0	13 650.0	665.0	11 043.0	11 708.0

	2005 Salaries and fees R'000	2005 Retirement R'000	2005 Other fundbenefits(4) R'000	2005 Total R'000	2004 Salaries and fees R'000	2004 Retirement R'000	2004 Other fundbenefits(4) R'000	2004 Total R'000
Executive								
W E Bührmann	1 201.1	238.1	218.2	1 657.4	1 028.8	204.0	217.2	1 450.0
D M Falck	1 591.4	331.2	315.7	2 238.3	1 389.3	296.0	314.7	2 000.0
J A Preller	854.6	169.4	218.3	1 242.3	765.9	151.9	217.2	1 135.0
M H Visser(1)	4 870.1	1 075.0	265.8	6 210.9	4 168.3	925.0	264.7	5 358.0
T van Wyk	1 053.9	209.0	218.2	1 481.1	945.3	187.5	217.2	1 350.0
Subtotal	9 571.1	2 022.7	1 236.2	12 830.0	8 297.6	1 764.4	1 231.0	11 293.0

	2005 Fees R'000	2005 Retirement fund R'000	2005 Other R'000	2005 Total R'000	2004 Fees R'000	2004 Retirement fund R'000	2004 Other R'000	2004 Total R'000
Non-executive								
G D de Jager	100.0			100.0	50.0			50.0
P K Harris	120.0			120.0	65.0			65.0
E Molobi	100.0			100.0	50.0			50.0
J F Mouton	150.0			150.0	85.0			85.0
F Robertson	150.0			150.0	85.0			85.0
P G Steyn(2)	75.0			75.0	80.0			80.0
D Prins(3)	125.0			125.0				
Subtotal	820.0			820.0	415.0			415.0
Total	10 391.1	2 022.7	1 236.2	13 650.0	8 712.6	1 764.4	1 231.0	11 708.0

(1) Mr M H Visser earns in addition to the above a director's fee of GBP52 500 (2004: GBP50 000) per annum from British American Tobacco Plc, an associated company.
(2) Mr P G Steyn retired as a non-executive director on 25 August 2004.
(3) Mr D Prins was appointed as an independent non-executive director on 23 June 2004.
(4) Benefits include medical aid contributions and vehicle benefits.

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28. 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:

	2005 Fees R'000	2005 Salaries R'000	2005 Retirement fund R'000	2005 Other benefits R'000	2005 Total R'000	2004 Fees R'000	2004 Salaries R'000	2004 Retirement fund R'000	2004 Other benefits R'000	2004 Total R'000
Non-executive										
P E Beyers	**100.0**	**1 142.7**	**246.4**	**99.2**	**1 588.3**	50.0	1 078.1	223.7	98.2	1 450.0
J W Dreyer	**100.0**	**1 188.4**	**255.4**	**99.2**	**1 643.0**	50.0	1 119.8	232.0	98.2	1 500.0
E de la H Hertzog	**100.0**	**809.6**	**160.7**	**72.7**	**1 143.0**	50.0	736.9	140.7	72.4	1 000.0
J P Rupert	**100.0**	**2 221.4**	**460.4**	**218.2**	**3 000.0**	50.0	2 272.2	460.6	217.2	3 000.0
	400.0	**5 362.1**	**1 122.9**	**489.3**	**7 374.3**	200.0	5 207.0	1 057.0	486.0	6 950.0

