Remgro Limited

REMGRO LIMITED INTEGRATED ANNUAL REPORT **2011**

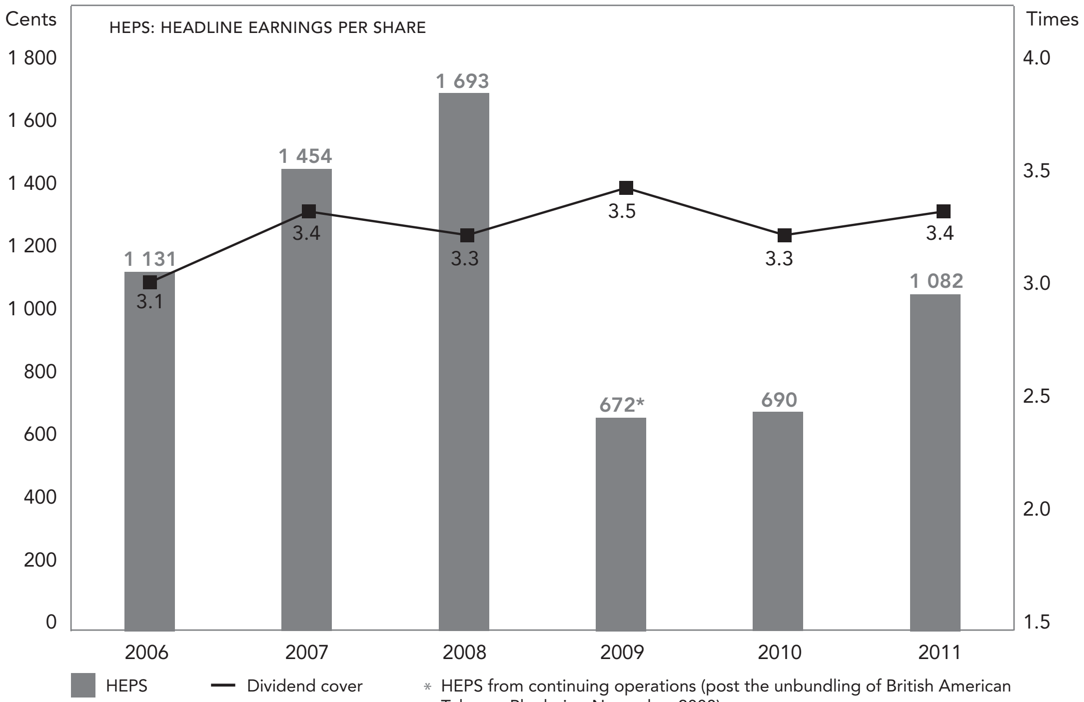
CONTENTS

OVERVIEW OF BUSINESS

SALIENT FEATURES

	Fifteen months ended 30 June 2011	Twelve months ended 31 March 2010	% change
HEADLINE EARNINGS PER SHARE	**1 082.4c**	690.1c	*56.8*
EARNINGS PER SHARE	**2 112.4c**	629.4c	*235.6*
HEADLINE EARNINGS	**R5 555m**	R3 355m	*65.6*
EARNINGS – net profit for the period	**R10 841m**	R3 060m	*254.3*
Dividends per share			
Ordinary	**314.00c**	209.00c	*50.2*
– Interim	**101.00c**	84.00c	*20.2*
– Final	**213.00c**	125.00c	*70.4*
Net asset value per share			
(attributable to own members)			
– at intrinsic value	**R135.97**	R121.64	*11.8*
Remgro share price			
Closing price per share at 30 June (31 March)	**R111.60**	R98.00	*13.9*
Percentage discount to net asset value	**17.9%**	19.4%	*(7.7)*

DIVIDEND COVER



* HEPS from continuing operations (post the unbundling of British American Tobacco Plc during November 2008)

OUR BUSINESS

Remgro Limited (Remgro or the Company) is an investment holding company.

Our interests consist mainly of investments in the following industries:

- > Banking and financial services;
- > Medical services;
- > Food, wine and spirits;
- > Petroleum products;
- > Glass products;
- > Mining;
- > Media; and
- > Technology

Originally established in the 1940s by the late Dr Anton Rupert as a tobacco manufacturer, Remgro's investment portfolio currently includes more than 30 investee companies. The Company is listed on the Johannesburg Securities Exchange (JSE) operated by the JSE Limited in South Africa under the "Industrials – Diversified Industrials" sector, with the share code "REM".

OUR APPROACH TO REPORTING

The adoption of the third King Report on Governance for South Africa (King III) in 2010, and its specific requirements for "integrated reporting", is reflected in the changes made to the narrative structure of this Annual Report.

The 2011 Integrated Annual Report provides a more holistic view of Remgro's business model, how the Company is managed and also how it manages its investments. In this regard our main focus was to provide a more complete analysis of our business to satisfy the information needs of the broad range of stakeholders that use the Annual Report. In order to ensure that we address all the material issues that matter to us and our stakeholders, we will also be reporting on matters such as:

- > Our business model; and
- > Our most significant business risks, as identified through our integrated risk-management process.

SCOPE AND BOUNDARIES OF OUR REPORT

Remgro is an investment holding company and accordingly all references to "the Group" in this context denote the Company and its subsidiaries.

In determining the parameters for this report, guidance was taken from the Global Reporting Initiative™ (GRI) Boundary Protocol. Disclosure is therefore limited to those entities where the Group exercises control over the financial and operating policies of such entities, save where those entities disclose the relevant information in their own publicised annual reports.

Currently Remgro has three significant operating subsidiaries, i.e. Rainbow Chicken Limited (Rainbow Chicken), Tsb Sugar Holdings (Pty) Limited (Tsb Sugar) and Wispeco Holdings Limited (Wispeco). As Rainbow Chicken (a 74% subsidiary) is listed on the JSE, detailed information regarding its financial, sustainability and social performance is available on its website at www.rainbowchicken.co.za.

Both Tsb Sugar and Wispeco are unlisted wholly owned subsidiaries which are operated and managed on a decentralised basis as independent entities with autonomous boards of directors. Based on the above, as well as the fact that these companies only represent 4.5% of Remgro's intrinsic net asset value, only summarised "non-financial" disclosure relating to social and environmental performance will be provided for these companies. This is in line with Remgro's reporting on the financial performance of these companies.

Following on the philosophy outlined above, Remgro manages all investee companies on the same decentralised basis, irrespective of whether they are subsidiaries, associates or joint ventures. Therefore data relating to the social and environmental performance of subsidiaries, associates and joint ventures, over which Remgro does not exercise operational control, are not covered in this report. However, information is provided in instances where material sustainable development issues are at stake. Except where otherwise indicated, all disclosures relating to social and environmental performance thus only relate to Remgro's activities at its head office in Stellenbosch.

During the period under review Remgro changed its financial year-end from 31 March to 30 June. The Integrated Annual Report thus covers the results for the fifteen months ended 30 June 2011. For more detail relating to the change in financial year-end, refer to the Chief Financial Officer's Report on page 29.

OWNERSHIP STRUCTURE

Remgro's issued share capital consists of two classes of shares, as follows:

> Ordinary shares of 1 cent each that are listed on the JSE; and

> Unlisted B ordinary shares of 10 cents each.

Each ordinary share has one vote, while each B ordinary share has ten votes. All of the unlisted B ordinary shares are held by Rembrandt Trust (Pty) Limited (Rembrandt Trust), a company incorporated in South Africa which is the holding vehicle for Rupert family interests in Remgro. As at 30 June 2011 the unlisted B ordinary shares were entitled to 42.61% (31 March 2010: 42.64%) of the total votes of shareholders of the Company.

An analysis of major shareholders appears on pages 200 and 201.

COMPANY HISTORY

1940s

Remgro Limited's (Remgro) founding history goes back to the forties of the previous century when the founder of the Group, Dr Anton Rupert, established in Johannesburg, South Africa, the tobacco company Voorbrand, forerunner of Rembrandt Group Limited (Rembrandt). Rembrandt was incorporated in 1948.

Rembrandt thus entered the South African cigarette and tobacco industry in 1948 and in the fifties expanded abroad through the establishment of various international partnerships.

Rembrandt's interests in the wine and spirits industry also dates back to the 1940s when Dr Rupert and Dr D W R Hertzog founded Distillers Corporation.

1950s

Rembrandt was listed on the JSE Securities Exchange South Africa in 1956.

1970s

In 1972, the overseas tobacco interests of Rembrandt were consolidated in Rothmans International, which was listed on the London Stock Exchange.

Since the 1970s Rembrandt expanded its interests outside tobacco, wine and spirits with investments in various other economic sectors in South Africa, amongst which were banking and financial services, mining, printing and packaging, medical services, engineering and food interests.

1980s

The separation of local and overseas interests was effected in 1988 with the founding of Compagnie Financière Richemont AG (Richemont) – a Swiss-listed luxury goods group which then also acquired the shares in Rothmans International.

1990s

During 1993, Rembrandt co-founded South Africa's first cellular telephony company Vodacom, which was eventually disposed of in 2006 by VenFin Limited (VenFin). In 1995, Rembrandt and Richemont consolidated their respective tobacco interests in Rothmans International, at the time the world's fourth largest cigarette manufacturer, which was then delisted, and then in 1999 merged these interests with those of British American Tobacco Plc (BAT), the world's second largest cigarette producer. Since then the investment in BAT was held through a joint holding company in which Rembrandt (now Remgro) and Richemont held 33⅓% and 66⅔% respectively. Following the above restructuring, Rembrandt became a pure investment holding company with no operating activities.

2000

The restructuring of Rembrandt was advanced a step further in September 2000 when the South African pyramid holding structure, consisting of four listed companies, was collapsed into two listed companies, namely Remgro and VenFin. Following the restructuring, Remgro represented Rembrandt's established interests in tobacco, financial services, mining and industry, while the telecommunication and technology interests were housed in VenFin.

2008

During November 2008 Remgro unbundled its investment in BAT to its shareholders by way of an interim dividend *in specie* amounting to a total amount of R55.2 billion. Following the BAT unbundling the Group's remaining interests consisted mainly of investments in banking and financial services, printing and packaging, motor components, glass products, medical services, mining, petroleum products, food, wine and spirits and various other trade mark products.

2009

During November 2009 Remgro and VenFin merged again, adding media and technology interests to the Group's investments.

GROUP STRUCTURE AT 30 JUNE 2011

REMGRO LIMITED

(PRINCIPAL INVESTMENTS)

ASSOCIATED COMPANIES AND OTHER

FINANCIAL SERVICES	
31.5%	RMBH
34.9%	RMI Holdings
4.0%	FirstRand
INDUSTRIAL INTERESTS	
50.0%	Air Products South Africa
33.5%	Distell
42.3%	Kagiso Trust Investments
45.2%	Mediclinic
28.5%	PGSI
24.9%	Total South Africa
25.8%	Unilever South Africa
MEDIA INTERESTS	
31.6%	Sabido
34.5%	MARC
MINING INTERESTS	
4.4%	Implats
TECHNOLOGY INTERESTS	
43.8%	CIV group
25.0%	SEACOM
34.4%	Tracker
OTHER INVESTMENTS	
29.8%	Business Partners

SUBSIDIARY COMPANIES

INDUSTRIAL INTERESTS	
100.0%	Tsb Sugar
100.0%	Wispeco
73.6%	Rainbow
CORPORATE AND OTHER INTERESTS	
100.0%	Remgro Finance Corporation
100.0%	Remgro Management Services
100.0%	Remgro International – Jersey

Percentages represent the effective interests held. Annexures A and B in the Financial Report provide further information of subsidiary companies and investments.

EXECUTIVE MANAGEMENT STRUCTURE – HOW REMGRO IS MANAGED




M H Visser (57)	W E Bührmann (56)	L Crouse (58)	J J Durand (44)
CHIEF EXECUTIVE OFFICER	**INVESTMENTS**	**CHIEF FINANCIAL OFFICER**	**CHIEF INVESTMENT OFFICER**
BComm (Hons), CA(SA)	BComm, CTA, CA(SA)	BComm, CTA, CA(SA)	BAcc (Hons), MPhil, CA(SA)
Years of service with the Group: 31	Years of service with the Group: 24	Years of service with the Group: 3	Years of service with the Group: 15

The Remgro Limited Board of Directors ultimately leads and controls the Group in all issues of a material or strategic nature, which can impact the reputation and performance of the Group. Following the successful acquisition of VenFin Limited during November 2009 a Management Board was established as a subcommittee of the Remgro Board that is mainly responsible for determining policies, monitoring and managing existing investments, identifying and recommending new investment opportunities and executing the decisions and strategy of the Board. Other issues, as mandated by the Board, are dealt with at senior management level as permitted in terms of a formal delegation of authority that directs limits of delegation and approval mandates.

The Management Board, together with senior management, also aims to instil a culture of compliance and good governance throughout the Remgro Group. As at 30 June 2011 the Management Board comprised seven members, being all six executive directors as well as the head of Remgro's Corporate Finance division, Mr Neville Williams.

The schematic presentation on page 9 provides more detail on the day-to-day responsibilities and delegated authorities of the individual members of the Management Board.

J W Dreyer (60)	J A Preller (61)	N J Williams (47)
INVESTMENTS	**CORPORATE AFFAIRS**	**CORPORATE FINANCE**
BComm, LLB, H Dip Co Law, H Dip Tax	BEcon	BComm (Hons), CA(SA)
Years of service with the Group: 11	Years of service with the Group: 39	Years of service with the Group: 17

BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER
M H VISSER

MANAGEMENT BOARD

- **CORPORATE AFFAIRS** J A PRELLER
- **CHIEF FINANCIAL OFFICER** L CROUSE
  - **TREASURY**
  - **FINANCE**
  - **HUMAN RESOURCES**
- **CHIEF INVESTMENT OFFICER** J J DURAND
  - **STRATEGIC INVESTMENTS** J W DREYER
  - **NEW INVESTMENTS** W E BÜHRMANN
  - **CORPORATE FINANCE** N J WILLIAMS
  - **VENTURE CAPITAL**
- **SECRETARIAL**

KEY OBJECTIVES AND PRINCIPAL INTEGRATED RISKS

REMGRO'S KEY OBJECTIVES

Managing with a view to maximising value creation and sustainable growth

> We focus on the creation of shareholder value and sustainable growth by investing in businesses that can deliver superior earnings and dividend growth over the long term;

> This objective is underpinned by Remgro's investment philosophy and strategy and also its understanding of all risks and opportunities associated with the Group's investment portfolio; and

> These risks and opportunities are continuously measured against the risk appetite and risk-bearing capacity determined by the Board.

Doing business ethically

> By always considering the impact of the Company's strategy on the commercial sustainability of the Company, the economic life of the society in which it operates, as well as the environment, results in being a responsible corporate citizen and investor;

> Leadership based on ethical foundations results in a natural culture of ethical and moral behaviour and compliance with laws, rules, codes and standards; and

> Thereby positioning ourselves as an investment partner of choice.

PRINCIPAL INTEGRATED RISKS

Remgro's three principal risks are summarised below. A more comprehensive analysis of our risk management process is provided in the Risk Management Report, while our main financial risks, including those relating to the global economy and currencies are disclosed in the Chief Financial Officer's Report.

RISK	CONTEXT
The destruction of value due to poor management of existing investments, including management at investee company level.	The successful management of investments are dependent upon a proper understanding of the businesses of the investee companies and also in identifying the appropriate Remgro executives that will represent it on the boards of the investee companies.
The loss of value or opportunity to create value due to inefficient or ineffective identification or acquisition of new investments or the disinvestment from existing investments.	Sound investment evaluation processes and qualified personnel need to be in place in order to prevent poor investment/disinvestment decisions being taken.
Risk of financial and/or reputational loss attributed to the selection of inappropriate executive directors and/or officers.	The appointment of inappropriate personnel can have negative consequences on the Company's reputation. The assessment of new senior appointments and succession planning is thus pivotal to the success of the Company.

PRINCIPAL INTEGRATED SUSTAINABILITY DRIVERS

The following aspects are considered fundamental to the sustainability of growth and wealth creation:

> Remgro's size and influence enables it to acquire significant stakes in entities that are big enough to have a significant effect on Remgro's results;

> The availability of surplus cash enables Remgro to make new investments or to increase its stake in well-performing investments, or fund growth opportunities by means of shareholder loans; and

> The ability to add value to investee companies by means of skilled and experienced executives.

OUR BUSINESS MODEL

HOW THE INVESTMENTS ARE MANAGED

As indicated earlier, Remgro only has an interest in three significant operating subsidiaries, i.e. Rainbow Chicken (listed), as well as Tsb Sugar and Wispeco (both unlisted). Due to its philosophy of decentralised management, all three of these companies have autonomous boards of directors and management structures and Remgro only exerts its influence through non-executive representation on the boards of these companies.

Remgro's other investments comprise both listed and unlisted companies that are not controlled by Remgro and which are mostly associated companies and joint ventures due to the significant influence or joint control exercised by Remgro through its Board representation in those investee companies. Where Remgro does not have Board representation such investments are treated as portfolio investments.

Remgro manages its investments on a decentralised basis and its involvement is concentrated mainly on the management of the investee companies and the provision of support rather than on being involved in the day-to-day management of business units of investees. The Remgro Limited Board considers it in the best interest of all the parties concerned to respect the decentralised business model and the fact that these businesses are conducted in separate legal entities. The support provided to the investee companies can either be in the form of financial and/or managerial support, or the unlocking of value by means of creating the environment for possible deal-making.

It should be stressed that the above management philosophy is applied to all investee companies, irrespective of the level of control that can be exercised.

Shareholder agreements are in place for Remgro's associates and joint ventures where there are also other major shareholders involved. These agreements protect its rights as shareholder and minimise risk. In terms of these agreements Remgro has decision-making involvement for a defined list of material matters of the businesses of these entities, such as the appointment/removal of directors, business strategy, large capital expenditure and mergers, acquisitions and disposals.

As a shareholder of the investee companies, Remgro also exercises its shareholder rights to ensure as far as possible that the entities concerned adhere to its requirements in respect of matters such as governance, internal controls, financial management, risk management, legal compliance, safety, health and environmental management, internal audit, ethics management, information management, stakeholder relationships and sustainability.

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 in order to have significant influence. Sound management and the ability to generate strong cash returns and growth are important investment criteria. Remgro focuses on the southern African market but international opportunities will be considered with reputable partners. Remgro forges strategic alliances on a partnership basis and endeavours to add value where possible. The purpose is to ensure superior returns to shareholders by way of dividend and capital growth.

Keeping the above in mind, Remgro's investment strategy can thus be summarised as follows:

> Emphasis on investments that will make a significant contribution to Remgro's earnings;

> Aim to acquire significant influence and Board representation;

> Expected return on investments greater than Remgro's Weighted Average Cost of Capital;

> Preference for unlisted investments;

> Investments in listed entities where Remgro can identify value over the long term;

> Focus on South African investments; and

> Will consider foreign investments on an opportunistic basis.

Non-financial investment criteria would include, inter alia:

> Benefits of products and their life cycles;

> Prevailing culture and ethics of the Board and management team;

> Environmental footprint of the enterprise; and

> Social benefit of the enterprise.

UNDERSTANDING THE BUSINESS OF AN INVESTMENT HOLDING COMPANY

GENERAL

The business of an investment holding company differs substantially from that of an operating company. In the latter case products and/or services are being sold at a certain gross profit margin, thereby creating revenue and cash inflows for the entity concerned. Strong cash flows and shareholder value is accordingly created by increasing revenue, as well as by limiting expenditure and optimising operational efficiencies, thus increasing the net profit from which dividends can be paid to shareholders.

In the case of an investment holding company no products and/or services are being sold. This, together with the specific accounting treatment that is required for different classes of investments in terms of International Financial Reporting Standards, has the effect that the net profit of an investment holding company is not always a fair reflection of its underlying cash flows and financial soundness. Similarly, the variance in net profit between reporting periods will not always be a good indication of the trend in dividends to be paid to shareholders. The value and performance of the underlying investments, rather than the activities at holding company level, will thus to a large extent determine the value created by investment holding companies for its shareholders.

In the section below we aim to provide more information on the following:

> How we make our money; and

> Distributions to shareholders.

HOW WE MAKE OUR MONEY

In order to understand how Remgro makes its money, one first needs to understand its reported results.

Remgro's statutory reported net profit consists primarily of the following:

> Consolidated results of its operating subsidiaries, i.e. Rainbow Chicken, Tsb Sugar and Wispeco;

> Equity accounted results of its investments in associates and joint ventures, e.g. FirstRand, RMBH and Mediclinic, the three biggest contributors towards net profit;

> Profits realised on the sale/distribution of investments;

> Dividends received from investee companies not classified as subsidiaries, associates and joint ventures, e.g. Implats and Caxton;

> Interest received on surplus cash;

> Net corporate costs, including remuneration and other benefits paid to employees; and

> Taxation

As is evident from the above, the dividends received from operating subsidiaries, associates and joint ventures are not included in Remgro's reported net profit. Furthermore, any profits realised on the sale/distribution of investments are also excluded from reported headline earnings in terms of SA GAAP.

Being an investment holding company, however, and contrary to the treatment in terms of accounting standards, Remgro's main source of income consists of dividends and interest received, as well as cash received on the realisation of investments and loans.

The best approximation of Remgro's profit at holding company level ("at the centre") should, in our view, thus comprise the following:

> Dividends received from investee companies;

> Interest received on surplus cash;

> Cash received on the realisation of investments and loans;

> Net corporate costs, including remuneration and other benefits paid to employees;

> Taxation paid; and

> Foreign exchange movements on surplus cash.

The net result of the above is available cash at the centre in order to make new investments and/or pay dividends to shareholders.

Given its nature as an investment holding company and the substantial amount of cash held, cash management and the control of treasury risks are regarded as very important. This includes the management of movements in foreign exchange rates and this area is covered in more detail in the Chief Financial Officer's Report on page 29. Also refer to page 34 for a detailed analysis of "cash movement at the centre" for the period under review.

Remgro further measures its performance in terms of the increase in its intrinsic net asset value. This measures the growth in the underlying value of the various investee companies. Refer to the Chief Investment Officer's Report on page 38 for a detailed analysis of Remgro's intrinsic net asset value.

DISTRIBUTIONS TO SHAREHOLDERS

Dividends to shareholders are funded from dividend income and interest received at the centre.

In terms of normal dividends to shareholders, it is the Company's objective to provide shareholders with a consistent annual dividend flow which at least, protects them against inflation, throughout the cycles.

As in the past, in special circumstances, the Company will consider other distributions in the form of special dividends or the unbundling of investments to shareholders.

SEVEN-YEAR REVIEW

CONSOLIDATED INCOME STATEMENTS

R million	Fifteen months ended 30 June 2011	Twelve months ended 31 March 2010	2009	2008	2007	2006	2005
Profit before taking into account the following	**989**	1 044	1 218	1 578	1 476	1 938	1 384
Non-recurring and capital items and impairments	**2 327**	(188)	40 345	1 684	51	3 165	2 216
Consolidated profit before tax	**3 316**	856	41 563	3 262	1 527	5 103	3 600
Taxation	**(480)**	(309)	(945)	(419)	(403)	(857)	(417)
Consolidated profit after tax	**2 836**	547	40 618	2 843	1 124	4 246	3 183
Share in after-tax profit of associated companies and joint ventures	**8 112**	2 619	4 806	7 210	6 003	4 354	5 742
Net profit after tax	**10 948**	3 166	45 424	10 053	7 127	8 600	8 925
Non-controlling interest	**(107)**	(106)	(94)	(160)	(185)	(398)	(407)
Attributable net profit for the period	**10 841**	3 060	45 330	9 893	6 942	8 202	8 518
Headline earnings	**5 555**	3 355	4 660	7 991	6 892	5 084	4 998
Headline earnings per share (cents)	**1 082.4**	690.1	987.7	1 692.8	1 453.6	1 052.3	1 005.0
Headline earnings per share from continuing operations (cents)#	**1 082.4**	690.1	671.5	964.1			
Headline earnings per share – excluding non-recurring portion of BEE costs (cents)*	**1 082.4**	690.1	987.7	1 700.7	1 453.6	1 130.9	1 005.0
Earnings per share (cents)	**2 112.4**	629.4	9 607.9	2 095.7	1 464.2	1 697.6	1 712.9
Dividends per share (cents)							
– Ordinary	**314**	209	190	510	434	361	314
– Special						400	600

The figures for 2005 above have been restated in terms of IFRS.

During November 2008 the investment in British American Tobacco Plc (BAT) was distributed to Remgro shareholders as an interim dividend in specie. In order to facilitate year on year comparison, headline earnings per share are also presented for continuing operations which excludes the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling.

* *During the 2006 financial year, various companies in the Group concluded black economic empowerment (BEE) transactions. Due to the material effect that the accounting treatment of these transactions had on Remgro's results, headline earnings per share in the 2006 financial year were also presented excluding the non-recurring portion of BEE costs. During the 2008 financial year, Rainbow Chicken Limited also concluded a BEE transaction and accordingly headline earnings per share were again presented excluding the non-recurring portion of BEE costs.*

SEVEN-YEAR REVIEW

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND CASH FLOWS

R million	**30 June 2011**	31 March 2010	2009	2008	2007	2006	2005
STATEMENTS OF FINANCIAL POSITION							
Property, plant and equipment	**3 270**	3 241	2 866	2 668	2 564	2 444	4 120
Investments – Associated companies	**34 920**	28 052	23 795	43 175	33 033	26 098	28 201
Other non-current assets	**6 933**	7 295	5 430	9 132	6 802	4 584	2 645
Current assets	**10 864**	9 470	10 025	6 852	7 460	8 210	4 773
Total assets	**55 987**	48 058	42 116	61 827	49 859	41 336	39 739
Total equity	**52 330**	44 083	38 787	57 875	46 427	38 090	36 844
Non-current liabilities	**1 481**	1 517	1 172	1 872	1 580	1 144	866
Current liabilities	**2 176**	2 458	2 157	2 080	1 852	2 102	2 029
Total equity and liabilities	**55 987**	48 058	42 116	61 827	49 859	41 336	39 739
Net asset value per share (Rand)							
(attributable to own members)							
– at book value	**100.37**	84.38	80.75	121.11	96.69	78.14	71.51
– at intrinsic value	**135.97**	121.64	99.15	253.67	221.00	157.59	119.97

R million	**Fifteen months ended 30 June 2011**	Twelve months ended 31 March 2010	2009	2008	2007	2006	2005
STATEMENTS OF CASH FLOWS							
Cash (utilised)/generated from/(by) operations	**52**	(273)	883	1 232	1 666	1 474	1 566
Cash flow generated from returns on investments	**2 733**	1 531	1 642	3 801	3 040	4 200	2 670
Taxation paid	**(407)**	(144)	(280)	(497)	(676)	(369)	(546)
Cash available from operating activities	**2 378**	1 114	2 245	4 536	4 030	5 305	3 690
Dividends paid	**(1 220)**	(1 006)	(2 120)	(2 252)	(3 813)	(4 676)	(2 642)
Cash flow from operating activities	**1 158**	108	125	2 284	217	629	1 048
Net investing activities	**(671)**	(1 381)	1 053	(3 438)	(1 725)	3 364	(2 203)
Net financing activities	**87**	(5)	10	84	70	99	9
Net increase/(decrease) in cash and cash equivalents	**574**	(1 278)	1 188	(1 070)	(1 438)	4 092	(1 146)

The figures for 2005 above have been restated in terms of IFRS.

SHARE STATISTICS

	Fifteen months ended 30 June 2011	Twelve months ended 31 March 2010	2009	2008	2007	2006
Weighted number of unlisted B ordinary shares ('000)	**35 506**	35 506	35 506	35 506	35 506	35 506
JSE Limited						
Weighted number of Remgro ordinary shares in issue – excluding the unlisted B ordinary shares ('000)	**477 703**	450 647	436 292	436 547	438 617	447 648
Market capitalisation at end of period (R million) – Ordinary shares only	**53 691**	47 148	29 665	87 973	81 233	60 588
Price (cents per share)						
– Last day of period	**11 160**	9 800	6 750	19 593	18 100	13 500
– Highest	**11 539**	10 250	21 401	20 700	18 294	13 800
– Lowest	**9 100**	6 899	6 100	17 200	12 200	9 150
Number of shares traded ('000)	**311 457**	310 748	416 657	289 937	236 577	284 396
Value of shares traded (R million)	**32 652**	26 117	56 990	53 841	35 509	32 732
Shares traded/weighted number of ordinary shares (%)	**65.2**	69.0	95.5	66.4	53.9	63.5
Number of transactions	**431 614**	284 637	300 257	201 515	126 747	100 309

Our Board comprises four non-executive directors, eight independent non-executive directors and six executive directors

The quality of our Board is fundamental to the growth and success of our business and our non-executive directors provides a wide range of business, financial and global experience.

NON-EXECUTIVE DIRECTORS

J P Rupert (61)	APPOINTED: 18 August 2000

CHAIRMAN

Directorships: Compagnie Financière Richemont SA (Executive Chairman and Chief Executive Officer), Reinet Investments Manager SA (Chairman). He studied economics and company law at the University of Stellenbosch and has had an extensive career in international business, banking and finance. After working for Chase Manhattan Bank and Lazard Frères in New York he founded Rand Merchant Bank in 1979. In 1985 he joined the Rembrandt Group. He holds honorary doctorates in Law, Economics and Commerce, is the Chancellor of the University of Stellenbosch and Chairman of the Peace Parks Foundation.

E de la H Hertzog (61)	APPOINTED: 18 August 2000

DEPUTY CHAIRMAN

Directorships: Executive Chairman of Mediclinic International Limited since 1992. Dr Hertzog also serves on the Board of Distell Group Limited and Total South Africa (Pty) Limited. He has a Master of Medicine degree and is a Fellow of the Faculty of Anaesthesiologists. He is a past chairman of the Council of Stellenbosch University and has served as non-executive Deputy Chairman of Remgro since June 2005.

P E Beyers (61)	APPOINTED: 18 August 2000

Directorships: Distell Group Limited and Unilever South Africa Holdings (Pty) Limited. Mr Beyers graduated from the University of Cape Town with an MBA and a Bachelor of Law and Bachelor of Commerce degree from the University of Stellenbosch. He has served as a director on numerous boards.

J Malherbe (55)	APPOINTED: 11 October 2006

Directorships: Compagnie Financière Richemont SA, Reinet Investments Manager SA, Richemont Securities SA and Specpharm Holdings (Pty) Limited. He qualified as a Chartered Accountant and worked with a predecessor firm of PricewaterhouseCoopers before joining Rand Merchant Bank in 1985. He joined the Rembrandt Group in 1990.

INDEPENDENT NON-EXECUTIVE DIRECTORS

G T Ferreira (63) | APPOINTED: 4 November 2009

LEAD INDEPENDENT DIRECTOR

Directorships: Currently the Chairman of RMB Holdings Limited. He has been involved in the financial services sector since graduating with commerce degrees from the University of Stellenbosch. Previous Chairmanships include AIG (SA) (Pty) Limited, FirstRand Limited, FirstRand Bank Limited, Rand Merchant Bank Limited and the Merchant Bankers Association of South Africa. Previous Directorships include Anglo American Corporation Limited, FirstRand Limited, First National Bank Limited, GlenRand MIB Limited, the Industrial Development Corporation, Lenco Limited, Malbak Limited and Momentum Life Limited. He is a member of the Investment Committee, the Remuneration and Nomination Committee and a Trustee of the Remgro Share Trust.

P K Harris (61) | APPOINTED: 28 November 2001

Directorships: Non-executive Director of FirstRand Limited, FirstRand Bank Holdings Limited, MMI Limited and RMB Holdings Limited. Mr Harris is a member of the Remuneration and Nomination Committee, the Investment Committee and a Trustee of the Remgro Share Trust. He graduated from Stellenbosch University with an MComm in Economics and Finance. He co-founded Rand Consolidated Investments, which acquired control of Rand Merchant Bank in 1985. He was a founding board member of FirstRand after the merger of the financial services interests of Anglo American Corporation of South Africa and RMB Holdings Limited.

N P Mageza (56) | APPOINTED: 4 November 2009

Directorships: Until recently the Chief Operations Officer of the Absa Group. He is a Chartered Certified Accountant and a Fellow of The Association of Chartered Certified Accountants (ACCA) UK, as well as a director of a number of companies including Bidvest Group Limited, Clover Industries Limited, MTN Group Limited, Rainbow Chicken Limited and Sappi Limited. He has gained extensive experience through holding various executive positions in the audit, financial services and the transport and logistics sectors. He is a member of the Audit and Risk Committee.

P J Moleketi (54) | APPOINTED: 4 November 2009

Directorships: A former Deputy Minister of Finance of the Republic of South Africa and Gauteng Province MEC of Finance and Economic Affairs as well as a director of a number of companies including Brait South Africa, Development Bank of South Africa, Harith Fund Managers, MMI Holdings Limited and Vodacom Group Limited. He holds postgraduate economics and management qualifications from the University of London and Harvard Business School and has extensive international exposure, extensive strategic leadership skills and in-depth corporate governance experience in both the public and private sectors. He is a member of the Audit and Risk Committee.

M M Morobe (54) | APPOINTED: 18 June 2007

Directorships: Chief Executive Officer of Kagiso Media Limited and director of City Year South Africa, Kagiso Media Limited group of companies and Resolve Group (Pty) Limited. Murphy Morobe is a well-known figure from South Africa's anti-apartheid movement. As a leader of the liberation struggle, he served three years on Robben Island until being released in 1982. He cares about making the world a better place and takes opportunities to make a difference. He involves himself with various social causes such as WWF, Food and Trees for Africa and City Year South Africa, a youth community service initiative.

M A Ramphele (63) | APPOINTED: 4 November 2009

Directorships: A former Managing Director of The World Bank and former Vice-Chancellor of the University of Cape Town. She was appointed Chairperson of Gold Fields in 2010 and Technology Innovation Agency in 2009. She was the Founder of Letsema Circle and is a director of a number of companies including Anglo American Plc, Dinokeng Scenarios (Chair of Convenors), Mediclinic International Limited and Edu-Loan. Dr Ramphele is a medical doctor with, inter alia, a PhD in Social Anthropology and a commerce degree. She has received numerous prestigious national and international awards including 20 honorary doctorates acknowledging her scholarship, her service to the community and her leading role in raising development issues and spearheading projects for disadvantaged persons throughout South Africa.

F Robertson (56) | APPOINTED: 28 March 2001

Directorships: Executive Deputy Chairman of Brimstone Investment Corporation Limited. Mr Robertson and his business partner formed Brimstone Investments Corporation Limited from a start-up in 1995, which is now listed on the JSE. He is also Chairman of Commlife Holdings, Lion of Africa Insurance Company, Lion of Africa Life Assurance Company Limited, House of Monatic and Sea Harvest Corporation (Pty) Limited. He is a member of the Audit and Risk Committee, the Remuneration and Nomination Committee and a Trustee of the Remgro Share Trust.

H Wessels (66) | APPOINTED: 22 August 2008

Directorships: Mr Wessels is a director of Keeromstraat 30 Investments Limited, Naspers Investments Limited, Trencor Limited and Peace Parks Foundation. A former partner at PricewaterhouseCoopers and former Chairman of the Governing Board of the South African practice, Mr Wessels uses his extensive experience and knowledge as a consultant in financial business matters. He holds a BComm (US), CTA (Unisa) and CA(SA). He is chairman of the Audit and Risk Committee and attends various other committee meetings as an invitee.

DIRECTORATE AND MEMBERS OF COMMITTEES

EXECUTIVE DIRECTORS

M H Visser (57)		
CHIEF EXECUTIVE OFFICER	BComm (Hons), CA(SA)	Years of service with the Group: 31
Directorships: Distell Group Limited, FirstRand Limited, Mediclinic International Limited, PGSI Limited, PG Group Limited, Rainbow Chicken Limited (Chairman), RMB Holdings Limited, RMI Holdings Limited and Unilever South Africa Holdings (Pty) Limited.		

W E Bührmann (56)		
INVESTMENTS	BComm, CTA, CA(SA)	Years of service with the Group: 24
Directorships: Currently a director of Invenfin (Pty) Limited. Served on various boards including Air Products South Africa (Pty) Limited, Mediclinic International Limited, Rainbow Chicken Limited and Tsb Sugar Holdings (Pty) Limited.		

L Crouse (58)		
CHIEF FINANCIAL OFFICER	BComm, CTA, CA(SA)	Years of service with the Group: 3
Directorships: CIV Fibre Network Solutions (Pty) Limited, Dark Fibre Africa (Pty) Limited, FirstRand Limited, FirstRand Bank Limited and Total South Africa (Pty) Limited.		

J W Dreyer (60)		
INVESTMENTS	BComm, LLB, H Dip Co Law, H Dip Tax	Years of service with the Group: 11
Directorships: Air Products South Africa (Pty) Limited, Business Partners Limited, Dorbyl Limited, Kagiso Trust Investments (Pty) Limited, RMB Holdings Limited, RMI Holdings Limited, Tsb Sugar Holdings (Pty) Limited and Wispeco Holdings Limited.		

J J Durand (44)		
CHIEF INVESTMENT OFFICER	BAcc (Hons), MPhil (Oxon), CA(SA)	Years of service with the Group: 15
Directorships: Rainbow Chicken Limited, former Chief Executive Officer of VenFin Limited and currently a director of a number of companies including Capevin Investments Limited, Invenfin (Pty) Limited, Kagiso Trust Investments (Pty) Limited, Sabido Investments (Pty) Limited, Tracker Investments Holdings (Pty) Limited and Discovery Holdings Limited.		

J A Preller (61)		
CORPORATE AFFAIRS	BEcon	Years of service with the Group: 39
Directorships: Responsible for corporate affairs and corporate social investments of the Company. Non-executive director of Vendome Distributors (Pty) Limited and serves on the board of the South African College of Tourism.		

MEMBERS OF COMMITTEES	
Audit and Risk Committee	H Wessels (Chairman); N P Mageza; P J Moleketi; F Robertson
Investment Committee	J P Rupert (Chairman); L Crouse; J J Durand; G T Ferreira; P K Harris; J Malherbe; M H Visser
Management Board	M H Visser (Chairman); W E Bührmann; L Crouse; J W Dreyer; J J Durand; J A Preller; N J Williams
Remuneration and Nomination Committee	J P Rupert (Chairman); G T Ferreira; P K Harris; F Robertson

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	30 June
Annual general meeting	Thursday, 24 November 2011

FINANCIAL REPORTS

Announcement of interim results	March
Interim report	March
Announcement of annual results	September
Annual financial statements	October

DIVIDENDS

Interim dividend	
– declared	March
– paid	April
Final dividend	
– declared	September
– paid	November

FINAL DIVIDEND NUMBER 22

Ordinary dividend per share	213 cents
Last day to trade in order to participate in the final dividend	Friday, 11 November 2011
Trading on or after this date will be ex the final dividend	Monday, 14 November 2011
Record date	Friday, 18 November 2011
Payment date	Monday, 21 November 2011

COMPANY INFORMATION

SECRETARY
M Lubbe

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 (Pty) Limited
70 Marshall Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107

AUDITORS
PricewaterhouseCoopers Inc.
Stellenbosch

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

WEBSITE
www.remgro.com

REPORTS TO SHAREHOLDERS

Chairman and Chief Executive Officer's Report

JOHANN RUPERT
CHAIRMAN

THYS VISSER
CHIEF EXECUTIVE OFFICER

AT A GLANCE

- INTRODUCTION OF KING III LED TO THE STRENGTHENING OF GOVERNANCE STRUCTURES
- FIRST COMPREHENSIVE SUSTAINABLE DEVELOPMENT REPORT
- CHANGE IN YEAR-END FROM 31 MARCH TO 30 JUNE
- INCREASE OF 11.8% IN INTRINSIC VALUE PER SHARE COMPARED TO 31 MARCH 2010
- INCREASE IN TOTAL ORDINARY DIVIDENDS PER SHARE OF 50.2%

CHAIRMAN AND
CHIEF EXECUTIVE OFFICER'S REPORT

ECONOMIC OVERVIEW

Global economic growth exceeded expectations in 2010 as stimulus measures in countries such as Japan resulted in more robust than projected consumer demand recoveries. The IMF estimates that the world economy expanded by 5.1% in 2010, significantly above the 3.9% projected at the start of the year.