29. Remgro Share Scheme

Current status

– ordinary shares

Participant	*Balance of shares accepted as at 31 March 2004*	*Shares accepted during the year*	*Date of acceptance of shares*	*Offer price (Rand)*	*Number of shares paid and delivered*	*Date of payment and delivery of shares*	*Share price on date of payment and delivery (Rand)*	*Increase in value* (R'000)*	*Balance of shares accepted as at 31 March 2005*
Executive									
W E Bührmann	185 229	**–**		**43.60**	**–**				**185 229**
		97 872	**30/11/04**	**87.86**	**–**				**97 872**
D M Falck	458 716	**–**		**43.60**	**–**				**458 716**
	104 917	**–**		**63.00**	**–**				**104 917**
		30 050	**30/11/04**	**87.86**	**–**				**30 050**
J A Preller	73 394	**–**		**43.60**	**–**				**73 394**
		34 572	**30/11/04**	**87.86**	**–**				**34 572**
M H Visser	489 296	**–**		**43.60**	**–**				**489 296**
	278 979	**–**		**63.00**	**–**				**278 979**
		342 488	**30/11/04**	**87.86**	**–**				**342 488**
T van Wyk	33 195	**–**		**48.20**	**–**				**33 195**
	73 394	**–**		**43.60**	**24 466**	**13/08/04**	**77.99**	**841.4**	
		–		**43.60**	**24 464**	**07/01/05**	**95.01**	**1 257.7**	**24 464**
		42 161	**30/11/04**	**87.86**	**–**				**42 161**
Subtotal	1 697 120	**547 143**			**48 930**			**2 099.1**	**2 195 333**
Non-executive									
P E Beyers	286 697	**–**		**43.60**	**19 920**	**25/08/04**	**77.50**	**675.3**	
		–		**43.60**	**75 467**	**26/08/04**	**78.50**	**2 633.8**	**191 310**
J W Dreyer	286 697	**–**		**43.60**	**95 567**	**05/07/04**	**76.50**	**3 144.2**	**191 130**
E de la H Hertzog	172 018	**–**		**43.60**	**114 679**	**08/02/05**	**92.50**	**5 607.8**	**57 339**
J P Rupert	414 938	**–**		**48.20**	**–**				**414 938**
Subtotal	1 160 350	**–**			**305 633**			**12 061.1**	**854 717**
Total	2 857 470	**547 143**			**354 563**			**14 160.2**	**3 050 050**

** 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.*

29. Remgro share scheme *(continued)*

Current status
– ordinary shares

Participant	*Balance of shares accepted as at 31 March 2003*	*Shares accepted during the year*	*Date of acceptance of shares*	*Offer price (Rand)*	*Number of shares paid and delivered*	*Date of payment and delivery of shares*	*Share price on date of payment and delivery (Rand)*	*Increased in value* (R'000)*	*Balance of shares accepted as at 31 March 2004*
Executive									
W E Bührmann	275 229			43.60	90 000	27/11/03	66.70	2 079.0	185 229
D M Falck	458 716			43.60					458 716
		104 917	20/06/03	63.00					104 917
J A Preller	73 394			43.60					73 394
M H Visser	733 945			43.60	244 649	26/03/04	72.34	7 031.2	489 296
		278 979	20/06/03	63.00					278 979
T van Wyk	33 195			48.20					33 195
	73 394			43.60					73 394
Subtotal	1 647 873	383 896			334 649			9 110.2	1 697 120
Non-executive									
P E Beyers	286 697			43.60					286 697
J W Dreyer	286 697			43.60					286 697
E de la H Hertzog	172 018			43.60					172 018
J P Rupert	414 938			48.20					414 938
Subtotal	1 160 350								1 160 350
Total	2 808 223	383 896			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 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.

	2005 R million	2004 R million
30. Commitments		
Capital commitments	**857**	640
Uncompleted contracts for capital expenditure	**570**	96
Capital expenditure authorised but not yet contracted	**287**	544
Operating lease commitments	**167**	113
Due within one year	**45**	31
Due – two to five years	**118**	78
Due thereafter	**4**	4
	1 024	753

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

31. Borrowing powers

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

32. Financial instruments

32.1 Credit risk

Financial assets which are subject to credit risk consist mainly of cash and cash equivalents and debtors and short-term loans. Cash and cash equivalents are placed with various financial institutions subject to approved limits. All these institutions are of a high standing. Debtors and short-term loans are disclosed net of a provision for doubtful debt.

32.2 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. The interest rate profiles of loans are disclosed in note 13 to the annual financial statements.

32.3 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:

	2005			2004		
Assets	*Currency value* million	*Forward value* R million	*Fair value adjustment* R million	*Currency value* million	*Forward value* R million	*Fair value adjustment* R million
Foreign exchange contracts						
Buy: British pound (GBP)	1.1	12.1	0.4	–	–	–
Sell: USA dollar (USD)	5.1	31.9	0.9	11.2	74.1	7.2
			1.3			7.2
Liabilities						
Foreign exchange contracts						
Buy: British pound (GBP)	0.6	7.1	0.1	0.6	7.6	0.3
Other		2.6	0.1		3.1	0.3
Sell: USA dollar (USD)	–	–	–	0.4	2.4	0.1
			0.2			0.7
Other derivative instruments						
Sugar selling contracts			1.2			3.9
Maize option contracts			11.4			–
Maize purchase contracts			4.6			3.5
			17.2			7.4
			17.4			8.1

32.4 Fair value

On 31 March 2005 and 2004 the fair value of financial instruments, excluding investments in associated companies, equals their carrying value.