The fairly robust global growth performance was despite a number of spillovers from the 2008/09 recession that weighed on global sentiment. Most notable was the sovereign debt crisis that continues to constrain economic activity in Greece, Portugal and Ireland. Recent indications of contagion to more important European nations such as Spain, Italy and even France (especially the French banking sector) pose an even greater threat to global financial stability and the future of the euro currency. The impact of continued uncertainty is reflected in the low quality of GDP growth, especially in advanced economies, i.e. job growth remains lacklustre in countries like the US and the UK. Of the 8.6 million jobs lost in the US between December 2007 and December 2009, only 1.6 million have been recovered since the start of 2010.

Since early August, renewed concern about global growth prospects resulted in sharp declines on world stock markets, while sentiment surveys (both consumer and business) in the US and Europe deteriorated markedly.

After declining by 1.7% in 2009, the South African economy recovered to grow by 2.8% during 2010. In its June Quarterly Bulletin, the South African Reserve Bank (SARB) reported that the downswing in the South African business cycle that included the 2008/09 recession and started in December 2007, reached its lowest point during August 2009. The downward phase of the business cycle lasted 21 months, in line with the average duration of business cycle downswings of just over 20 months in the post-World War II era.

The economy has been in an upward business cycle phase since September 2009, i.e. 24 months up to the end of August 2011. Although, at this stage, there are no indications of an eminent end to the upswing, the South African growth recovery since 2009Q3 has been unbalanced. Increased consumer spending has contributed more than 80% to the GDP growth recorded since then, while the fixed investment recovery has been poor.

Another concerning aspect of the recovery to date has been the weak export performance. South African export growth not only underperformed other emerging markets, but also lagged the export growth of advanced economies. The unbalanced nature of the domestic recovery raises sustainability questions.

However, in the first half of 2011, the global and South African economies continued the recovery process after the 2008/09 global financial crisis. Strong domestic GDP growth of 4.8% quarter on quarter (annualised) was recorded during the first quarter, driven by surging manufacturing output growth. The robust Q1 performance was despite a number of external shocks, the impact of which weighed on world and South African growth in 2011Q2. Indeed, domestic growth slowed sharply to only 1.3% quarter on quarter during Q2.

The sharp rise in the international oil price topped the list of adverse growth developments in early 2011. At about $105/bbl, the Brent crude oil price averaged almost $20 higher in Q1 than during 2010Q4 and increased further to an average of $119 in Q2. The spillover from the Japanese earthquake in March – particularly on vehicle production in a key country such as the US – was also more visible during Q2. A third driver of the easing global growth momentum was the impact of interest rate increases in important emerging countries such as China and India. Chinese GDP growth moderated from around 12% year on year in early 2010 to 9.5% year on year during 2011Q2.

The higher oil price not only weighed on the disposable income of consumers across the globe, but has also been a major contributor to higher world inflation. In July 2011, headline consumer prices in 34 industrialised (OECD) countries increased to just above 3% year on year – the highest level since November 2008. The consensus seems to be that the sharp gains in important commodity prices of early 2011 will not be repeated next year, which should result in an easing of global inflation during 2012.

Although the oil price has been very volatile of late, the Brent crude oil price remains around $10/bbl below its earlier peak. Along with a strong rebound in Japanese industrial production during April and May, the main factors that constrained global growth in Q2 are likely to be transitory. However, the recent escalation of the European sovereign debt crisis and weak US economic data pose new threats to the global economic outlook. The result is that the second half of 2011 may not see much of an improvement when measured against Q2. The increased risk aversion brought about by these and other risk factors is reflected in a record high gold price of above $1 900/oz at one stage.

Concern about the global outlook, along with domestic economic policy uncertainty, can help to explain why the South African private sector has been hesitant to invest. While the moderate global and domestic GDP growth recovery is set to continue, the fallout from the financial crisis and recession of 2008/09 is expected to linger for some time. With advanced countries hardest hit by the recession, the growth divergence between developed and developing countries is set to continue.

In the absence of a major crisis, the result is that foreign investor capital is projected to continue to migrate towards emerging markets such as South Africa. This creates both opportunities (stronger rand keeping inflation and interest rates in check), but also threats (manufactured exports hit by a firm currency and soft demand from regions like Europe). Domestic commodity exports should continue to benefit from strong Asian demand. However, the recent sharp weakening of the rand exchange rate towards R7.50/$ again highlighted how exposed South Africa is to a sudden shift in foreign investor risk appetite.

CORPORATE GOVERNANCE AND SUSTAINABILITY

The highest level of corporate governance, integrity and ethics have always been part of Remgro's way of doing business and are vitally important to our on-going sustainability as an investment partner of choice. The adoption of the third King Report on Governance for South Africa (King III) in 2010 and the introduction of the new Companies Act that became effective on 1 May 2011, presented Remgro with the opportunity to strengthen its governance structures. In this regard Mr G T Ferreira was appointed as Lead Independent Director on 25 November 2010 and a Risk and IT Governance Committee, which is a subcommittee of the Audit and Risk Committee, was also created.

Our 2011 Integrated Annual Report aims to provide a better understanding of Remgro's business model, how the Company is managed and how we manage our investments. As part of the Annual Report we also present Remgro's first Sustainable Development Report that provides more detailed information regarding the non-financial aspects of our business. In this regard it is important to note that the three pillars of sustainable development, namely Economic, Social and Environmental sustainability practices have always been part of Remgro's core values.

INVESTMENT ACTIVITIES

During the fifteen months ended 30 June 2011, Remgro invested R1 766 million in existing and new investments. The most significant of these investments were the participation in the FirstRand/RMBH restructuring process in terms of which FirstRand shareholders obtained a direct interest in MMI Holdings (MMI), as well as the separation of RMBH's insurance and banking interests, resulting in the listing of RMI Holdings. In terms of the restructuring Remgro disposed of its entire holdings in MMI to RMI Holdings in exchange for shares in RMI Holdings, and now has the following direct interests in the respective entities

RMI Holdings	34.9%
RMBH	31.5%
FirstRand	3.9%

In addition to the above Remgro also invested a further R592 million in Mediclinic in terms of a rights offer and also increased its investment in the CIV group of companies by investing an additional R552 million.

Remgro also sold its 13.3% interest in Nampak for a total consideration of R1 359 million, while the investment in Trans Hex was unbundled to Remgro shareholders.

SUMMARY OF FINANCIAL PERFORMANCE

Requirements of revised international auditing standards compelled us to change the financial year-end of the Company from 31 March to 30 June. As a result of the change in year-end and in order to comply with the Listings Requirements of the JSE Limited Remgro published a second set of interim results to shareholders for the twelve-month period ended 31 March 2011 during June 2011. For the fifteen months being reported on, the change in year-end has resulted in certain investee companies being accounted for either twelve, fifteen or eighteen months, compared to only twelve months in the comparative period, resulting in no meaningful comparison between the periods reported on. Further information regarding the impact of the change in year-end is provided in the Chief Financial Officer's Report on page 29.

Our intrinsic value per share increased by 11.8% from R121.64 at 31 March 2010 to R135.97 at 30 June 2011. This increase is mainly due to the steady increase in the market prices of the investments in the financial services sector, as well as an increase in the value of the unlisted investments.

DIVIDEND DECLARATION

A final ordinary dividend per share of 213 cents (2010: 125 cents) was declared. Total ordinary dividends per share in respect of the fifteen months to 30 June 2011 therefore amount to 314 cents (twelve months to 31 March 2010: 209 cents), representing an increase of 50.2%.

Shareholders should note that the total dividend for the period of 314 cents per share includes 63 cents per share in respect of the three months with which the financial year-end of the Group was extended to 30 June 2011.

DIRECTORATE AND ACKNOWLEDGEMENTS

Mr Theo van Wyk retired as an executive director from the Board of Remgro with effect from 31 January 2011. Mr van Wyk also served on the Management Board. We wish to thank him for his valuable contribution over many years.

We extend our sincere appreciation to all who contributed to the performance of the Group over the past fifteen months. 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
Chairman

Thys Visser
Chief Executive Officer

Stellenbosch
20 September 2011

Chief Financial Officer's Report

LEON CROUSE
CHIEF FINANCIAL OFFICER

AT A GLANCE

CHANGE IN FINANCIAL YEAR-END FROM 31 MARCH TO 30 JUNE – GROWTH IN HEADLINE EARNINGS AND DIVIDEND PER SHARE THEREFORE NOT COMPARABLE

INCREASE IN HEADLINE EARNINGS PER SHARE OF 56.8%

AVAILABLE CASH AT THE CENTRE AMOUNTING TO R5 852 MILLION, UP 25.5%

CHANGE OF PAYMENT CYCLE FOR FUTURE DIVIDEND PAYMENTS RESULTING FROM CHANGE IN YEAR-END

SALIENT FEATURES

	Fifteen months ended 30 June 2011	Twelve months ended 31 March 2010	% change
Headline earnings (R million)	**5 555**	3 355	*65.6*
– per share (cents)	**1 082.4**	690.1	*56.8*
Earnings (R million)	**10 841**	3 060	*254.3*
– per share (cents)	**2 112.4**	629.4	*235.6*
Dividends per share (cents)			
Ordinary	**314.00**	209.00	*50.2*
– Interim	**101.00**	84.00	*20.2*
– Final	**213.00**	125.00	*70.4*
Intrinsic value per share (Rand)	**135.97**	121.64	*11.8*

INTRODUCTION

Due to Remgro being an investment holding company, traditional measurements of performance like sales or gross profit are not meaningful criteria for evaluating the Group's performance. However, management uses "headline earnings", "intrinsic value" and "cash at the centre" to evaluate the performance of the Group on a continuous basis and hence these concepts will also be used throughout the Integrated Annual Report to provide shareholders with a better understanding of our results.

CHANGE IN FINANCIAL YEAR-END

During the period under review the financial year-end of the Company was changed from 31 March to 30 June, with effect from the current financial year. The rationale for the change was to comply with the revised International Auditing Standard 600 (ISA 600), as fully set out in the announcement released on SENS on 16 March 2011.

As a result of the change in year-end and in order to comply with the JSE Listings Requirements, Remgro published and distributed a second set of interim results to shareholders for the twelve-month period ended 31 March 2011, during June 2011. An increase of 17.6% in headline earnings per share compared to the twelve months ended 31 March 2010 was reported.

For the fifteen months being reported on, the change in year-end has resulted in certain investee companies being accounted for either twelve, fifteen or eighteen months, compared to only twelve months in the comparative period, resulting in no meaningful comparison between the periods reported on. The most significant of the investee companies referred to above, are the following:

> Air Products and Mediclinic – accounted for twelve months in both periods

> Rainbow, Tsb Sugar, Unilever and Wispeco – accounted for fifteen months for the period under review, compared to twelve months in the comparative period

> Distell, FirstRand, Kagiso, PGSI, RMBH and Total – accounted for eighteen months for the period under review, compared to twelve months in the comparative period

The change in year-end also has the effect that Remgro's final and interim dividends will now be paid during November and April of each year respectively, compared to August and January previously. In respect of the fifteen-month period ended 30 June 2011, the total dividend per share is based on earnings for the fifteen months. For subsequent financial years, the total dividend per share will again be based on earnings for the twelve months under review.

HEADLINE EARNINGS

Headline earnings for the fifteen months to 30 June 2011 amounted to R5 555 million compared to R3 355 million for the twelve months to 31 March 2010, representing an increase of 65.6%. This increase is mainly due to the additional six months' equity accounted earnings from FirstRand, RMBH, Distell and Total resulting from the change in year-end. Headline earnings per share increased by 56.8% from 690.1 cents to 1 082.4 cents.

It should also be noted that the acquisition of VenFin Limited (VenFin) in the comparative period was only completed on 23 November 2009, having the effect that only VenFin's associates and joint ventures with March and September year-ends being equity accounted for the three months to 31 March 2010. For the period under review the impact of the VenFin acquisition was however accounted for the full period. The VenFin acquisition did have a negative effect on headline earnings per share due to the dilutive effect of the issue of 41.6 million Remgro shares as consideration for the acquisition.

Financial services

The contribution from financial services amounted to R2 845 million (2010: R1 355 million). The increase of 110.0% is mainly due to the inclusion of the additional six months' equity accounted earnings from FirstRand and RMBH, as well as the inclusion of the results of RMI Holdings that were acquired in March 2011. Both FirstRand and RMBH reported improved results mainly due to a significant reduction in bad debts and improved profitability in both RMB and WesBank.

Industrial interests

The contribution of the industrial interests to headline earnings for the period under review amounted to R2 512 million, compared to R1 982 million in 2010. The increase of 26.7% is mainly due to the inclusion of the additional six months' equity accounted earnings from Distell, Total South Africa and Kagiso Trust Investments (KTI), as well as the additional three months' earnings accounted from Unilever, Rainbow, Tsb Sugar and Wispeco. Total South Africa's contribution to headline earnings amounted to R289 million (2010: R42 million). Total South Africa reported substantial favourable stock revaluations during the six months to 30 June 2011, resulting in a substantial increase in its contribution to Remgro's headline earnings when compared to its contribution of R99 million for the twelve months to March 2011. KTI's contribution to headline earnings amounted to R256 million (2010: R128 million), favourably impacted by fair value adjustments relating to its shareholding in MMI Holdings Limited and Adcock Ingram Holdings

CONTRIBUTION TO HEADLINE EARNINGS

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million	*% change*
Financial services	**2 845**	1 355	*110.0*
Industrial interests	**2 512**	1 982	*26.7*
Media interests	**20**	17	*17.6*
Mining interests	**112**	96	*16.7*
Technology interests	**111**	13	*753.8*
Other investments	**28**	(64)	*143.8*
Central treasury	**89**	57	*56.1*
Other net corporate costs	**(162)**	(101)	*(60.4)*
	5 555	3 355	*65.6*

Refer to the composition of headline earnings on page 37 for further information.

Limited. Distell's contribution to Remgro's headline earnings, which includes the investments in Capevin Holdings and Capevin Investments, amounted to R433 million (2010: R281 million). Rainbow and Unilever's contribution to headline earnings amounted to R285 million and R374 million respectively (2010: R259 million and R279 million). Rainbow experienced difficult trading conditions in the quarter to June 2011, with its contribution to Remgro's headline earnings only increasing by R12 million since March 2011. Tsb Sugar's contribution to headline earnings declined to R187 million (2010: R227 million) despite the additional three trading months. This decline is mainly due to a non-recurring cost of R43 million accounted for during the period under review relating to the closure of a pension fund, as well as a profit of R34 million in the comparative period relating to a change in the valuation methodology of its biological agricultural assets. Mediclinic was only accounted for the twelve months to March 2011 and its contribution to headline earnings amounted to R474 million (2010: R460 million).

Media interests

Media interests consist of the interests in Sabido, MARC, One Digital Media (ODM) and Premier Team Holdings (PTH). Sabido was only accounted for the twelve months to March 2011 and its contribution to Remgro's headline earnings amounted to R116 million (2010: R11 million). Both MARC and PTH were accounted for the eighteen months to June 2011. After allowing for the negative fair value adjustment of R24 million on the conversion right relating to the MARC convertible preference shares, its contribution to headline earnings amounted to a loss of R14 million. PTH's contribution to headline earnings also amounted to a loss of R52 million. In 2010 no income from PTH was accounted for, while MARC contributed R5 million to Remgro's headline earnings. ODM's contribution to headline earnings amounted to a loss of R30 million (2010: R1 million profit).

Mining interests

After the unbundling of the investment in Trans Hex to Remgro shareholders during September 2010, Implats is the only remaining investment being reported under mining interests. Dividends received from Implats amounted to R112 million (2010: R85 million), while no income from Trans Hex was accounted for during the period under review (2010: R11 million).

Technology interests

Technology interests primarily represent the interest in the CIV group of companies, as well as the investments in Tracker and SEACOM. For the period under review the CIV group was only accounted for the twelve months to March 2011 and contributed R91 million to Remgro's headline earnings (2010: R7 million). Tracker's contribution to headline earnings amounted to R57 million. SEACOM reported a headline loss of R203 million for the eighteen months to June 2011, with Remgro's share of this loss amounting to R51 million. SEACOM is cash flow positive and Remgro received dividends of $6 million during the period under review. No income from Tracker and SEACOM were accounted for in the comparative period. It should be noted that with effect from 31 December 2010 the investment in Tracker was reclassified as an investment "held for sale".

Other investments

The contribution of other investments to headline earnings improved by R92 million to R28 million (2010: R64 million loss). It should be noted that a headline loss amounting to R79 million for Xiocom was included in the results of the comparative period. This investment was sold in March 2010. For the period under review Business Partners was only accounted for the twelve months to March 2011 and its contribution to headline earnings amounted to R18 million (2010: R12 million).

Central treasury and other net corporate costs

Higher average cash balances resulted in an increase in the contribution from the central treasury division to R89 million (2010: R57 million). Other net corporate costs amounted to R162 million (2010: R101 million).

HEADLINE EARNINGS FOR THE TWELVE MONTHS ENDED 30 JUNE 2011

During the period under review the financial year-end of the Company was changed from 31 March to 30 June, as set out in detail above. As additional information to shareholders we have prepared an analysis of headline earnings for the twelve months to June 2011. This will enable shareholders to make a meaningful comparison when Remgro publishes its results for the twelve months to June 2012 during September next year.

In a similar way we will also present an analysis of headline earnings for the six months to December 2010 when Remgro releases its results for the six months to December 2011.

CONTRIBUTION TO HEADLINE EARNINGS

	Twelve months ended 30 June 2011 R million
Financial services	**1 915**
Industrial interests	**1 930**
Media interests	**31**
Mining interests	**112**
Technology interests	**97**
Other investments	**25**
Central treasury	**76**
Other net corporate costs	**(137)**
	4 049

Refer to the composition of headline earnings on page 37 for further information.

TOTAL EARNINGS

Total earnings increased by 254.3% to R10 841 million (2010: R3 060 million), mainly as a result of the earnings growth of the underlying investments, as well as the capital gains amounting to R4 252 million realised on the FirstRand/RMBH restructuring transactions. These gains include the profit realised on the restructuring transactions by Remgro as well as Remgro's share of the profits realised by FirstRand and RMBH.

CASH AT THE CENTRE AND FOREIGN EXCHANGE RATES

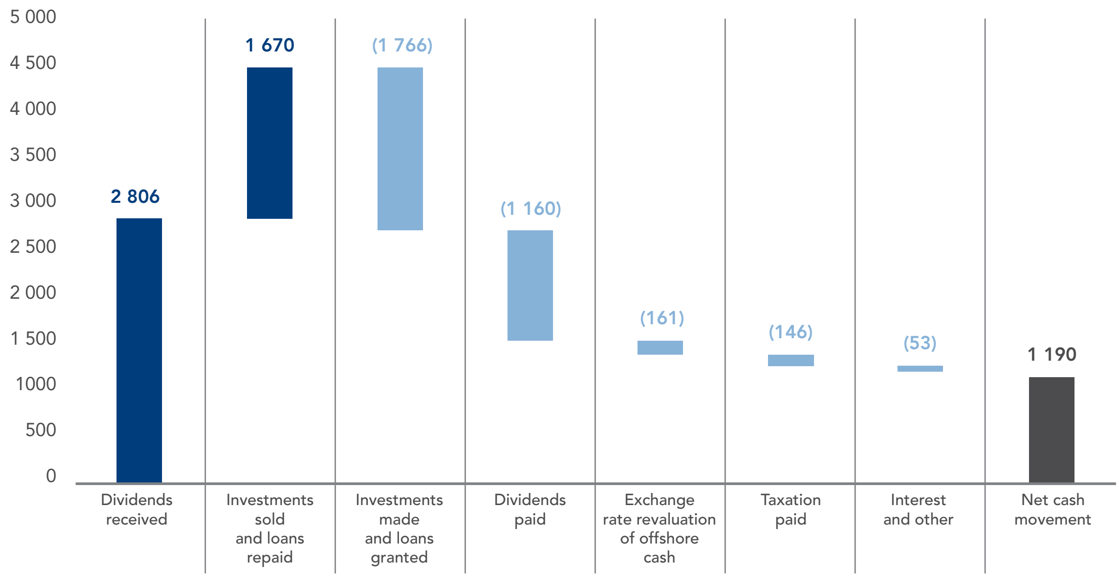
	30 June 2011			
	Currency value million	Exchange rate	R million	31 March 2010 R million
USA dollar	**319.4**	**6.7605**	**2 159**	2 426
Euro	**138.6**	**9.8000**	**1 358**	1 389
British pound	**21.4**	**10.8287**	**232**	237
Swiss franc	**23.3**	**8.0451**	**187**	159
SA rand			**1 916**	451
			5 852	4 662

On 30 June 2011 Remgro's cash at the centre amounted to R5 852 million (31 March 2010: R4 662 million), of which 68% was invested offshore. The cash is held in different currencies of which approximately 37% was held in USA dollar, 33% in SA rand and 23% in euro.

Remgro's offshore cash is managed through a strategy whereby the exposure to different currencies is limited to certain maximum levels. The offshore cash strategy has been applied consistently over the two periods being reported on. During the period under review foreign exchange rate losses amounting to R161 million were accounted for (2010: R1 183 million losses), mainly resulting from the strengthening of the SA rand against the USA dollar from R7.29 = $1.00 at 31 March 2010, compared to R6.76 = $1.00 at 30 June 2011. For accounting purposes these exchange movements are accounted for directly in equity and will only realise once the cash is utilised for investment purposes.

Since 30 June 2011 the SA rand has weakened to a level of approximately R7.00 = $1.00, thereby recovering some of the losses incurred during the period. Due to the current volatility in world markets Remgro's offshore cash strategy is currently focused on "capital preservation" rather than "capital appreciation".

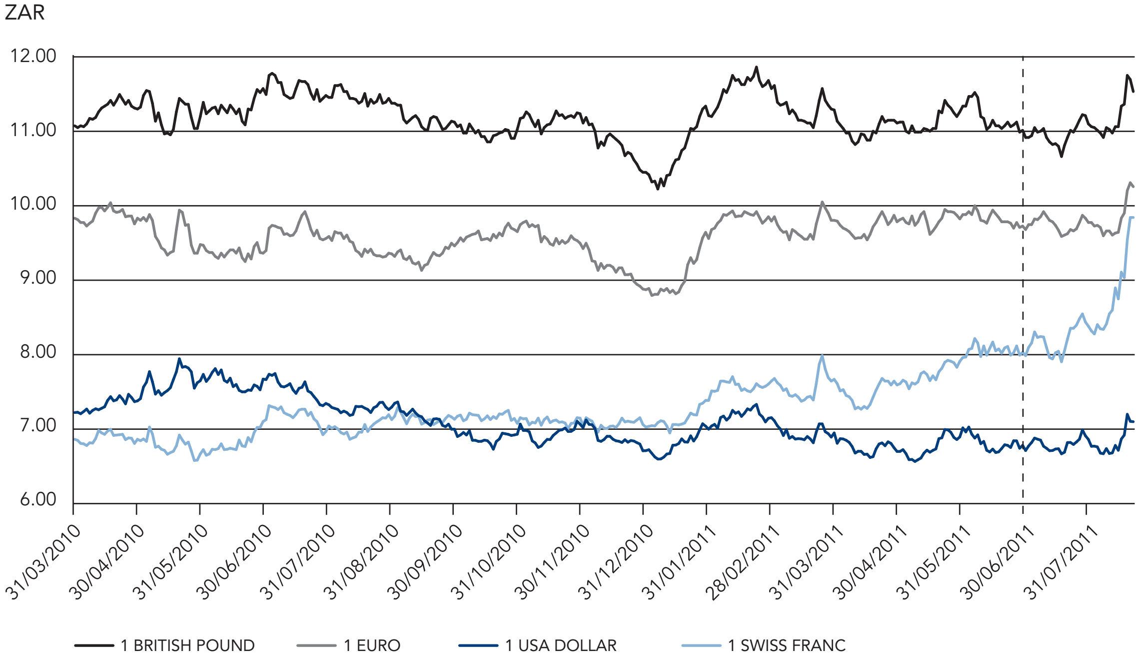
CASH MOVEMENT AT THE HOLDING COMPANY ("CASH AT THE CENTRE") (R MILLION)



Closing exchange rates	30 June 2011	31 March 2010	Movement %
USD/ZAR	**6.7605**	7.2898	*7.3*
EUR/ZAR	**9.8000**	9.8343	*0.3*
GBP/ZAR	**10.8287**	11.0472	*2.0*
CHF/ZAR	**8.0451**	6.9204	*(16.3)*

Average exchange rates	Fifteen months ended 30 June 2011	Twelve months ended 31 March 2010	Movement %
USD/ZAR	**7.0987**	7.7984	*9.0*
EUR/ZAR	**9.5410**	11.0131	*13.4*
GBP/ZAR	**11.1353**	12.4333	*10.4*
CHF/ZAR	**7.2506**	7.3676	*1.6*

ZAR VS FOREIGN CURRENCIES REMGRO HOLDS



CONTINGENT LIABILITIES

The significant increase in contingent liabilities from R245 million to R2.0 billion relates to two additional tax assessments received from the South African Revenue Service (SARS) during the period under review. Both of these assessments are being disputed and in total Remgro now have three material unresolved disputes with SARS totalling R1 970 million.

Two disputes relate to a potential secondary tax on companies (STC) liability involving previous cancellations of treasury shares held in VenFin and Remgro subsidiaries, with a potential exposure amounting to R365 million and R906 million respectively, including interest. The third matter relates to the disposal of investments with a potential tax exposure, including interest, amounting to R699 million.

On the strength of legal opinion received, we have challenged all three of the assessments and the Board is of the opinion that the challenges will be successful.

DIVIDENDS

The final ordinary dividend per share was determined at 213 cents (2010: 125 cents). Total ordinary dividends per share in respect of the fifteen months to 30 June 2011 therefore amount to 314 cents (twelve months to 31 March 2010: 209 cents). This represents an increase of 50.2%.

It should be noted that the total dividend for the period of 314 cents per share includes 63 cents per share in respect of the three months with which the financial year-end of the Group was extended to 30 June 2011.

The dividend is covered 3.4 times by headline earnings against 3.3 times the previous year.

STC AND DIVIDEND TAX

It is anticipated that STC will be replaced with a dividend tax on 1 April 2012. Companies will be allowed to apply their available STC credits against future dividends declared for a period of five years beginning on 1 April 2012. As at 30 June 2011 Remgro's available STC credits amounted to R8 102 million which can in future be offset against dividend tax obligations of shareholders.

Shareholders are encouraged to read future shareholder notices carefully as the introduction of the dividend tax will require certain shareholder action to ensure that the correct withholding tax percentage is applied. Remgro will keep shareholders informed regarding important developments in this regard.

INTRINSIC VALUE

Remgro's intrinsic value per share at 30 June 2011 was R135.97 compared to R121.64 on 31 March 2010. Refer to the Chief Investment Officer's Report on page 39 for a detailed discussion regarding Remgro's intrinsic value and its relative performance with certain selected JSE indices.

ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies have been consistently applied to both periods presented, with the exception of the implementation of the amendments to *IAS 28: Investments in Associates*, resulting from the introduction of the revised *IFRS 3: Business Combinations.*

In the past all dilutionary effects of equity transactions by associated companies and joint ventures that Remgro was not a party to, were accounted for in other comprehensive income. With the introduction of the amendments to *IAS 28: Investments in Associates*, resulting from the application of the revised *IFRS 3: Business Combinations*, these effects are now accounted for in the income statement.

In terms of the transitional provisions of the revised *IFRS 3*, this standard is only applied prospectively for all financial periods commencing on/after 1 July 2009 and accordingly the comparative results have not been restated. The impact of the change in accounting policy for the period under review resulted in an increase in earnings of R194 million. In terms of *Circular 3/2009: Headline Earnings*, the effect of such transactions is not included in headline earnings and accordingly the change in accounting policy did not affect Remgro's headline earnings.

RISK MANAGEMENT

The Company has implemented a comprehensive Risk Management Policy that is based on the principles of the international COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework and complies with the recommendations of King III. A comprehensive risk management structure has also been implemented to ensure the effective and efficient management of risk within the Group.

Remgro's risk management process is summarised in the Risk Management Report on page 87, as well as in note 33 to the annual financial statements on page 188.

Leon Crouse
Chief Financial Officer

Stellenbosch
20 September 2011

COMPOSITION OF HEADLINE EARNINGS

	Fifteen months ended 30 June 2011 R million	Twelve months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Financial services			
RMBH	**1 489**	**1 014**	720
RMI Holdings	**183**	**183**	–
FirstRand	**1 173**	**718**	635
Industrial interests			
Mediclinic	**474**	**474**	460
Unilever SA Holdings	**374**	**312**	279
Distell Group[(1)]	**433**	**328**	281
Rainbow Chicken	**285**	**220**	259
Tsb Sugar	**187**	**134**	227
Air Products South Africa	**139**	**139**	115
Nampak	**33**	**33**	73
Kagiso Trust Investments	**256**	**59**	128
Total South Africa	**289**	**191**	42
PGSI	**11**	**18**	83
Wispeco	**45**	**35**	63
Other industrial interests	**(14)**	**(13)**	(28)
Media interests			
Sabido	**116**	**116**	11
MARC	**(14)**	**(17)**	5
Other media interests	**(82)**	**(68)**	1
Mining interests			
Implats	**112**	**112**	85
Trans Hex Group	**–**	**–**	11
Technology interests			
CIV group[(2)]	**91**	**89**	7
Tracker	**57**	**23**	–
SEACOM	**(51)**	**(30)**	–
Other technology interests	**14**	**15**	6
Other investments	**28**	**25**	(64)
Central treasury	**89**	**76**	57
Other net corporate costs	**(162)**	**(137)**	(101)
Headline earnings	**5 555**	**4 049**	3 355
Weighted number of shares (million)	**513.2**	**513.3**	486.2
Headline earnings per share (cents)	**1 082.4**	**788.8**	690.1

[(1)] *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*
[(2)] *Includes the investments in CIV Fibre Network Solutions (Pty) Limited, CIE Telecommunications Limited, CIV Power Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.*

Chief Investment Officer's Report

JANNIE DURAND
CHIEF INVESTMENT OFFICER

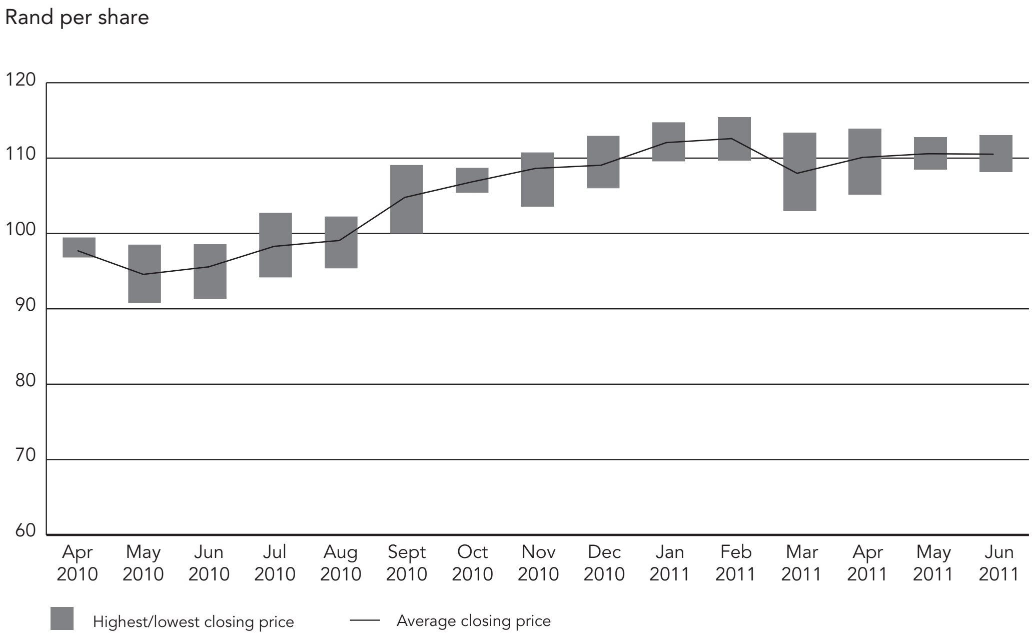
AT A GLANCE
INCREASE OF 11.8% IN INTRINSIC VALUE PER SHARE COMPARED TO 31 MARCH 2010
OUTPERFORMANCE OF JSE ALL SHARE INDEX OVER PAST FIFTEEN MONTHS
INTERNAL RATE OF RETURN OF 28.4% PER ANNUM OVER PERIOD SINCE THE UNBUNDLING OF THE INVESTMENT IN BAT IN NOVEMBER 2008

INTRODUCTION

Remgro's intrinsic value is the best indicator of the value added for our shareholders. Over the fifteen months under review the intrinsic value per share has increased by 11.8% from R121.64 at 31 March 2010 to R135.97 at 30 June 2011. Over the same period the JSE All share index has increased by 10.8%, while Remgro's share price grew by 13.9%. Refer to the tables on page 40 where the relative performances are set out in more detail.

This report aims to provide shareholders with a better understanding of the methodology behind the calculation of the intrinsic value, especially relating to the valuation of our unlisted investments. A summary of our investing activities during the period under review is also provided.

REMGRO SHARE PRICE



INTRINSIC NET ASSET VALUE

The intrinsic net asset value at the end of June 2011 amounted to R135.97 per share.

The intrinsic net asset value of the Group includes valuations of all investments, incorporating subsidiary and associated companies and joint ventures, 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 following factors are taken into account in determining the directors' valuation of unlisted investments:

> Market value and earnings yield of similar listed shares, taking into account that the marketability of unlisted investments is limited and, in some cases, also the tradeability
> Growth potential and risk
> Underlying net asset value
> Profit history
> Cash flow projections

It is the policy of Remgro not to apply a control premium to the valuation of investments where it holds a majority interest. Where Remgro holds a minority interest a 10% tradeability discount is applied.

Remgro's unlisted investments were valued as follows:

Air Products South Africa

The discounted cash flow method was used to value this investment. No tradeability discount is applied to the valuation due to the 50% shareholding.

Business Partners
The last material share trade was used to value this investment.

CIV group
The discounted cash flow method was used to value this group of companies.

Kagiso Trust Investments
The external valuation performed for purposes of the Kagiso and Tiso merger transaction was used to value this investment.

MARC
The discounted cash flow method was used to value this investment.

PGSI
The discounted cash flow method was used to value this investment.

Sabido
A historical price-earnings ratio was used to value this investment.

SEACOM
The discounted cash flow method was used to value this investment.

Total South Africa
A forward price-earnings ratio was used to value this investment.

Tracker
The offer of a potential buyer was used to value this investment.

Tsb Sugar
The discounted cash flow method was used to value this investment.

Unilever South Africa
The discounted cash flow method was used to value this investment.

Wispeco
The discounted cash flow method was used to value this investment.

Refer to the table on page 42 for a detailed analysis of Remgro's intrinsic net asset value.

RELATIVE PERFORMANCE OF INTRINSIC NET ASSET VALUE AND REMGRO INTERNAL RATE OF RETURN (IRR)

The tables below compare the relative performance of the Remgro intrinsic net asset value per share with certain selected JSE indices. No account has been taken of dividends paid by Remgro. The material decrease in the Remgro share price and intrinsic net asset value per share on 28 October 2008 reflects the unbundling of Remgro's interest in BAT on 3 November 2008 to Remgro shareholders.

	2011	2010	2009	28 Oct 2008*	2008	2007	2006
Intrinsic net asset value – Rand per share	**135.97**	121.64	99.15	84.34	253.67	221.00	157.59
JSE – All share index	**31 865**	28 748	20 364	18 549	29 588	27 267	20 352
– Fin & Ind 30 index	**30 834**	26 592	18 080	18 649	23 868	24 960	19 491
– Financial 15 index	**8 128**	8 061	5 438	5 527	7 424	9 345	7 616
– Resource 20 index	**53 933**	51 854	38 767	30 617	64 543	50 018	34 923
Remgro share price (Rand)	**111.60**	98.00	67.50	61.00	195.93	181.00	135.00

** Effective 28 October 2008, Remgro traded without its interest in BAT.*

Relative performance	**Fifteen months 30 June 2011 (% year on year)**	**Period from 28 October 2008 to 30 June 2011 (% comp per annum)**
Intrinsic net asset value	**9.3**	**19.6**
JSE – All share index	**8.6**	**22.5**
– Fin & Ind 30 index	**12.6**	**20.7**
– Financial 15 index	**0.7**	**15.5**
– Resource 20 index	**3.2**	**23.6**
Remgro share price	**11.0**	**25.4**

The following table compares Remgro's internal rate of return (IRR) with that of certain selected JSE indices. For this purpose it has been assumed that dividends have been reinvested in either Remgro shares or in the particular index, depending on the case.

	IRR from 28 October 2008 to 30 June 2011 (% comp per annum)
JSE – All share index	25.6
– Fin & Ind 30 index	24.1
– Financial 15 index	20.2
– Resource 20 index	25.9
Remgro share	28.4

INVESTING ACTIVITIES

The table below represents the cash effect of Remgro's investing activities for the fifteen months to 30 June 2011. These activities exclude the investing activities of Remgro's three operating subsidiaries, i.e. Rainbow Chicken Limited, Tsb Sugar Holdings (Pty) Limited and Wispeco Holdings Limited.