	2005 R million	2004 R million
33. Guarantees and contingent liabilities		
33.1 Guarantees		
Guarantees by subsidiary companies	**20**	76
33.2 Contingent liabilities		
Put option	**–**	13
Legal actions pending	**1**	13
Other	**86**	78
	87	104

A wholly-owned subsidiary of the Company issued a guarantee to a share broker in respect of liabilities incurred by The Remgro Share Trust. No exposure exists at year-end.

34. 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 19 respectively, and in Annexure A.

Associated companies
Details of investments in and income from associated companies are disclosed in notes 5 and 23 respectively, as well as in Annexures B and C. Interest income from associated companies amounted to R101 million (2004: R178 million) and is included in interest received. Fees from associated companies amount to R7 million (2004: R7 million).

Directors
Details of directors' emoluments and shareholding in the Company are disclosed in notes 28 and 29 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 95 and 96 of the Annual Report.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 31 MARCH 2005

NAME OF COMPANY Incorporated in South Africa unless otherwise stated	Issued capital R (unless other-wise stated)	Effective interest 2005 %	Effective interest 2004 %	HELD BY COMPANY Shares 2005 R	Shares 2004 R	Loan 2005 R million	Loan 2004 R million
Tobacco 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	* 1 105 959 000	**62.8**	64.2				
Wispeco Holdings Limited	5 000 000	**100.0**	100.0				
Medi-Clinic Corporation Limited	* 35 007 000	**52.0**	52.3				
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	**63.5**	63.0				
Historical Homes of South Africa Limited	555 000	**51.4**	51.4				
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			**7 088**	6 791
Remgro South Africa (Pty) Limited	48 614	**100.0**	100.0	**96 506**	96 506	**912**	912
Stellenryck Trust Limited	700	**100.0**	100.0				
TTR Holdings (Pty) Limited	7	**100.0**	100.0	**7**	7		
			Note 6.1:			**8 000**	7 703

(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 2005

NAME OF COMPANY		LISTED				UNLISTED			
Incorporated in South Africa unless otherwise stated		2005 Shares held	2005 Effective interest %	2004 Shares held	2004 Effective interest %	2005 Shares held	2005 Effective interest %	2004 Shares held	2004 Effective interest %
Tobacco interests									
R&R Holdings SA – Luxembourg	(1)								
– ordinary shares						316 000	33.3	316 000	33.3
– debentures						682 291	33.3	870 516	33.3
– participating securities						19 281 686	100.0	–	–
– held by R&R Holdings SA:									
– BAT Plc – UK (28%)	(1)		10.0		9.8				
Financial services									
RMB Holdings Limited	(2)	274 109 670	23.1	274 109 670	23.1				
– held by RMB Holdings Limited:									
– FirstRand Limited (34%)			7.9		8.0				
FirstRand Limited	(2)	520 716 856	10.0	520 716 856	10.1				
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		3.9				
Sage Group Limited	(2)	65 025 446	17.9	65 025 446	17.9				
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	42.6				
Henkel South Africa (Pty) Limited	(2)								
– ordinary shares						–	–	4 812 500	50.0
– preference ordinary shares						–	–	12 550 000	50.0
Nampak Limited	(1)	86 774 104	13.7	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	12 872 450	33.2
Remgro-KWV Beleggings Limited	(2)					50	50.0	50	50.0
– held by Remgro-KWV Beleggings Limited:									
– Distell Group Limited (60%)			29.8		29.9				
Mining interests									
Gencor Limited	(2)	37 995 039	10.9	37 995 039	10.9				
Impala Platinum Holdings Limited	**	3 335 911	5.0	3 335 911	5.0				
Trans Hex Group Limited	(1)	30 215 000	33.9	30 215 000	34.2				
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 2005
(2) Twelve months to 31 December 2004

* *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) 2005	FirstRand (Financial services) 2005	Absa (Financial services) 2005	R&R (Tobacco interests) 2005
Effective interest	23.1%	10.0%	9.4%	33⅓%
	R million	R million	R million	R million
Carrying value of investments	3 612	4 235	2 226	13 417
Share of retained equity income				
– Current year	298	246	401	2 502
Normal income	540	623	516	2 029
Dividends	(258)	(279)	(126)	(1 379)
Impairment and amortisation of goodwill	(39)	(4)	(10)	(309)
Exceptional items	73	48	14	1 921
Other changes in reserves and exchange rates	(18)	(142)	7	240
– Cumulative	934	1 112	1 986	11 208

Summarised financial information:	Per Interim Report 31/12/2004	Per Interim Report 31/12/2004	Per Annual Report 31/03/2005	Per Annual Report 31/03/2005
				Note 1
Balance sheet				
Assets				
Net insurance-related assets	–	340	–	–
Net advances, loans and bank-related securities	1 079	41 405	(7 155)	–
Intangible assets	3 466	805	197	83 851
Property, plant and equipment and other	105	993	27 497	26 231
Investments and loans	8 935	11 336	9 016	25 866
Net current assets/(liabilities)	–	(16 452)	–	11 106
	13 585	38 427	29 555	147 054
Equity and liabilities				
Shareholders' funds and long-term debt	13 585	38 427	29 555	147 054

	12 months ended 31/12/2004	12 months ended 31/12/2004	12 months ended 31/03/2005	12 months ended 31/03/2005
				Note 2
Income statement				
Headline earnings	2 342	6 315	5 484	6 060
Net profit for the year	2 489	6 664	5 511	10 904
Dividends paid	921	2 333	1 338	4 137

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 2004 as BAT has not included a balance sheet in its quarterly report to 31 March 2005.

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 83% of the total carrying value of associated companies.

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%	10.1%	9.4%	33⅓%
	R million	R million	R million	R million
Carrying value of investments	3 314	3 988	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)
Impairment and amortisation of goodwill	(62)	(16)	(5)	(278)
Exceptional items	3	6	15	(606)
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 78% of the total carrying value of associated companies.

ANNEXURE D

INFORMATION ON BUSINESS AND GEOGRAPHICAL SEGMENTS FOR THE YEAR ENDED 31 MARCH 2005

R million	Tobacco interests	Financial services	Industrial interests	Mining interests	Corporate finance and other interests	CONSOLIDATED 2005 Total
BUSINESS SEGMENT ANALYSIS						
Revenue	1 446	662	10 424	93	198	12 823
Consolidated profit after finance cost	16	–	1 254	70	35	1 375
Impairment and amortisation of goodwill						(3)
Net impairment of investments and assets						24
Exceptional items						2 194
Consolidated profit before tax						3 590
Taxation						(400)
Consolidated profit after tax						3 190
Share of after-tax profit of associated companies						6 026
Profit before taking into account the following	2 029	1 680	755	31	–	4 495
Impairment and amortisation of goodwill						(403)
Net impairment of investments and assets						(30)
Exceptional items						1 964
Group profit after tax						9 216
Minority interest						(409)
Net profit for the year						8 807
Headline earnings	2 029	1 695	1 125	101	32	4 982
OTHER INFORMATION						
Segment assets	314	7	8 025	1 751	1 081	11 178
Investments in associated companies	13 417	10 177	4 463	358	–	28 415
						39 593
Taxation – Deferred						173
– Current						60
Consolidated total assets						39 826
Segment liabilities	1	–	2 222	87	24	2 334
Taxation – Deferred						452
– Current						69
Consolidated total liabilities						2 855
Additions to property, plant and equipment and intangible assets	–	–	808	–	–	808
Depreciation and amortisation	309	43	298	2	–	652

The interests of the Group have been classified into five main operating divisions/business segments – tobacco 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, debtors and short-term loans, 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.