Investments made and loans granted	R million
Existing investee companies	
Mediclinic	592
CIV group	552
KTI and KIEF	134
Business Partners	79
Premier Team Holdings	72
Milestone Capital	61
Capevin Holdings	44
Fundamo	44
Other	68
	1 646
New investee companies	
Lashou	120
	1 766

Investments sold and loans repaid	R million
Nampak	1 342
Fundamo	201
Milestone Capital	46
Tsb Sugar	36
GEMS	20
Other	25
	1 670

Jannie Durand
Chief Investment Officer

Stellenbosch
20 September 2011

INTRINSIC NET ASSET VALUE

	30 June 2011		31 March 2010	
	Book value R million	Intrinsic value R million	Book value R million	Intrinsic value R million
Financial services				
RMBH	9 968	11 846	6 400	9 785
RMI Holdings	5 623	6 404	–	–
FirstRand	3 027	4 363	6 026	9 719
Industrial interests				
Mediclinic	4 216	8 776	3 111	6 948
Unilever SA Holdings	2 990	5 313	3 109	4 346
Distell Group[(1)]	2 100	4 725	1 798	4 430
Rainbow Chicken	2 108	3 455	1 956	3 412
Tsb Sugar	1 546	2 804	1 376	2 506
Air Products South Africa	521	2 257	536	1 752
Nampak	–	–	1 205	1 398
Kagiso Trust Investments	1 441	1 667	1 213	1 269
Total South Africa	972	1 374	631	1 080
PGSI	578	582	533	528
Wispeco	383	343	358	381
Other industrial interests	458	457	328	351
Media interests				
Sabido	898	1 405	837	1 215
MARC	169	168	187	211
Other media interests	16	16	50	71
Mining interests				
Implats	4 862	4 862	5 711	5 711
Trans Hex Group	–	–	65	106
Technology interests				
CIV group[(2)]	1 027	1 236	378	539
Tracker	587	1 196	574	911
SEACOM	577	1 057	721	1 120
Other technology interests	255	278	385	479
Other investments	944	634	573	399
Central treasury – cash at the centre[(3)]	5 852	5 852	4 662	4 662
Other net corporate assets	441	744	581	796
Net asset value (NAV)	51 559	71 814	43 304	64 125
Potential CGT liability[(4)]		(1 965)		(1 703)
NAV after tax	51 559	69 849	43 304	62 422
Issued shares after deduction of shares repurchased (million)	513.7	513.7	513.2	513.2
NAV after tax per share (Rand)	100.37	135.97	84.38	121.64

(1) *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*

(2) *Includes the investments in CIV Fibre Network Solutions (Pty) Limited, CIE Telecommunications Limited, CIV Power Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.*

(3) *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly Rainbow Chicken, Tsb Sugar and Wispeco).*

(4) *The potential capital gains tax (CGT) liability, which is unaudited, is calculated 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. Deferred CGT on investments "available-for-sale" (mainly Implats and Caxton) is included in "other net corporate assets" above.*

(5) *For purposes of determining the intrinsic value, the unlisted investments are shown at directors' valuation and the listed investments are shown at stock exchange prices.*

REPORTS TO SHAREHOLDERS

Investment reviews

Financial services

FirstRand Limited (FirstRand), RMB Holdings Limited (RMBH) and RMI Holdings Limited (RMIH) have June year-ends and therefore their results for the eighteen months to 30 June 2011 have been equity accounted in the Remgro results for the period under review, as opposed to equity accounting their results for the twelve months to 31 December during Remgro's previous financial years.

In addition to the above, the contribution of these companies to Remgro's headline earnings are not comparable with that of previous reporting periods, due to various corporate actions completed at these companies during the period under review.

CONTRIBUTION TO HEADLINE EARNINGS

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
FirstRand	**1 173**	635
RMBH	**1 489**	720
RMIH	**183**	–
	2 845	1 355

FIRSTRAND

Profile FirstRand provides banking and insurance products and services to retail, commercial, corporate and public sector customers in South Africa and several African countries. The group is differentiated by its owner-manager culture and executes its strategy through a portfolio of leading franchises; Rand Merchant Bank (RMB), First National Bank (FNB) and WesBank.	FIRSTRAND
Market capitalisation at 30 June 2011 R111 913 million	4.0% **EFFECTIVE DIRECT INTEREST** (total effective interest: 15.0%)
Chief Executive Officer S E Nxasana	**Remgro nominated directors** L Crouse, M H Visser
Listed on the JSE Limited	**Website: www.firstrand.co.za**

FirstRand's contribution to Remgro's headline earnings represents Remgro's 4.0% direct interest in FirstRand and excludes the indirect contribution from FirstRand through Remgro's interest in RMBH.

FirstRand's latest results for its year ended 30 June 2011 reported that headline earnings increased by 4% to R9 856 million (2010: R9 453 million). The headline earnings growth is distorted due to corporate activity whereby FirstRand unbundled its 100% shareholding in the Momentum group, effective 30 November 2010 and disposed of its 45% interest in OUTsurance, effective 4 May 2011. The headline earnings for the year therefore include five months of contribution from Momentum (treated as discontinued operations) and six months of contribution from OUTsurance, compared to twelve months for both in the prior financial year.

Headline earnings from continuing operations for its year under review have increased by 19% to R9 258 million (2010: R7 789 million). The group's operating franchises, FNB, RMB and WesBank showed very strong operational performances and was also positively impacted by the significant decrease in retail bad debts, particularly in the large books of FNB and WesBank.

RMBH

Profile RMBH's sole investment is its 33.9% interest in the ordinary share capital of FirstRand.	
Market capitalisation at 30 June 2011 R37 621 million	31.5% **EFFECTIVE INTEREST**
Chief Operating Officer P Cooper	**Remgro nominated directors** L Crouse, M H Visser
Listed on the JSE Limited	**Website: www.rmbh.co.za**

The contribution of RMBH to Remgro's headline earnings for the period under review amounted to R1 489 million (2010: R720 million).

RMBH has restructured its banking and insurance interests into two separately listed entities by unbundling all of its interests in insurance assets (amongst others MMI Holdings Limited, Discovery Holdings Limited and OUTsurance Holdings Limited) in the form of a newly listed company, RMI Holdings Limited, to its shareholders. RMBH's only investment, subsequent to the restructuring, is its 33.9% interest in FirstRand Limited.

RMIH

Profile RMIH is a listed investment entity holding interests in Discovery Holdings Limited, MMI Holdings Limited, OUTsurance and RMB Structured Insurance.	RMI HOLDINGS
Market capitalisation at 30 June 2011 R18 352 million	34.9% **EFFECTIVE INTEREST**
Chief Operating Officer P Cooper	**Remgro nominated directors on RMIH Board** J J Durand, M H Visser **Remgro nominated directors at other companies** J J Durand (Discovery Holdings Limited) G J Roberts-Baxter (OUTsurance Holdings Limited)
Listed on the JSE Limited	**Website: www.rminsurance.co.za**

RMIH was formed as a result of a restructuring by RMBH, whereby the insurance and banking interests of RMBH have been separated and the insurance interests unbundled, and listed as RMIH on the JSE.

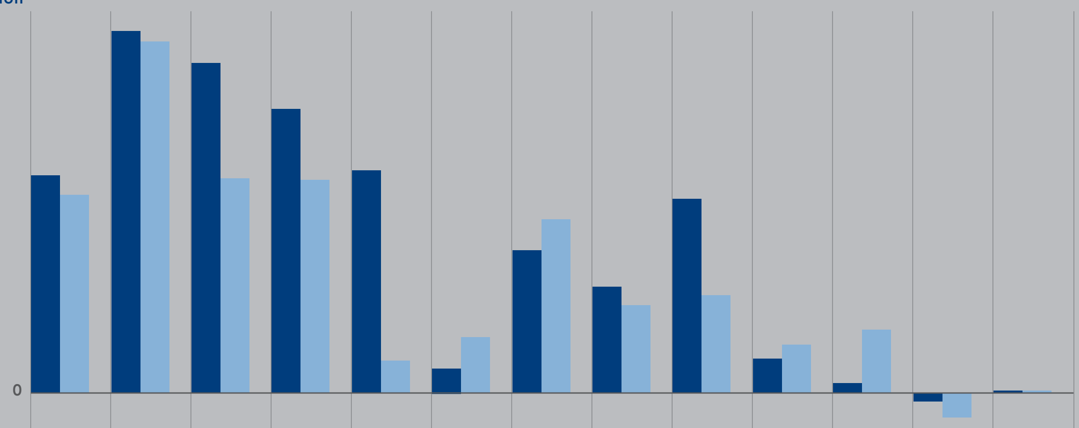
The underlying investments of RMIH (with %-interest in brackets) include Discovery Holdings Limited (25%), MMI Holdings Limited (26%), OUTsurance Holdings Limited (90%) and RMB Structured Insurance Limited (76%). Discovery services the health care funding and insurance markets in South Africa, The United Kingdom, United States of America and China. MMI was formed from the merger of Metropolitan and Momentum, focusing on long-term insurance, asset management, investment, healthcare administration and employee benefits. OUTsurance is a direct personal lines and small business short-term insurer, while RMB Structured Insurance creates bespoke insurance and financial risk solutions for large corporates by using innovative financial structures.

RMIH reported headline earnings of R525 million in its maiden financial report for the period ending 30 June 2011, with OUTsurance and Discovery being the major contributors, 39% and 33% of headline earnings, respectively. The underlying investments have been transferred from RMBH with an effective date of 1 March 2011 and therefore the results for RMIH only include earnings from the underlying investments for the four months ended 30 June 2011.

Industrial interests

CONTRIBUTION TO HEADLINE EARNINGS

R million



	2011	2010
Rainbow Chicken	285	259
Mediclinic	474	460
Distell	432	281
Unilever	374	279
Total	289	42
Nampak*	33	73
Tsb Sugar	187	227
Air Products	139	115
KTI	256	128
Wispeco	45	63
PGSI	11	83
Dorbyl	(11)	(32)
Caxton	3	3

** Sold during August 2010.*

RAINBOW CHICKEN LIMITED (RAINBOW)

Profile Rainbow is the holding company of one principal operating subsidiary, which is a vertically integrated chicken producer.	
Market capitalisation at 30 June 2011 R5 556 million	73.6% **EFFECTIVE INTEREST**
Chief Executive Officer M Dally	**Remgro nominated directors** J J Durand, P R Louw, M H Visser
Listed on the JSE Limited	**Website: www.rainbowchicken.co.za**

The company's year-end has been changed from March to June to align its year-end with that of its holding company. The results for the period under review are therefore not directly comparable to those of previous periods.

For the fifteen months ended 30 June 2011, Rainbow's headline earnings increased by 11% to R389 million (twelve months to 31 March 2010: R351 million). This moderate earnings growth is largely due to the inclusion of an additional three trading months, due to the change in year-end, and reflects the continued difficult trading conditions experienced by the company.

Rainbow's total revenue increased by 24% to R8.6 billion, mainly attributed to the extended year-end. Chicken revenue grew by 22.5% to R7 billion, contributing 81% (2010: 80%) to total revenue, whilst feed sales contributed 10% (2010: 11%).

Headline earnings for the fifteen-month period ended 30 June 2011 has been adversely impacted by the continued gap between chicken realisations and cost growth. This was especially the case in the months from April to June 2011 as feed costs began rising more rapidly and agricultural performance was challenged by the cold winter.

Rainbow remains committed to its strategic focus on adding value through brands. The group's chicken consumer brands and differentiated customer offerings in both the Foodservice and retail chicken sectors, as well as Vector's distribution service have all shown pleasing growth over the past period. Management have initiated a number of projects that will contribute towards restoring operating margins to target levels.

MEDICLINIC INTERNATIONAL LIMITED (MEDICLINIC)

Profile Mediclinic's business consists of the provision of comprehensive, high-quality hospital services on a cost-effective basis in Southern Africa, the United Arab Emirates and Switzerland.	MEDICLINIC INTERNATIONAL
Market capitalisation at 30 June 2011 R20 222 million	45.2% EFFECTIVE INTEREST
Chief Executive Officer D P Meintjes	**Remgro nominated directors** E de la H Hertzog, C M van den Heever, M H Visser
Listed on the JSE Limited	**Website: www.mediclinic.com**

Mediclinic has a March year-end and therefore its results for the twelve months to 31 March 2011 have been equity accounted in Remgro's results for the period under review.

Mediclinic's turnover for its year ended 31 March 2011 increased by 9% to R18 625 million (2010: R17 141 million), while headline earnings increased by 8% to R1 110 million (2010: R1 028 million). Core headline earnings, which excludes the effect of two non-recurring items amounting to R176 million during the previous financial year relating to a decrease in tax rates in two cantons in Switzerland, as well as an adjustment to past service costs of the Hirslanden pension fund, increased by 27% from R852 million to R1 082 million. The substantial increase in core headline earnings is evidence of the positive leveraging effect of the group's capital structure, as financing costs have decreased slightly compared to the previous financial year.

The Southern African group revenue increased by 12% to R8 632 million (2010: R7 680 million) for the year under review mainly due to a 2.9% increase in bed-days sold and a 7.7% increase in the average income per bed-day. Operating income before interest, taxation, depreciation and amortisation ("EBITDA") increased by 14% to R1 887 million (2010: R1 651 million) and the Southern African operations contributed R731 million (2010: R659 million) to the attributable income of Mediclinic.

Mediclinic has an interest of 100% in Hirslanden, the holding company of the largest private hospital group in Switzerland. Hirslanden's revenue for the year under review increased by 4% to R8 659 million (2010: R8 335 million) and core EBITDA, which excludes the effect of the two non-recurring items during the previous financial year, was slightly higher at R2 026 million (2010: R1 953 million). The decrease in the average rand/Swiss franc exchange rate for the year slightly impacted the financial numbers above, with both revenue and core EBITDA increasing by 7% at constant foreign exchange rates.

Hirslanden acquired a 100%-interest in the 85-bed Klinik Stephanshorn, the largest private hospital in the Swiss canton of St Gallen, with effect from 4 October 2010. Klinik Stephanshorn has contributed R171 million of revenue and R33 million to the group's core EBITDA, since the date of acquisition.

Mediclinic has an interest in Emirates Healthcare Holdings Limited which owns and operates the Welcare Hospital and the City Hospital in Dubai. Emirates Healthcare has opened its first Welcare Clinic during October 2010 and acquired three clinics during January 2011. Revenue from the United Arab Emirates increased by 18% to R1 334 million (2010: R1 126 million) for the year under review, while EBITDA increased to R240 million (2010: R132 million).

The group remains uniquely positioned across three diverse global operating platforms. It will continue to focus on its core business of acute care, specialist-orientated hospital services to fulfil its vision of being regarded as the most trusted and respected provider of such services by patients, doctors and funders of healthcare.

DISTELL GROUP LIMITED (DISTELL)

Profile Distell produces and markets fine wines, spirits and flavoured alcoholic beverages in South Africa and internationally.	
Market capitalisation at 30 June 2011 R14 471 million	33.5% TOTAL EFFECTIVE INTEREST
Managing Director J J Scannell	**Remgro nominated directors** P E Beyers, E de la H Hertzog, M H Visser
Listed on the JSE Limited	**Website: www.distell.co.za**

Distell has a June year-end and therefore its results for the eighteen months to 30 June 2011 are included in Remgro's results for the period under review, as opposed to the twelve months to 31 December for Remgro's previous financial years.

Distell's contribution to Remgro's headline earnings for the period under review, which includes Remgro's indirect interest in Distell held through Capevin Investments Limited and Capevin Holdings Limited amounted to R433 million (twelve months to 31 March 2010: R281 million). This period's contribution is not comparable to that of the previous period due to the equity accounting of an additional six months' results from Distell, resulting from Remgro's change in year-end.

Distell reported for its year ended 30 June 2011 that turnover grew by 4% to R12.3 billion (2010: R11.8 billion) on a sales volume increase of 2.4%. Sales volume in the South African market increased by 4%, whilst revenue increased by 7.6%. International sales volume, including Africa, declined by 2%, with revenue declining by 2.7%.

Distell's headline earnings for its year ended 30 June 2011 increased slightly by 1.9% from R944 million to R962 million. Although reasonable total sales volume growth was achieved, the results for the year under review were significantly impacted by adverse exchange rates, and to a lesser extent, a less favourable sales mix.

UNILEVER SOUTH AFRICA HOLDINGS (PTY) LIMITED (UNILEVER SOUTH AFRICA)

Profile Unilever manufactures and markets an extensive range of food and home and personal care products, while enjoying market leadership in most of its major categories. Well-known brands include *Robertsons, Rama, Flora, Lipton, Joko, Mrs Ball's, Sunlight, Omo, Surf, Vaseline* and *Lux*.	Unilever
Equity valuation at 30 June 2011 R20 633 million	25.8% **EFFECTIVE INTEREST**
Chief Executive Officer M van Tiggelen	**Remgro nominated directors** P E Beyers, M H Visser
Unlisted	**Website: www.unilever.co.za**

Unilever South Africa has a December year-end, but in the past its results for the twelve months to 31 March was equity accounted in Remgro's results every financial year. Due to the change in Remgro's year-end from March to June, Unilever South Africa's results for the fifteen months to 30 June 2011 have been equity accounted in Remgro's results for the period under review.

Unilever South Africa's contribution to Remgro's headline earnings for the fifteen-month period under review amounted to R374 million (twelve months to 31 March 2010: R279 million). Included in Remgro's share of Unilever South Africa's earnings are restructuring costs amounting to R41 million (2010: R53 million).

Turnover growth and slightly higher margins were the main contributors to the increase in the company's profit after tax for the six months ending 30 June 2011 to R548 million (six months to 30 June 2010: R479 million).

Unilever South Africa's turnover for the six months to 30 June 2011 increased by 10.4% to R6 453 million (2010: R5 737 million) compared to the corresponding period of the previous year, primarily driven by price growth (6.3%). The strong price growth is mainly due to increasing commodity costs in the Powders, Ice cream bars and Toilet soaps categories. Volume growth (3.8%) was driven by market share growth in the Powders and Face-care categories.

TOTAL SOUTH AFRICA (PTY) LIMITED (TOTAL)

Profile Subsidiary of Total (France). Total's business is the refining and marketing of petroleum and petroleum products in South Africa. It distributes to neighbouring countries. It has a 36% interest in National Petroleum Refiners of S.A. (Pty) Limited (Natref).	
Equity valuation at 30 June 2011 R5 519 million	24.9% **EFFECTIVE INTEREST**
Chief Executive Officer J D Royere	**Remgro nominated directors** L Crouse, E de la H Hertzog
Unlisted	**Website: www.total.co.za**

Total has a December year-end and therefore its results for the eighteen months to 30 June 2011 are included in Remgro's results for the period under review as opposed to the twelve months to 31 December for Remgro's previous financial years. Total's contribution to Remgro's headline earnings for the period under review amounted to R289 million (twelve months to 31 March 2010: R42 million).

Total's turnover for the six months ended 30 June 2011, increased by 39% due to the increase in the price of oil, while operating profit increased to R921 million (2010: R444 million). The favourable results is mainly due to stock revaluation gains of R677 million (2010: R163 million), decreased financing costs and other savings in operating costs.

Retail sales of petroleum products achieved lower levels than 2010, having decreased by 2.9% for the six months ended 30 June 2011. Petrol pump prices reaching the level of R10 per litre and consumer behaviour, has decreased the demand for petroleum products in the retail business during the period, while Total's market share is deemed to have remained steady between 2010 and 2011.

Despite inflationary cost and wage pressures, operating expenses have been maintained at the same level as the previous year, due to the implementation of cost saving measures as part of a restructuring process which took place during 2010. Total maintains the same levels of capital expenditure for health, safety and environment projects, especially at its depots.

At the end of 2010, Total acquired the BEE company Tosaco Commercial Services (Pty) Limited whose commercial activities were merged with its own marketing activities.

Natref, in which Total has an interest of 36%, experienced a disappointing reliability rate thus far in 2011. Refining margins are still much lower than the margins experienced before the 2009 worldwide recession, but it has since reached levels around breakeven point.

TSB SUGAR HOLDINGS (PTY) LIMITED (TSB SUGAR)

Profile Tsb Sugar is involved in cane growing and the production, transport and marketing of sugar and animal feed.	
Equity valuation at 30 June 2011 R2 804 million	100% EFFECTIVE INTEREST
Chief Executive Officer J du Plessis	**Remgro nominated directors** J W Dreyer, C M van den Heever
Unlisted	**Website: www.tsb.co.za**

The company's year-end has been changed from March to June to align its year-end with that of its holding company. The results for the period under review are therefore not directly comparable to those of previous periods.