R million	Capital expenditure 2005	Revenue 2005	Headline earnings 2005	Total assets 2005
South Africa	808	11 439	2 949	25 862
Abroad	–	1 384	2 033	13 731
	808	12 823	4 982	39 593

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 2004

R million	Tobacco interests	Financial services	Industrial interests	Mining interests	Corporate finance and other interests	CONSOLIDATED 2004 Total
BUSINESS SEGMENT ANALYSIS						
Revenue	1 062	466	9 484	525	226	11 763
Consolidated profit after finance cost	(1)	1	1 222	20	50	1 292
Impairment and amortisation of goodwill						(186)
Net impairment of investments and assets						4
Exceptional items						50
Consolidated profit before tax						1 160
Taxation						(397)
Consolidated profit after tax						763
Share of after-tax profit of associated companies						3 177
Profit before taking into account the following	2 100	1 396	520	151	(3)	4 164
Impairment and amortisation of goodwill						(383)
Exceptional items						(604)
Group profit after tax						3 940
Minority interest						(335)
Net profit for the year						3 605
Headline earnings	2 100	1 394	995	172	26	4 687
OTHER INFORMATION						
Segment assets	4	5	6 479	1 720	2 612	10 820
Investments in associated companies	8 706	9 201	4 478	352	–	22 737
						33 557
Taxation – Deferred						142
– Current						31
Consolidated total assets						33 730
Segment liabilities	1	–	1 727	–	16	1 744
Taxation – Deferred						394
– Current						181
Consolidated total liabilities						2 319
Additions to property, plant and equipment and intangible assets	–	53	490	–	–	543
Depreciation and amortisation	277	199	307	1	–	784

The interests of the Group have been classified into five main operating divisions/business segments – tobacco 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, debtors and short-term loans, 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.

R million	Capital expenditure 2004	Revenue 2004	Headline earnings 2004	Total assets 2004
South Africa	543	10 749	2 587	24 847
Abroad	–	1 014	2 100	8 710
	543	11 763	4 687	33 557

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

ANNEXURE E

BUSINESSES ACQUIRED

Analysis of the fair values and carrying values of net assets of businesses acquired

R million	Fair values: Vector Logistics[1]	Fair values: Booker Tate[2]	Fair values: Other	Fair values: 2005 Total	Carrying values: Vector Logistics	Carrying values: Booker Tate	Carrying values: Other	Carrying values: 2005 Total
Property, plant and equipment	203	1	90	294	128	1	82	211
Biological agricultural assets			13	13			13	13
Investment properties		1	–	1		1	–	1
Investments and loans	–	20	12	32		20	12	32
Deferred tax asset	26		2	28	26	–	2	28
Cash resources	61	24	–	85	61	24	–	85
Other current assets	490	27	9	526	488	27	10	525
Retirement benefits	(25)	(75)	–	(100)	(25)	(75)	–	(100)
Interest-bearing debt			(17)	(17)			(17)	(17)
Deferred tax liability	(22)		–	(22)				–
Interest-free debt	(553)	(14)	(3)	(570)	(551)	(14)	(4)	(569)
Taxation payable	(11)		–	(11)	(12)			(12)
Net assets acquired	169	(16)	106	259	115	(16)	98	197
Interest of outside shareholders			1	1				
Goodwill	287	39	8	334				
Less: Existing investments			(6)	(6)				
Cash paid	456	23	109	588				
Cash acquired from business	(61)	(24)	–	(85)				
Net cash flow on acquisition of businesses	395	(1)	109	503				

	Vector Logistics[1]	Booker Tate[2]
Acquisition date	01/10/04	01/10/04
Percentage interest	100%	100%
Payment method	Cash	Cash
Acquired by	Rainbow	TSB
Net profit since acquisition	21	5
Pro forma net profit assuming acquisition at beginning of the year	41	1
Headline earnings since acquisition	21	5
Pro forma headline earnings assuming acquisition at beginning of the year	41	1
Pro forma revenue assuming acquisition at beginning of the year	374	65

(1) Vector Logistics is a specialist logistics service provider for the food and food-related industries within Southern Africa.
(2) Booker Tate renders management services to sugar mills and refineries.