Tsb Sugar's contribution to Remgro's headline earnings for the fifteen-month period amounted to R187 million (twelve months to 31 March 2010: R227 million), with the sugar division contributing R185 million, and that of the citrus division amounting to R2 million.

Turnover for the fifteen months ended 30 June 2011 amounted to R5 216 million (twelve months to 31 March 2010: R4 149 million). Sugar sales contributed R4 301 million (twelve months to 31 March 2010: R2 948 million) to turnover of which 19.3% is represented by exports.

Tsb Sugar's raw sugar production for the fifteen months under review amounted to 794 824 tons (twelve months to 31 March 2010: 628 753 tons). Since the start of the new season (April 2011 to June 2011) Tsb Sugar produced 194 779 tons of sugar compared to 193 413 tons in the comparative period of the previous year. The world sugar price remained strong over the past fifteen months, but the stronger rand negated most of the increase. During the period under review, Tsb Sugar incurred a R43 million cost relating to the closure of the Booker Tate pension fund.

The contribution of Royal Swaziland Sugar Corporation to Tsb Sugar's headline earnings for the period under review was R42 million (2010: R38 million). The results were mainly impacted by the strength of the lilangeni against the euro and lower sugar production.

During the period under review Tsb Sugar divested from its citrus operations and sold its interests in Golden Frontiers Citrus (Pty) Limited and Komati Fruits (Pty) Limited with effect from 31 March 2011. An after-tax capital gain of R22 million was realised on this transaction. The future impact of the transaction on Tsb Sugar's results is not expected to be material.

Land claims affecting Komati and Malelane sugar mills have been settled and the properties will not be restored to claimant communities. Negotiations to reach settlement in respect of the remaining agricultural holdings and the Pongola sugar mill are expected to be concluded in the next financial year.

The sugar production for the first three months of the new season indicates a normal season and current world sugar prices are on high levels. The average export price of sugar for the 2010/11 season was US$482 per ton compared to US$369 per ton for the previous season. The positive outlook could, however, be negated by the strong rand.

AIR PRODUCTS SOUTH AFRICA (PTY) LIMITED (AIR PRODUCTS)

Profile

Air Products produces oxygen, nitrogen, argon, hydrogen and carbon dioxide 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.

Equity valuation at 30 June 2011
R4 514 million

50% EFFECTIVE INTEREST

Chief Executive Officer
M Hellyar

Remgro nominated directors
J W Dreyer, N J Williams

Unlisted

Website: www.airproductsafrica.co.za

Air Products has a September year-end and therefore its results for the twelve months to 31 March 2011 have been equity accounted in Remgro's results for the period under review.

Air Products' contribution to Remgro's headline earnings for the period under review increased by 20.9% to R139 million (2010: R115 million).

Turnover of Air Products for the twelve months ended 31 March 2011 increased by 13.4% to R1 407 million (2010: R1 241 million), while the company's operating profit for the same period increased by 14.6% to R448 million (2010: R391 million). Volumes in most business segments continued to improve slowly. Further improvement in volumes is anticipated in forthcoming months, together with increasing pressure on input costs.

Air Products is the largest manufacturer of industrial gases in Southern Africa. Air Products also imports and distributes a variety of specialty gases and chemical products that are supplied to a wide range of industries, including steel, chemicals, oil refining, resource minerals, glass, pulp and paper, food packaging as well as general manufacturing, fabrication and welding.

The company operates a number of large plants in Southern Africa, providing cost-effective gas supply solutions to major corporations via pipeline supply or bulk liquid gases delivered by road tankers. A variety of smaller customers are supplied with a wide range of products in cylinders or minitanks. Many of these customers are assisted in the use of these products by innovative technologies supplied by Air Products.

KAGISO TRUST INVESTMENTS (PTY) LIMITED (KTI)

Profile KTI is an established black economic controlled company with a focus on investment banking services, media and strategic investments. KTI has an investment portfolio and strategy that is complementary to that of Remgro. Its major investments include Kagiso Media Limited and MMI Holdings Limited.	KAGISO Trust Investments
Equity valuation at 30 June 2011 R3 993 million	42.3% **EFFECTIVE INTEREST**
Chief Executive Officer K Matseke	**Remgro nominated directors** J W Dreyer, J J Durand
Unlisted	**Website: www.kagiso.com**

KTI is a black-controlled investment holding company. Its investments are predominantly in the financial services, media and mining sectors. Its two largest investments, by value, are its interests in MMI Holdings Limited (MMI) and Kagiso Media Limited. KTI's interest in MMI represents an indirect interest in Metropolitan and Momentum as a result of their merger during December 2010.

KTI has a June year-end and therefore its results for the eighteen months to 30 June 2011 are included in Remgro's results for the period under review, as opposed to the twelve months to 31 December 2009 for Remgro's previous financial year. KTI's contribution to Remgro's headline earnings for the period under review amounted to R256 million (twelve months to 31 March 2010: R128 million).

KTI's headline earnings for its year ended 30 June 2011 amounted to R139 million (2010: R632 million). The significant decrease in headline earnings for the year under review is mainly attributable to a decrease in the positive fair value adjustments on the investments in Adcock Ingram and MMI preference shares amounting to R23 million (2010: R617 million). A decrease in income from equity accounted investments to R143 million (2010: R237 million) resulted mainly from the investments in MMI, XK Platinum Partnership and a few of Kagiso Media's associates, as well as the sale of KTI's interest in Centriq Insurance Group during the previous financial year.

KTI did not make any new investments during its year under review, focusing instead on the merger with Tiso Holdings Group (Pty) Limited as well as the disposal of non-core assets. The disposals that took place during the year under review include investments in debis Fleet Management, Kagiso Educational TV, Kagiso Treasury Solutions, Kagiso Securities, Johnson Controls, Dynamic Fluid Control and G4S Securities.

WISPECO HOLDINGS LIMITED (WISPECO)

Profile Wispeco's main business is the manufacturing and distribution of extruded aluminium profiles used mainly in the building, engineering and durable goods sectors.	WISPECO Aluminium
Equity valuation at 30 June 2011 R343 million	100% EFFECTIVE INTEREST
Chief Executive Officer H Rolfes	**Remgro nominated directors** J W Dreyer, C M van den Heever
Unlisted	**Website: www.wispeco.co.za**

The company's year-end has been changed from March to June to align its year-end with that of its holding company. The results for the period under review are therefore not directly comparable to those of previous periods.

Revenue for the fifteen months to 30 June 2011 amounted to R1 119 million (twelve months to 31 March 2010: R747 million). Apart from the additional three trading months compared to the previous financial year, revenue increased due to higher aluminium prices worldwide, as well as growth in sales volumes partly resulting from the demise of AGI and the acquisition of Sheerline. Despite this increase in revenue, headline earnings declined to R45 million (twelve months to 31 March 2010: R63 million). This decline was caused largely by the continued suppression of profit margins owing to continued growth in low-cost imports and local price competition in a market where supply exceeds demand. The recovery and turnaround of the Sheerline business remains tenuous also contributing to the weaker overall performance.

In the absence of a local supplier of extrusion billet (raw material) Wispeco has been managing its billet inventories at higher levels than in previous years. As a result Wispeco remained unaffected by billet supply disruptions thereby maintaining high levels of customer service throughout the year.

The building industry remains key to the revival of demand growth in the local market. Commercial building activity is expected to remain at present low levels over the short term, while activity in the residential building sector is expected to lead to a gradual recovery in demand for architectural aluminium products.

Wispeco continues to play a leading role in the development of skills in the aluminium industry through wide-ranging training initiatives. Wispeco also leads the way with the development and supply of innovative energy-efficient aluminium window/door systems aimed at supporting the drive towards energy-efficient buildings.

PGSI LIMITED (PGSI)

Profile PGSI holds an interest of 100% in PG Group. The PG Group is South Africa's leading integrated flat glass business that manufactures, distributes and installs high-performance automotive and building glass products.	PGSI PGSI Limited
Equity valuation at 30 June 2011 R1 411 million	28.5% EFFECTIVE INTEREST
Chief Executive Officer S Jennings	**Remgro nominated director** M H Visser
Unlisted	**Website: www.pg.co.za**

Remgro's portion of PGSI's headline loss for the eighteen months ended 30 June 2011 amounted to R10 million (twelve months to 31 December 2009: R1 million headline earnings). This amount excludes the earnings contribution relating to the PGSI convertible preference shares of R13 million (2009: R8 million) as well as the fair value adjustment on the conversion right amounting to R8 million (2009: R74 million).

PGSI's turnover for the six months to 30 June 2011 increased by 17% to R1 485 million (2010: R1 270 million), while its operating profit amounted to R75 million (2010: R4 million operating loss). The improvement in the operating results was largely driven by a slowly improving economic climate in South Africa.

The main operating subsidiary in South Africa, PG Group, has been affected by the global and local recession of the past few years, particularly in the Original Equipment Manufacturers (OEM) automotive and domestic building sectors. While the automotive and small building sectors are beginning to emerge from the recession, commercial buildings are lagging and will continue to impact in terms of slow glass demand during 2011.

The difficult market conditions for manufacturing in South Africa have been further exacerbated by a very strong rand which strengthened considerably since the first quarter of 2010, in addition to similar strengthening in 2009. The PG Group has embarked on a number of initiatives to improve profitability in this difficult trading environment, including the reorganisation of the building products division to improve service levels, a focus on growing markets in Africa, the reduction in labour costs at the automotive manufacturing plants and increased yields at all manufacturing facilities.

The PG Group completed a comprehensive five-year capital expenditure programme and now owns two state of the art float lines, with the next repair scheduled for 2022. The expansion was funded through term debt with local banks. The group is well invested and capital expenditure over the next five years will be minimal. During 2010, R100 million was raised through a rights issue to further support the funding structure of PG Group.

The scenario for 2011 has improved with demand coming through in automotive sales and the domestic home improvement sector. The continued volatile rand, however, continues to dampen export contributions, as the group is a major exporter of high-quality float glass and automotive products.

Other industrial interests

CAXTON CTP LIMITED (CAXTON)

Profile

Caxton is one of the largest publishers and printers of books, magazines, newspapers and commercial print in South Africa.

Website: www.caxton.co.za

1.7% EFFECTIVE INTEREST

DORBYL LIMITED (DORBYL)

Profile

Dorbyl is an industrial group in the automotive engineering industry. The company specialises in the production and assembly of a wide range of vehicle components.

41.4% EFFECTIVE INTEREST

GEMS II AND III (GEMS)

Profile

Gems, based in Hong Kong, is a private equity fund management group that makes investments in the Asia Pacific Region.

Website: www.gems.com.hk

5% & 8.1% EFFECTIVE INTEREST

INVENFIN (PTY) LIMITED (INVENFIN)

Profile

Invenfin focuses on smaller early-stage investments.

Website: www.invenfin.com

100% EFFECTIVE INTEREST

KAGISO INFRASTRUCTURE EMPOWERMENT FUND (KIEF)

Profile

KIEF is a fund that aims to invest in infrastructure projects, including roads, airports, power and telecommunication installations, railway systems, ports, water and social infrastructure.

Website: www.kagiso.com

45.4% EFFECTIVE INTEREST

VHF TECHNOLOGIES SA

Profile

VHF Technologies SA, based in Switzerland, develops and manufactures thin-film flexible solar cells on a plastic substrate.

Website: www.flexcell.com

15.9% EFFECTIVE INTEREST

Media interests

CONTRIBUTION TO HEADLINE EARNINGS

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Sabido	**116**	11
MARC	**(14)**	5
One Digital Media	**(30)**	1
Premier Team Holdings	**(52)**	–
	20	17

SABIDO INVESTMENTS (PTY) LIMITED (SABIDO)

Profile
Sabido has a range of media interests, the most significant of which is e.tv. e.tv is the only independent free-to-air television broadcaster in South Africa.

Equity valuation at 30 June 2011
R4 445 million

31.6% **EFFECTIVE INTEREST**

Chief Executive Officer
M Golding

Remgro nominated directors
H J Carse, J J Durand

Unlisted

Website: www.etv.co.za

Sabido has a March year-end and therefore its results for the twelve months to 31 March 2011 have been equity accounted in Remgro's results for the period under review.

Remgro has an effective interest of 31.6% in Sabido which has a range of media interests, the most significant of which is South Africa's only private free-to-air television channel, e.tv, and its sister news service, the eNews channel. Sabido's contribution to Remgro's headline earnings for the period under review amounted to R116 million. This amount includes a charge of R11 million relating to the amortisation of intangible assets, identified as part of the acquisition of VenFin.

The latest results from the All Media Products Survey indicate that e.tv's audience has grown by 400 000 to 15.2 million viewers. e.tv remains the largest English-medium television channel in South Africa and the second most watched channel overall. Despite significant gains by pay-television into e.tv's core target market, e.tv has managed to maintain audience growth with a strong local programming line-up. The delay in launching digital terrestrial television, which would provide a multi-channel free-to-air platform, continues to aggravate the loss of audiences by free-to-air television channels to pay-TV. Programming costs have remained stable and although e.tv's advertising revenue was negatively affected by the 2010 FIFA World Cup, it managed to achieve its annual target by the end of its financial year. e.tv Africa, the channel's pan-African syndicated service, launched on DStv's pan-African service in December and is now available in 49 countries across the continent.

The growth in pay-TV subscribers on DStv has benefited the eNews Channel which has retained its position as market leader among news channels in South Africa. The channel is now also available to DStv subscribers in the rest of Southern Africa. The launch of eNuus (a daily half-hour Afrikaans news bulletin) on KykNET has been well received with eNuus appearing consistently in KykNET's top five programmes and taking share from SABC2's Afrikaans news bulletin.

In early 2011, Sabido acquired a 47.4% stake in The Africa Channel, a pay-television channel in the United Kingdom which is broadcast on the Sky retail bouquet. The eNews Africa bulletins (which are currently broadcast on e.tv Africa) is being broadcast on The Africa Channel since April 2011. Sabido has also acquired 100% of Power, the United Kingdom's eighth largest programme distributor. This will consolidate e.tv's capacity to distribute content on a worldwide basis.

MARC GROUP LIMITED (MARC)

Profile MARC is an investment company in the sport and entertainment industry in South Africa. MARC also has investments in sports brands and specialises in the creation, acquisition and commercialisation of sports branding rights.	
Equity valuation at 30 June 2011 R212 million	34.5% **EFFECTIVE INTEREST**
Chief Executive Officer S de Villiers	**Remgro nominated directors** P J Liddiard, N J Williams
Unlisted	**Website: www.marcgroup.co.za**

MARC has a December year-end and therefore its results for the eighteen months to 30 June 2011 are included in Remgro's results for the period under review.

MARC is an investment company in the sport and entertainment industry in Africa, focusing on activations marketing and rights commercialisation as well as certain strategic joint ventures and investments in sports brands. The group operates in 13 different African countries of which South Africa, Nigeria and Kenya are the biggest markets.

After allowing for the negative fair value adjustment on the conversion right relating to the MARC convertible preference shares its contribution to Remgro's headline earnings for the period under review amounted to a loss of R14 million (2010: R5 million headline earnings).

MARC's headline earnings for the six months to 30 June 2011 amounted to a loss of R10 million (2010: R13 million headline earnings). The weaker earnings can be attributed to once-off FIFA World Cup-related earnings during 2010, as well as decreased sponsorship spend by one of MARC's major customers during the current period.

Other media interests

ONE DIGITAL MEDIA (PTY) LIMITED (ODM)

Profile

ODM is a leading digital media network provider to brand owners and retailers, giving them the ability to flight dynamic content via broadcast or narrowcast to multiple environments or single LCD screens.

Website: www.onedigitalmedia.com

48.1% **EFFECTIVE INTEREST**

PREMIER TEAM HOLDINGS LIMITED (PTH)

Profile

PTH is a sports and leisure group based in the United Kingdom.

Website: www.mbnpromotions.co.uk

50% **EFFECTIVE INTEREST**

Mining interests

CONTRIBUTION TO HEADLINE EARNINGS

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Implats	**112**	85
Trans Hex*	**–**	11
	112	96

** Unbundled to Remgro shareholders during September 2010.*

IMPLATS LIMITED (IMPLATS)

Profile 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 30 June 2011 R115 092 million	4.4% **EFFECTIVE INTEREST**
Chief Executive Officer D H Brown	
Listed on the JSE Limited	**Website: www.implats.co.za**

Remgro's interest in Implats is 4.4% and only dividend income has been accounted for. Dividend income of R112 million (2010: R85 million) increased by 32% year on year.

Technology interests

CONTRIBUTION TO HEADLINE EARNINGS

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
CIV group	**91**	7
SEACOM	**(51)**	–
Tracker*	**57**	–
Britehouse	**22**	6
Other	**(8)**	–
	111	13

** Reclassified as investment "held for sale" with effect from 31 December 2010.*

COMMUNITY INVESTMENT VENTURES HOLDINGS (PTY) LIMITED (CIV GROUP)

Profile CIV Fibre Network Solutions (CIV FNS), holding company of Dark Fibre Africa (DFA), builds, owns, maintains and monitors infrastructure suitable to carry services such as fibre-optic networks. CIE Telecommunications supplies and installs specialist products and components as well as systems to the telecommunication industry. CIV Power provides lightning and power surge protection products and solutions as well as electricity Quality of Supply products. Central Lake is an investment holding company with interests in CIV FNS, CIE Telecommunications and CIV Power.	**CIV FNS/DFA** **CIE TELECOMMS** **CIV POWER** **CENTRAL LAKE**
Equity valuation at 30 June 2011 R4 271 million	43.8% **EFFECTIVE INTEREST**
Chief Executive Officer N Venter	**Remgro nominated directors** L Crouse, P J Liddiard
Unlisted	**Website: www.civ.co.za**

The CIV group has a March year-end and therefore its results for the twelve months to 31 March 2011 have been equity accounted in Remgro's results for the period under review.

Remgro has an effective interest of 43.8% in the CIV group which is active in the power, telecommunications and information technology sectors. The main subsidiaries are Dark Fibre Africa (DFA) which constructs and owns fibre-optic networks, CIE Telecom which imports and distributes fibre and specialises in network management and CIV Power which specialises in cabling of power stations.

The CIV group's contribution to Remgro's headline earnings for the period under review amounted to R91 million.

It is anticipated that CIV group's centre of growth will be DFA. DFA's headline earnings for the twelve months to 31 March 2011 increased by 129.2% to R165 million (thirteen months to 31 March 2010: R72 million), due to additional sections of the company's fibre-optic network having been completed and more customers acquiring or leasing infrastructure.

DFA has fibre network rings in Johannesburg, Cape Town, Durban, Midrand, Centurion and Pretoria. The Johannesburg ring is regarded as one of the most important communication rings in Africa. To date, a total distance of 2 600 km has been completed in the major metropolitan areas. DFA is also rolling out long-haul routes, the first one completed being from Durban Metropolitan to the SEACOM landing station in Mtunzini. This route was extended through Empangeni to Gauteng and was completed in April 2011. In 2010 DFA commenced with the fibre-to-the-tower project linking mobile phone operators' base stations to the core communication rings. Mobile backhaul is a major growth driver for DFA.

DFA has signed commercial lease agreements with 33 telecommunications service providers ranging from the largest incumbents to small niche operators, thereby establishing an annuity income-generating business.

During the next financial year the company aims to extend its presence in the South African telecommunications market by doubling its infrastructure footprint, as well as expanding its sales and marketing activities. The increase in the number of Electronic Communication Network Services licences issued by the Independent Communications Authority of South Africa has increased DFA's potential market for its services and should lead to sustainable growth in earnings.

SEACOM CAPITAL LIMITED (SEACOM)

Profile SEACOM provides high-capacity international fibre-optic bandwidth for Southern and East Africa.	
Equity valuation at 30 June 2011 R4 227 million	25% EFFECTIVE INTEREST
Chief Executive Officer M Simpson	**Remgro nominated directors** H J Carse, G J Roberts-Baxter
Unlisted	**Website: www.seacom.mu**

Remgro has an effective interest of 25% in SEACOM which launched the first terabit undersea fibre-optic cable to connect Southern and Eastern Africa with Europe and Asia in July 2009. The cable connects South Africa, Mozambique, Tanzania, Kenya and Djibouti with the rest of the world via landing points in France (and onwards to London) and India. Landlocked countries (Uganda, Rwanda, Ethiopia, etc.) are connected by terrestrial backhaul.

SEACOM has a December year-end and therefore its results for the eighteen months to 30 June 2011 have been included in Remgro's results for the period under review. SEACOM's contribution to Remgro's headline earnings for the period under review amounted to a loss of R51 million.

SEACOM provides high-capacity international fibre-optic bandwidth to customers in the form of IRUs (indefeasible right of use) where most of the revenue is accounted for over 20 years. SEACOM reported a loss of US$6 million for the six months to 30 June 2011, but continued cost savings and increased closure of new deals are expected to lead to profits in the foreseeable future. Continued political instability in Egypt prevented SEACOM from achieving the milestone of finishing the cable build by March 2011. The completion of the cable build has thus been postponed to the end of 2011.

Internet supply increased substantially in the last year due to the delivery of international bandwidth by SEACOM. SEACOM has experienced greater competition this year with the launch of the TEAMS cable system in Kenya and EASSy in Southern and Eastern Africa. SEACOM continues to face the challenge of downward pressure on pricing, but as the company maintains a healthy competitive advantage in the market, it is in a strong position to maintain pricing and ensure profit maximisation for the longest period possible.

Other technology interests

BRITEHOUSE HOLDINGS (PTY) LIMITED (BRITEHOUSE)

Profile

Britehouse is a Venture Holding business that invests in companies with specific business software application skills and delivery track records. These businesses focus on business process automation and improvement.

Website: www.britehouse.co.za

30% EFFECTIVE INTEREST

TRACKER NETWORK (PTY) LIMITED (TRACKER)

Profile

Tracker's core business is the sale and installation of vehicle tracking systems for the recovery of stolen vehicles in South Africa.

Website: www.tracker.co.za

34.4% EFFECTIVE INTEREST

VISIONCHINA MEDIA INCORPORATED (VISIONCHINA)

Profile

VisionChina operates an out-of-home advertising network on mass transportation systems in China, including buses and subways, through TV broadcasting.

Website: www.visionchina.cn

5.4% EFFECTIVE INTEREST

Other investments

CONTRIBUTION TO HEADLINE EARNINGS

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Business Partners	**18**	12
Xiocom*	**–**	(79)
Other	**10**	3
	28	(64)

** Sold during March 2010.*

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

Profile Business Partners is a specialist investment company providing customised and integrated investments, mentorship and property management services for small and medium enterprises in South Africa.	
Equity valuation at 30 June 2011 R984 million	29.8% **EFFECTIVE INTEREST**
Chief Executive Officer N Martin	**Remgro nominated director** J W Dreyer
Unlisted	**Website: www.businesspartners.co.za**

Business Partners is a specialist investment group, providing risk finance, mentorship and property management services to small and medium enterprises in South Africa.

The company has a March year-end and therefore its results for the twelve months to 31 March 2011 have been equity accounted in Remgro's results for the period under review. Headline earnings for the twelve months ended 31 March 2011 amounted to R62 million (2010: R56 million) representing an increase of 11% compared to the previous year. Headline earnings attributable to Remgro for the period was R18 million (2010: R12 million).

Revenue decreased marginally primarily due to lower interest rates, whilst other operating income and other operating expenses were favourably impacted by fair value adjustments of investment properties and decreased staff costs, respectively. A slight increase in provision for impairments continues to reflect the adverse economic conditions.

During the period under review, finance for 438 (2010: 431) investment projects (including investment properties) amounting to R1 009 million (2010: R765 million) were approved for investment.

Other investments

FRINGLAND LIMITED (FRING)

Profile fring, an Israeli mobile communications company, develops and markets a mobile internet service which enables its users to communicate with other fring users.	
Website: www.fring.com	3.4% EFFECTIVE INTEREST

FYNBOS (PTY) LIMITED (FYNBOS)

Profile Fynbos is an early-stage black-controlled investing holding company that makes equity investments with a view to long-term capital appreciation.	
Website: www.fynbosmedia.co.za	20.0% EFFECTIVE INTEREST

LASHOU GROUP INC

Profile A Chinese company for group-buy and location-based marketing campaigns.	
Website: www.lashou.com	1.6% EFFECTIVE INTEREST

MILESTONE CAPITAL I AND II

Profile Milestone Capital, based in mainland China, is a China-focused private equity investment firm.	
Website: www.mcmchina.com	10.5% & 8.1% EFFECTIVE INTEREST

VERITAS

Profile Veritas is Israel's oldest venture capital firm and primarily invests in seed-stage technology companies.	
Website: www.veritasvc.com	3.7% EFFECTIVE INTEREST

Corporate finance

CONTRIBUTION TO HEADLINE EARNINGS

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Central treasury	**89**	57
Net corporate costs	**(162)**	(101)

CORPORATE FINANCE

Profile Responsible for Remgro's central treasury function as well as management and support services.	**REMGRO FINANCE CORPORATION LIMITED, REMGRO MANAGEMENT SERVICES LIMITED *and* REMGRO INTERNATIONAL LIMITED – JERSEY**
Unlisted companies	100% **EFFECTIVE INTEREST**

The central treasury division's contribution to headline earnings for the fifteen months to 30 June 2011 increased to R89 million (twelve months to 31 March 2010: R57 million), due to the additional three months included in the period under review, as well as higher average cash balances.

The increase in net corporate costs to R162 million (2010: R101 million) is due to the additional three months, as well as the inclusion of VenFin's corporate costs for the full financial period after its acquisition during November 2009.

GOVERNANCE AND SUSTAINABILITY

Corporate Governance Report

GOVERNANCE FRAMEWORK

Remgro Limited (Remgro) is committed to the highest level of corporate governance, integrity and ethics. The Board of Directors (the Board) is ultimately responsible for ensuring that governance standards are met and it is therein assisted by senior management who aims to instil a culture of compliance and good governance throughout the Remgro Group. This is underscored by sound and visible leadership characterised by the ethical values of responsibility, accountability, fairness and transparency. Sound corporate governance structures and processes are being applied and are considered by the Board to be pivotal to delivering sustainable growth in the interest of all stakeholders.

The Board advocates adherence to sound governance principles by all entities Remgro is invested in by using its significant influence to ensure that all Remgro's listed subsidiaries and associated companies endorse the principles contained in the King Report on Governance for South Africa 2009 (King III). Effective corporate governance forms part of Remgro's investment assessment criteria which is further monitored on a continuous basis by non-executive board representation on those investee company's boards.

Remgro is an investment holding company and accordingly all references to "the Group" in this context denote the Company and its wholly owned subsidiaries. Remgro's two wholly owned operating subsidiaries, Tsb Sugar Holdings (Pty) Limited (Tsb Sugar) and Wispeco Holdings Limited (Wispeco) operate and are managed as independent entities with autonomous boards of directors. During the period under review Tsb Sugar put in place the required protocols to ensure an effective and efficient adoption and implementation of the new governance standards as required by King III. The main areas that were addressed related to the review of existing mandates, policies and procedures over the key governance criteria, including but not limited to board and subcommittee charters and mandates, as well as stakeholder, IT governance and legal compliance policies.

In the case of Wispeco the composition of its board of directors does not comply with the independence requirements of King III due to the size of the business. Remgro's representatives on the board of that company, however, ensure that sound corporate governance and sustainability practices are followed by Wispeco through the adoption and implementation of Remgro's policies, processes and procedures.

Remgro's other wholly owned subsidiaries, excluding Tsb Sugar and Wispeco referred to above, are not operating companies and are administered by Remgro Management Services Limited (RMS). The members of Remgro's Management Board are also the directors of RMS. RMS renders management and support services to Remgro and certain of its subsidiaries and associates and partially recovers its costs through fees for services rendered. The net costs of RMS are part of the corporate costs of Remgro.

King III became effective on 1 March 2010 and the Board is satisfied that Remgro has met the principles contained in King III throughout the period under review. When a principle of King III has not been adhered to as specified, this is explained where relevant. **For ease of reference however, a summary of all the principles of King III that were not applied is presented below.**

- The Chairman of the Board, Mr Johann Rupert, is not an independent non-executive director, but given his knowledge of the business and his commercial experience, the Board deems this arrangement not only as appropriate but also essential for achieving the business objectives of Remgro.
- The Chairman of the Board acts as *ex officio* chairman of the Remuneration and Nomination Committee. Although he is not independent the Board is supportive of his chairmanship of the Remuneration and Nomination Committee given the necessity to align the Company's remuneration approach with corporate strategy.
- The Board and subcommittees performs a self-evaluation annually, but have decided not to disclose the overview of the appraisal process, results and action plans in the integrated report due to the potential sensitive nature thereof.
- In terms of the evaluation process, directors are not evaluated individually as part of the annual evaluation process; however, independent non-executive directors are evaluated individually with regard to their independence and specifically the independence of the directors serving on the Board for more than nine years.
- In terms of King III, the integrated report should disclose the terms of reference of the Board committees; however, only a summary of the terms are disclosed in the integrated report. The complete terms of reference of Board committees are available on the Company's website.
- The Board does not believe that directors should earn attendance fees in addition to a base fee. Many directors add significant value to the Group outside

of the formal Board and Committee meetings, sometimes greater than they might do within the confines of a formal meeting.

> The Board does not intend to ask the shareholders for non-binding approval for Remgro's remuneration policy. The rationale and basis for the Group's executive remuneration policy is carefully considered by the Remuneration and Nomination Committee and is documented in the Annual Report.
> The King III Report requires that the salaries of the three most highly paid employees who are not executive directors should be disclosed. The information for Mr Neville Williams, who is a member of the Management Board and also Remgro's only prescribed officer in terms of the Companies Act (No. 71 of 2008) (new Companies Act), is disclosed separately. Due to their specialised skills, the highly competitive South African business environment and the employees' value to Remgro, the Board does not wish to disclose this information for each of the two remaining individuals but has instead disclosed the total salaries of the two employees concerned.
> The Board does not intend to institute a formal dispute resolution process as it believes that the existing processes within the Group operate satisfactorily and do not require a more formal and separate mechanism. Shareholders will have remedies in terms of the new Companies Act.
> The King III Report requires that the Company's Sustainable Development Report be audited by an independent external professional. Remgro's Sustainable Development Report has not been audited but verification of the key sustainability indicators have been obtained through agreed upon procedures performed by internal audit and independent service providers.

During the period under review a number of governance-related regulatory developments became effective, of which King III and the new Companies Act were the most noteworthy. Numerous workshops and training sessions on King III and the new Companies Act have been held at Remgro over the past two years to ensure that its directors and management are equipped to implement and practice sound corporate governance.

Remgro measures the effectiveness of its governance processes by means of successful participation in the JSE's Socially Responsible Investment (SRI) Index since the launch thereof in May 2004. In this regard the governance practices of Rainbow Chicken Limited, being Remgro's largest and only listed subsidiary, are incorporated.

Integrated reporting in terms of King III requires annual reporting of financial as well as sustainability and social performance. The changes to the Annual Report resulting from the application of King III have largely been to present the required information in a more relevant format such that separate reports dealing with risk management and remuneration have now been introduced. The aspects covered in these reports were previously dealt with to a lesser degree within the Corporate Governance Report itself. Aside from the changes made to the Annual Report, much of the impact of King III relates to Board and subcommittee compositions, as well as the functioning of these bodies as more fully described below.

BOARD OF DIRECTORS

Board charter and responsibilities

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 for new directors.

The charter has been updated during the period to include the principles and recommendations of King III as well as any changes required by the new Companies Act. All directors of Remgro have endorsed the charter and a copy of the charter is available for inspection on Remgro's website at www.remgro.com.

Key responsibilities in terms of the charter include the following:

> ensuring that the Board's composition incorporates the necessary skills and experience;
> appointment of new directors;
> the annual appointment and evaluation of the Chief Executive Officer, the Chief Financial Officer and the Chief Investment Officer;
> addressing all aspects that are of a strategic or material nature or that can impact the reputation of Remgro;
> directing the ethical standards, strategy and operations of the Group to build a sustainable business, while considering the short- and long-term impact of the Group's strategy on the economy, society and the environment;
> monitoring compliance with laws and regulations and codes of best business practice;
> ensuring that relevant and accurate information is timeously communicated to stakeholders;
> ultimately responsible for the strategic direction, risk appetite, performance and affairs of Remgro;

- approval of new investments or extension of existing investments for amounts more than R500 million, as well as the disposal of existing investments for amounts more than R500 million;
- monitoring the operational and investment performance of Remgro;
- empowerment of executive management to implement operational and investment plans and strategies in terms of delegated authorities;
- risk management and IT governance;
- ensuring that sustainability reporting is integrated with its financial reporting;
- the promotion of good governance by its subsidiaries, including the adoption and implementation of Remgro's policies, processes and procedures by subsidiaries;
- ensure that the remuneration of directors and senior management is determined in terms of the remuneration policy;
- at least twice a year, consider the going concern status of Remgro.

The Board is satisfied that it has discharged its duties and obligations as described in the Board charter during the past financial period.

Remgro has a fully functional Board that leads and controls the Group. All issues of a material or strategic nature, or which can impact on the reputation of the Group, are referred to the Board. Other issues are dealt with by the Management Board and/or the Investment Committee, or by senior management as permitted in terms of a formal delegation of authority. The Board meets at least five times a year and follows an annual work plan to ensure that all relevant matters are dealt with. Members of the Board and subcommittees receive an agenda, together with supporting documentation, at least one week prior to each meeting in order to enable them to be fully prepared. All directors have unlimited access to the services of the Company Secretary and senior management, as well as to all company records.

Composition of the Board

Details of the directors of the Company appear on pages 19 to 21 of the Integrated Annual Report.

The composition of the Board reflects a balance of executive and non-executive directors, of whom the majority is independent. The Board currently consists of six executive and twelve non-executive directors of whom eight are independent. Non-executive directors are selected to serve on the Board for their broader knowledge and experience and are expected to contribute effectively to decision-making and the formulation of policy. The independence of independent non-executive directors is reviewed annually and the independence of non-executive directors who have served on the Board for more than nine years, is subject to a rigorous review by the Board.

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

The Board will not comprise fewer than four or more than nineteen directors, or any other number as the Board may from time to time determine. The Board is satisfied that its current members possess the required collective skills and experience to carry out its responsibilities, to achieve the Group's objectives and create shareholder value over the long term. In terms of the Articles of Association of the Company at least one third of the directors must resign annually on a rotation basis, but may make themselves available for re-election for a further term.

The roles and responsibilities of the Chairman of the Board and the Chief Executive Officer are separated. The Chairman, the Deputy Chairman, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Chief Investment Officer (CIO) are all elected and/or appointed on an annual basis.

As mentioned earlier, the Chairman of the Board is not an independent director. The Board acknowledges the principle in the King Reports to appoint an independent non-executive director as Chairman, but given the responsibility of the Board to focus on performance in directing the commercial and economic fortunes of Remgro, this arrangement is deemed not only appropriate, but also essential. In compliance with King III and the JSE Listings Requirements, the Board has appointed Mr G T Ferreira as Lead Independent Director (LID) at the Board meeting held on 25 November 2010. The main function of the LID is, inter alia, to provide leadership and advice to the Board, without detracting from the authority of the Chairman, when the Chairman has a conflict of interest. The LID is appointed by the Board on an annual basis.

The CEO, Mr Thys Visser, is responsible for the day-to-day management of the Company and he is assisted in this regard by Messrs Leon Crouse (CFO) and Jannie Durand (CIO). Between the three of them they have 71 years of service while working for Remgro and Remgro-related businesses.

Evaluation of the Board, subcommittees and individual directors

The Board and subcommittees are evaluated annually by their members. The results of these evaluations are not disclosed in the annual integrated report, but the nomination for re-appointment of directors only occurs after the evaluation of the performance of the Board. The Board determines its functions, duties and performance criteria, as well as that for subcommittees, to serve as a benchmark for the performance appraisals.

The Board is satisfied with the independence of independent non-executive directors, including the independence of Messrs Fred Robertson and Paul Harris, who have served on the Board for ten years. Based on the evaluation there is no evidence of any circumstances and/or relationships that will impair their judgement, and their independence is in no way affected by the length of service.

Induction of new directors

Newly appointed Board members are formally informed of their fiduciary duties by the Company Secretary. Upon their appointment directors receive an induction pack consisting of, inter alia, agendas and minutes of the two most recent Board and subcommittee meetings (if applicable), latest annual financial statements and Integrated Report, the Company's code of conduct regarding insider trading, Group structure, Board charter and subcommittee mandates, etc. in order to inform them of existing matters and risks that are currently being addressed as well as to provide them with a general understanding of the Group. New Board members are also invited to have induction meetings with executive directors and senior management. In addition new members will also receive information on the JSE Listings Requirements and the obligations therein imposed upon directors.

Members of the Board, subcommittees and individual directors are entitled to seek independent professional advice concerning the affairs of the Group, at the Company's expense, with prior notification to the CEO or Company Secretary.

Company Secretary's role and responsibilities

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

The Company Secretary is furthermore responsible for ensuring the proper administration of the proceedings and matters relating to the Board, the Company and the shareholders of Remgro in accordance with applicable legislation and procedures.

The Company Secretary is not a director of Remgro and has an arm's length relationship with the Board and the directors.

Board committees

The Board has established subcommittees to assist it in discharging its duties and responsibilities. Each committee has its own mandate/terms of reference that defines its powers and duties. Copies of these mandates and terms of reference, which are reviewed on an annual basis, are available on Remgro's website at www.remgro.com.

The minutes of committee meetings are included in the agendas of subsequent Board meetings and issues that require the Board's attention or a Board resolution are highlighted and included as separate agenda items. Notwithstanding the delegation of functions to Board committees, the Board remains ultimately responsible for the proper fulfilment of such functions, except for the functions of the Audit and Risk Committee relating to the appointment, fees and terms of engagement of the external auditor.

Remuneration and Nomination Committee

The committee consists of four non-executive directors, three of whom are independent. The Company Chairman, Mr Johann Rupert, is also the chairman of the committee, while the Head of Human Resources acts as secretary. The CEO attends all committee meetings by invitation. The committee's mandate was amended during the period to incorporate recommendations of King III.

Meetings of the committee are held periodically (but at least once a year) in order to advise the Board on matters such as the remuneration principles and terms of employment of all directors and Management Board members, the Board structure and composition, directors' remuneration and long-term incentive schemes and succession plans for the Board, CEO and other Management Board appointments.

Remgro's remuneration principles are set out in the Remuneration Report on pages 119 to 128 of the Integrated Annual Report. As mentioned earlier the Board does not intend to ask shareholders for a non-binding advisory vote on the Company's remuneration policy at the forthcoming Annual General Meeting on 24 November 2011.

Audit and Risk Committee

The committee is governed by a mandate that was updated during the period to ensure compliance with the recommendations of King III and the requirements of the new Companies Act. The committee consists of four independent non-executive directors, elected by Remgro's shareholders on recommendation by the Board, and is chaired by Mr Herman Wessels. The committee meets at least four times a year and the CEO, CFO, CIO and the head of internal audit attend all meetings, *ex officio*.