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 Secretaries
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
101 Barclay Street
New York NY 10286

Sponsor
Rand Merchant Bank (A division of FirstRand Bank Limited)

Website
www.remgro.com

SHAREHOLDERS' INFORMATION

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	31 March
Annual general meeting	Friday, 26 August 2005

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 10

Ordinary dividend per share	198 cents
Last day to trade in order to participate in the final dividend	Friday, 12 August 2005
Trading on or after this date will be ex the final dividend	Monday, 15 August 2005
Record date	Friday, 19 August 2005
Payment date	Monday, 22 August 2005

STATISTICS AT 31 MARCH 2005

	2005 %	2005 Number of shares	2004 %	2004 Number of shares
Major beneficial shareholders				
Ordinary shares				
Public Investment Commissioner	**12.86**	**62 542 225**	12.97	63 101 913
Old Mutual Life Assurance Company SA	**8.56**	**41 645 623**	8.78	42 692 650
Remgro subsidiaries	**6.27**	**30 521 841**	3.38	16 442 602
Sanlam	**5.21**	**25 344 255**	5.66	27 546 366
Other	**67.10**	**326 439 706**	69.21	336 710 119
	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.

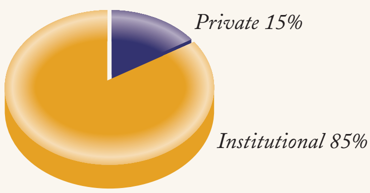
	2005	2004	2003	2002
Distribution of shareholders				
Ordinary shares				
Public shareholders	**27 321**	25 600	25 657	17 070
Percentage of shareholders	**99.91**	99.91	99.89	99.80
Number of shares	**448 808 224**	462 478 974	467 859 404	483 412 586
Percentage of shares issued	**92.25**	95.06	96.17	99.37
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	**24**	24	30	27
Percentage of shareholders	**0.09**	0.09	0.11	0.20
Number of shares	**37 685 426**	24 014 676	18 634 246	3 081 064
Percentage of shares issued	**7.75**	4.94	3.83	0.63
Number of shareholders	**27 345**	25 624	25 687	17 097

SHAREHOLDERS' INFORMATION

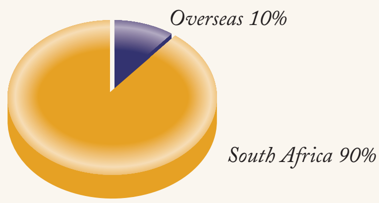
	2005	2004	2003	2002
Number of shares in issue				
– Ordinary shares of 1 cent each	**486 493 650**	486 493 650	486 493 650	486 493 650
– Unlisted B ordinary shares of 10 cents each	**35 506 352**	35 506 352	35 506 352	35 506 352
Total number of shares in issue	**522 000 002**	522 000 002	522 000 002	522 000 002
Ordinary shares repurchased and held in treasury	**(30 521 841)**	(16 442 602)	(11 616 128)	–
Ordinary shares purchased by The Remgro Share Trust and accounted for as treasury shares	**(4 381 159)**	(4 236 087)	(3 950 000)	–
	487 097 002	501 321 313	506 433 874	522 000 002
Weighted number of shares	**497 292 403**	503 280 054	516 517 429	

ADDITIONAL INFORMATION (2005)

Institutional and private shareholding in Remgro Limited ordinary shares

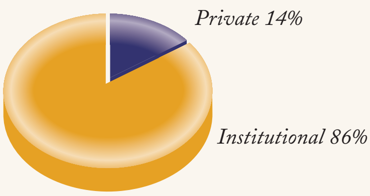


Overseas and local shareholding in Remgro Limited ordinary shares

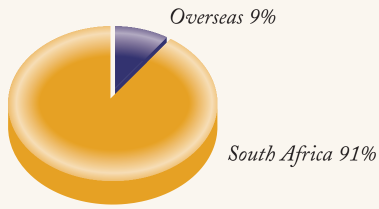


ADDITIONAL INFORMATION (2004)

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 2005					
P E Beyers	**34 024**	–	**9 000**	–	**43 024**
W E Bührmann	**38 027**	–	–	–	**38 027**
G D de Jager	**28 740**	–	**108 300**	–	**137 040**
D M Falck	**200**	–	**18 133**	–	**18 333**
P K Harris	–	–	**57 118**	–	**57 118**
E de la H Hertzog	**228 245**	–	**1 614 564**	**4 484**	**1 847 293**
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**
T van Wyk	**76 926**	–	–	–	**76 926**
M H Visser	–	–	**244 649**	–	**244 649**
	432 477	–	**2 342 765**	**4 484**	**2 779 726**
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

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 2005 Annual General Meeting of the Company will be held on Friday, 26 August 2005, at 09:00 in The Ballroom, 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 2005 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 R1 720 000 for the year ended 31 March 2005 be approved.

3. **Election of director**

   Ordinary Resolution Number 3

   Resolved that Mr W E Bührmann 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 J W Dreyer 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 Dr E de la H Hertzog 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 director of the Company.

6. **Election of director**

   Ordinary Resolution Number 6

   Resolved that Mrs J A Preller who retires in terms of clause 31.1.1 of the Company's Articles of Association and who has offered herself for re-election, be hereby re-elected as a director of the Company.

7. **Election of director**

   Ordinary Resolution Number 7

   Resolved that Mr T van Wyk 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 10 and 11.

8. Authority to place shares under control of the directors

Ordinary Resolution Number 8

Resolved that the entire authorised but unissued share capital of the Company comprising 26 000 000 ordinary shares of one cent each and 5 000 000 B ordinary shares of ten cents each, which shares were reserved for allotment and issue in terms of The Remgro Share Trust in terms of an ordinary resolution of shareholders adopted on 21 September 2000, 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"), for allotment and issue in accordance with the rules of The Remgro Share Trust. This authority is subject to the provisions of the Companies Act, the Articles of Association of the Company and the Listings Requirements of the JSE Securities Exchange South Africa ("the Listings Requirements") and will be valid until the next annual general meeting.

9. Amendment of the rules of the Remgro Share Scheme

Ordinary Resolution Number 9

Resolved that the resolution passed by the directors on 26 November 2004 in terms whereof the rules of the Remgro Share Scheme was amended by replacing the word "tenth" in clause 4.1.2.3 and clause 4.1.3 of the rules with the word "seventh", be hereby confirmed.

10. 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 the Company's working capital for the purposes of undertaking a repurchase of shares in writing to the JSE.

Reason for and effect of Special Resolution Number 1
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 own shares 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 10 and 11);
- Major shareholders (page 95);
- No material changes to report on;
- Directors' interests in securities (page 97);
- Share capital of the Company (pages 71 and 96);
- The directors, whose names are set out on pages 10 and 11 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, that 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 and that this resolution contains all information required by law and the Listings Requirements;
- 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 must be lodged with the transfer secretaries of the Company, Computershare Investor Services 2004 (Pty) Limited at 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Wednesday, 24 August 2005, at 09:00 (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 Central Securities Depository Participant (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
21 June 2005

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 the remuneration payable to non-executive directors must be determined at the Company's annual general meeting.

Ordinary Resolution Numbers 3 – 7

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. Directors may offer themselves for re-election. Biographical details of all directors of the Company are set out on pages 10 and 11.

Ordinary Resolution Number 8

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. Shareholders are reminded that the unissued shares are reserved solely for the Remgro Share Scheme, in terms of a shareholders' resolution passed on 21 September 2000.

Ordinary Resolution Number 9

Amendment of the rules of the Remgro Share Scheme

In terms of the current rules of the Remgro Share Scheme, participants have ten years to pay for the shares which they have purchased in terms of the Remgro Share Scheme. The Board of Directors is of the opinion that this period is too long and the purpose of the amendment was thus to shorten this period to seven years. This amendment will not affect the rights of participants who accepted offers before 26 November 2004.

SPECIAL RESOLUTION

Special Resolution Number 1

Authority to repurchase shares

The annual renewal of this 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

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 2005 Annual General Meeting of the Company to be held on Friday, 26 August 2005, at 09:00 in The Ballroom, 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' remuneration			
3. Election of director – Mr W E Bührmann			
4. Election of director – Mr J W Dreyer			
5. Election of director – Dr E de la H Hertzog			
6. Election of director – Mrs J A Preller			
7. Election of director – Mr T van Wyk			
8. Authority to place shares under control of the directors			
9. Amendment of the rules of the Remgro Share Scheme			
Special resolution			
10. Authority to repurchase shares			

Signed at ____________________________ on ____________________________ 2005

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 secretaries.
4. To be valid, the completed forms of proxy must be lodged with the transfer secretaries of the Company, Computershare Investor Services 2004 (Pty) Limited at 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Wednesday, 24 August 2005, at 09:00 (South African time).
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
8. The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a member wishes to vote.