The main role of the committee is to assist the Board in discharging its responsibilities regarding the following:

> risk management;
> internal controls;
> internal financial controls, accounting systems and information;
> the effectiveness of the CFO and financial function;
> accounting policies;
> internal and external audit;
> information technology systems;
> protection of assets;
> public reporting; and
> to monitor compliance with laws, rules, codes of conduct and standards.

The annual appointment of the external auditor, the approval of its terms of engagement and audit approach, as well as the approval of fees relating to audit services and non-audit services are also performed by this committee. These responsibilities apply to Remgro and its wholly owned subsidiaries administered by RMS. The Audit and Risk Committees of Remgro's two wholly owned operating subsidiaries, Tsb Sugar and Wispeco, report to the Group's Audit and Risk Committee at each meeting by way of including its minutes of meetings in the agenda.

The Audit and Risk Committee meets at least once per year with the external and internal auditors and executive management to ensure that their efforts relating to risk management and internal control are properly co-ordinated.

The committee furthermore evaluates the effectiveness of its two subcommittees, the Financial Statements Committee and the Risk and IT Governance Committee. The Financial Statements Committee is not an official subcommittee of the Audit and Risk Committee, but its tasks include the revision of Remgro's Annual Integrated Report (including the annual financial statements) prior to submission thereof to the Audit and Risk Committee. The Risk and IT Governance Committee was established during the period under review and its mandate includes the maintenance of the risk management policy and plan, establishment of an operational risk register, information technology risk management, legal compliance and occupational health and safety. Both of these committees are chaired by Remgro's CFO, Mr Leon Crouse, and the chairman of the Audit and Risk Committee attends the meetings by invitation.

The committee is also responsible for ensuring that the combined assurance model introduced by King III is applied to provide a coordinated approach to all assurance activities. In particular the committee:

> will ensure that the combined assurance received is appropriate to address all the significant risks facing the Company; and
> monitors the relationship between the external service providers and the Company.

The committee's report describing how it has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial period ended 30 June 2011 is included in the Integrated Annual Report on pages 132 to 133.

Investment Committee

The Investment Committee comprises four non-executive directors, of whom two are independent, as well as the Chief Executive Officer, the Chief Financial Officer and the Chief Investment Officer. The committee is chaired by Mr Johann Rupert and meets when required for significant investment decisions.

The duties and responsibilities of the committee are:

> to consider, and if appropriate, approve:
  – new investments up to an amount of not more than R500 million;
  – the extension of existing investments for amounts between R100 million and R500 million;
  – the disposal of existing investments up to an amount of not more than R500 million; and

> to consider and make recommendations to the Board regarding investments decisions amounting to more than R500 million.

During the period under review resolutions were adopted in writing by members of the Investment Committee.

Management Board

The Management Board consists of all six executive directors as well as a member of senior management, Mr Neville Williams. The committee meets on a monthly basis and the duties and responsibilities of committee members are in addition to their duties and responsibilities as members of the Board (in the case of members who are directors) and/or their other duties as executives.

The key duties and responsibilities of the committee are as follows:

> development of operational and investment plans and strategies for Remgro for submission to the Board and the implementation thereof once approved;

> evaluating and monitoring of existing Group investments;

> extension of existing investments up to an amount of not more than R100 million;

> recommendation of all new investments and extension of existing investments for more than R100 million to the Investment Committee and the Board for approval;

> appropriate reporting in respect of existing investments to the Board;

> nomination of representatives of Remgro as directors on the boards of investee companies, for approval by the Board.

Social and Ethics Committee

In terms of the new Companies Act, each listed public company should establish a Social and Ethics Committee within one year of the new Companies Act becoming effective. Remgro is in the process of establishing such a committee and this process will be completed before 30 April 2012.

ATTENDANCE AT MEETINGS

	Directors	Audit and Risk Committee	Remuneration and Nomination Committee	Management Board
Number of meetings held	7	5	3	12
Attendance by directors				
Non-executive directors				
J P Rupert	7	–	3	–
E de la H Hertzog	7	–	–	–
P E Beyers	6	–	–	–
J Malherbe	7	–	–	–
Independent non-executive directors				
G T Ferreira	6	–	3	–
P K Harris	7	–	3	–
N P Mageza	7	4	–	–
P J Moleketi	5	5	–	–
M M Morobe	6	–	–	–
M A Ramphele	4	–	–	–
F Robertson	6	5	2	–
H Wessels	7	5	–	–
Executive directors and Management Board				
M H Visser	7	–	–	12
W E Bührmann	7	–	–	11
L Crouse	7	–	–	10
J W Dreyer	7	–	–	12
J J Durand	6	–	–	12
J A Preller	7	–	–	10
T van Wyk(1)	5	–	–	8
N J Williams	–	–	–	12

(1) Mr T van Wyk resigned as executive director on 31 January 2011.

Dealing in securities

In accordance with the Listings Requirements of the JSE, the Company has adopted a code of conduct for insider trading. During price-sensitive or closed periods directors and designated employees are prohibited from dealing in Remgro's securities. In terms of the Group's policy closed periods lasts from the end of a financial reporting period until the publication of financial results for that period. A closed period is also applicable when the Company has issued a cautionary announcement to its shareholders.

Directors and designated employees may only deal in Remgro's securities outside the closed period, with the approval of the Chairman or the Chief Executive Officer. In addition, directors and designated employees are prohibited from dealing in the securities of listed investee companies unless permission has been obtained from the Chairman or the Chief Executive Officer.

Conflicts of interests

Mechanisms are in place to recognise, respond to and manage any actual, potential or perceived conflicts of interest. Directors are required to disclose their personal financial interests, and those of persons related to them, in contracts or other matters in which Remgro has a material interest or which are to be considered at a Board meeting. Where a potential conflict of interest exists, directors are expected to recuse themselves from relevant discussions and decisions.

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 Ethics, the provisions of the Securities Services Act and the requirements of the JSE Limited regarding inside information, dealings in securities and the disclosure of such dealings.

The activities and conduct of executive directors and senior management who act in a non-executive capacity on the Boards of investee companies are governed by formal guidelines as approved by the Board.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has implemented a comprehensive risk management system, which incorporates continuous risk assessment, evaluation and internal control embedment. The Group's reporting on its risk management process and systems of internal control is included in the Risk Management Report on page 87 of the Integrated Annual Report.

EXTERNAL AUDIT

In terms of the JSE Listings Requirements the external auditor of all listed companies and their major subsidiaries should be accredited with the JSE. Remgro's external auditor, PricewaterhouseCoopers Inc. is accredited as such with the JSE. The external auditor attends all Audit and Risk Committee meetings and has direct access to the chairman of the Audit and Risk Committee and the Chairman of the Group.

Non-audit services provided by the external auditor are approved by the Audit and Risk Committee and relate mainly to tax matters. These services are effected by a department that is independent of the audit partners.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board acknowledges the importance of keeping shareholders and the investor community informed of developments in Remgro's business. Communication with shareholders is based on the principles of timely, balanced, clear and transparent information. Both positive and negative aspects of financial and non-financial information are provided. Interactions with institutional investors take place twice a year at the dial-in interim and final results presentations, where questions can be directed to the CEO, CFO and CIO. The most recent and historic financial and other information is also published on the Company's website at www.remgro.com. Further information regarding Remgro's initiatives on communication with all of its stakeholders are provided in the Sustainable Development Report.

BUSINESS RESCUE PROCEEDINGS

An internal business rescue policy is currently being drafted in order to formalise the business rescue proceedings and other turnaround mechanisms included in the internal control processes of the investment division. These would be applicable to the Company and investee companies, should they ever become financially distressed.

Risk Management Report

INTRODUCTION

The Board is ultimately accountable for the risk management process and system of internal control within Remgro. The Board has documented a comprehensive risk management policy and plan which has been implemented by management. This incorporates continuous risk identification and assessment and internal control embedment.

The Audit and Risk Committee is mandated to monitor the risk management process and systems of internal control and is supported in this regard by its subcommittee, the Risk and IT Governance Committee. The Group's internal and external auditors, along with management and certain external consultants, are tasked to render combined assurance reports to the Audit and Risk Committee.

Ethical leadership and human capital are the cornerstones of Remgro's risk management philosophy as these ensure entrepreneurial flair, sound corporate reputation and effective governance.

The risk management process in Remgro comprises the arrangement of resources to ensure the achievement of strategy and business plans, including the exploitation of available opportunities that meet the risk appetite criteria set by the Board. Risk profiles inherent to existing activities and investments are furthermore maintained within the approved risk tolerance levels, thereby optimising the risk return parameters for the creation of sustainable growth and value for shareholders and other stakeholders.

REPORT PARAMETERS

Due to the nature and magnitude of Remgro's investment portfolio, the scope of this report, which is consistent with prior years, is compiled in accordance with the Global Reporting Initiative™, (GRI) Boundary Protocol.

This report therefore focuses on the activities of the Company and its subsidiaries, save where such entities are listed entities and the relevant information is readily available to stakeholders. As a result this report contains risk management information of the Company, Remgro Management Services Limited (Remgro's service company), V&R Management Services AG*, Tsb Sugar Holdings (Pty) Limited and Wispeco Holdings Limited.

** A wholly owned subsidiary, registered and managed in Switzerland, rendering bookkeeping and treasury services for Remgro's foreign subsidiaries and third parties.*

RISK MANAGEMENT PROCESS

The Risk Management policy is based on the principles of the international COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework and complies with the recommendations of King III. This policy defines the objectives, methodology, process and responsibilities of the various risk management role-players in the Group. The Risk Management policy is subject to annual review and any amendments are submitted to the Audit and Risk Committee for approval.

Remgro is an investment holding company and as such the risk management process takes cognisance of risks and opportunities within the Company as well as the risks and opportunities inherent to its investment portfolio.

The following table sets out the key control objectives and related controls of the Company.

KEY CONTROL OBJECTIVE	KEY CONTROL
The appointment of suitably skilled and experienced directors and officers possessing the required values and drive.	Effective functioning of the Remuneration and Nomination Committee. Performance assessments and committee evaluations.
Ethical and visible leadership via governance structures and related processes.	Embedded system of values and ethics and maintenance thereof via visual leadership. Formalised ethics policies and codes of conduct. Corporate culture focused on excellence in execution and fairness in dealing. Comprehensive and King III compliant corporate governance structures and systems.
Appropriate long-term strategy within approved risk appetite duly communicated and delegated to the executive.	Effective Management Board supported by executive management and an experienced Investment Division.
The significance of Remgro's corporate presence in the local investment environment as this enables it to acquire meaningful stakes in selected investment opportunities.	A conservative business approach with long-term investment criteria focused on growth, sustainability and liquidity. Corporate actions are aligned with the long-term strategy.
Ensuring that opportunity risks are managed to avoid lost investment opportunities that met Remgro's stringent investment criteria.	Good corporate reputation and brand as investor of choice. Skilled and experienced investment division with efficient operational processes and controls. Effective support structures and negotiation processes supported by proven due diligence processes.
Available liquidity to fund new investments and further support successful investments.	Conservative cash administration and well-managed and secure treasury environment.
Effective group structuring to house existing and new investments.	Effective control structures supported with skilled and experienced legal and corporate tax specialists.

KEY CONTROL OBJECTIVE	KEY CONTROL
Effective internal operations, including secretarial, financial, human resources and all other departmental activities in the service company and wholly owned subsidiaries under the control of the management of the service company. Given the significance of treasury, the following salient objectives are integrated into the Treasury Committee's (a management committee chaired by the CFO and comprising the CEO, CIO and other senior managers) mandate: > Liquidity requirements are formalised > Terms of trade with banks are reviewed to ensure adequate risk sharing > Payment systems are secured > Information is secure > FAIS (Financial Advisory and Intermediary Services Act, 2002) legislation is complied with > The following treasury risks are specifically managed: – Instrument risk (derivatives) – Investment risk (credit limits and spread of cash between approved institutions) – Foreign currency risk (spread and composition of approved currency exposures) – Interest rate risk	Employment and retention of skilled and experienced senior management. Effective and efficient internal control systems. Effective Risk and IT Governance Committee. A formalised Treasury Policy is maintained by the Treasury Committee and amendments are submitted to the Board for approval. Skilled staff are employed in the treasury department and comprehensive internal controls are deployed and complied with. The treasury department is subject to quarterly FAIS reviews from the FSB (Financial Services Board) approved compliance officer. In addition the treasury department (back and front office) are subject to regular internal audit reviews and a year-end review by the external auditor.
Effective management of underlying investments and ensuring that Remgro's investment criteria are maintained and the Group's rights are protected.*	Comprehensive shareholder agreements are concluded at time of investment. This facilitates effective control or significant influence over the executive management teams in the underlying investee companies and ensure that strategies, goals and deliverables are met. Detailed reporting, review and management structures are implemented to ensure timely, accurate and reliable information used in decision making processes.
Accurate, transparent and reliable reporting and interaction with stakeholders.	Formalised stakeholder and communication policies. Effective internal financial controls. Comprehensive combined assurance plans.
Full compliance with taxation and other relevant legislation and industry practices.	Effective Tax Committee. Legal Compliance policy linked to expert legal advice.
Due consideration and support to sustainability matters such as BBBEE, environmental management, social corporate support, etc.	Formalised social support policy and process. BBBEE policies and mandates. Environmental management included under the ambit of the Risk and IT Governance Committee with formalised policies.

** As stated in the "Group Profile" section of this report, Remgro is not involved in the day-to-day management of investee activities but do have non-executive representation on these autonomous boards via shareholder agreements. These bodies are responsible for risk management at investee level.*

Remgro, being a responsible investor, ensures that proper corporate governance is implemented and maintained in all entities it invests in via the above process.

RISK MANAGEMENT STRUCTURE

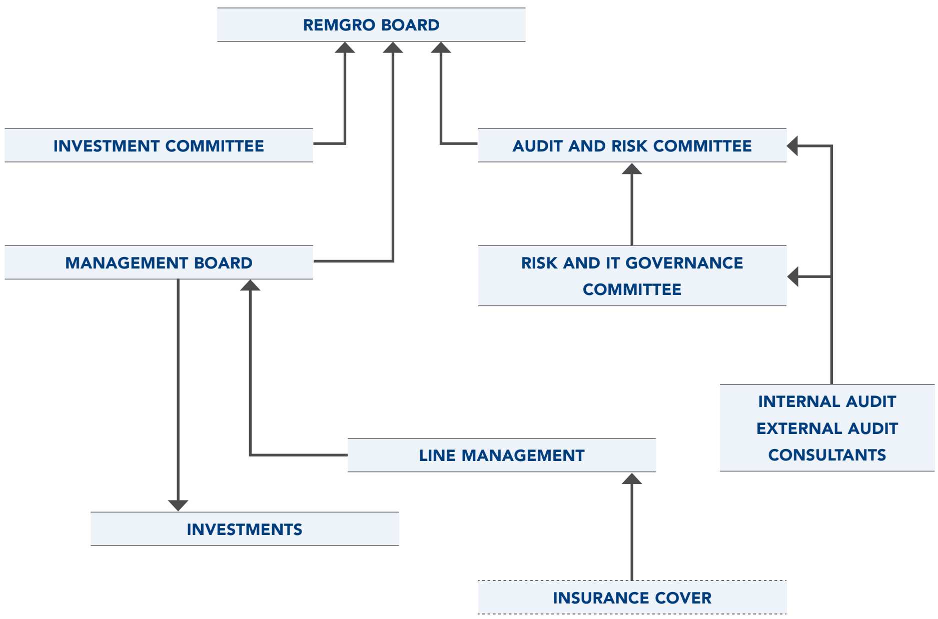
The following structure has been implemented in the Company to ensure the effective and efficient management of risk within the Company.

In the structure below the function of the Chief Risk Officer is shared amongst the following individuals:

> The Chief Executive Officer reports directly to the Board on an ongoing basis as regards the risks that may impact the effective and efficient execution of the strategic plan.

> The Chief Financial Officer, as chairman of the Risk and IT Governance Committee, is responsible for the induction of risk management into the daily activities of the Company, including the drafting and maintenance of the Risk Register and Risk Management policy.

> The Chief Audit Executive attends meetings of the Risk and IT Governance Committee and renders independent assurance regarding the effectiveness of this committee's activities as well as the system of internal control.



The Risk and IT Governance Committee is a subcommittee of the Audit and Risk Committee and is chaired by the Chief Financial Officer. The chairman of the Audit and Risk Committee has a standing invitation to attend all meetings. This committee is tasked with the maintenance of the Group's Risk Management policy, the IT Governance policy, operational risk registers, occupational safety, health and environmental management and legal compliance processes.

RISK TOLERANCE LEVELS

The Remgro Board has formalised and approved the following risk tolerance levels to define the Board's risk appetite and to ensure that all risks within the Group are managed within the limits so defined.

Remgro, due to the nature of its core activity, deals with risk tolerance levels in the following three risk activities using dedicated and diverse methodologies:

Investments

Risk tolerance levels are set in accordance with the cost of funding the investments (WACC) as adjusted with a risk weighting (Beta) to ensure a sustainable and positive risk return environment.

Treasury

Given the liquidity requirements to support performing investments and to seize new investment opportunities, the risk tolerance levels for cash held in South Africa and internationally are measured in terms of lending rates achieved by major banks in the money market, including but not limited to STeFI (Short Term Fixed Interest) or LIBOR.

Foreign currency risk and capital preservation risk in adverse economic climate are mitigated by means of conservative policies regarding hedging strategies and counter party vetting.

The treasury funds are invested as per a Board approved Treasury policy which deals with counter party (credit) risk, liquidity risk, interest rate risk, currency risk, instrument risk and commercial risk (terms of trade), as well as the policies deployed to safeguard cash and liquid assets.

Other

This includes risks associated with unplanned loss to assets, exposure to liabilities, fidelity, business interruption and other operational risk.

In these instances the Board has adopted a conservative approach by taking sufficient insurance cover to mitigate the anticipated maximum loss should risk realise in these categories.

RISK APPETITE

Risk appetite is defined as the residual risk that the Company is prepared or willing to accept without further mitigation action being put in place or the amount of risk the Company is willing to accept in pursuit of value. This is also defined as the risk propensity of the Board in pursuing the creation of wealth.

The following qualitative and quantitative factors are considered by the Board in evaluating risk appetite:

- risk and return profile of the current investment portfolio;
- availability of cash resources and other liquid (available for sale) assets;
- risk return profile of prospective opportunities;
- financial ratios relevant to measuring performance, including inter alia:
  - Intrinsic Net Asset Value (IAV)
  - return on IAV relative to comparable risk investments
  - dividend policy and coverage;
- international and local economic cycles and trends;
- foreign currency rates and trends; and
- materiality of risks with reference to the IAV of the Group

RISK-BEARING CAPACITY

Risk-bearing capacity is defined as a monetary value which is used as a yardstick, measuring the maximum loss the Company can endure without exposing it to the point where its existence and survival is under threat, given an equivalent loss.

Given the nature of Remgro's intrinsic net asset value composition, i.e. equity and cash with no gearing, there are no current exposures that could jeopardise the going concern status of the Group.

UNEXPECTED OR UNUSUAL RISK EXPERIENCES

The risk management process is externally focused to ensure the timely identification of new emerging risks and the assessment of the effectiveness of risk responses thereto.

IT GOVERNANCE

During the period under review the Company formalised an IT Governance policy which is aligned with the limited technology needs of an investment holding company. This policy is further supplemented by governance-based policies such as the Acceptable IT Use policy and information confidentiality policies.

The head of IT reports to the Group Financial Manager and IT related matters are addressed by an IT Steering Committee comprising of senior management. The IT risk register is considered by the Risk and IT Governance Committee and progress on IT and control related projects are monitored via the Risk and IT Governance Committee by the Audit and Risk Committee.

The Company has outsourced its IT operations to a credible service provider via a comprehensive service level agreement. This was done following an extended due diligence process and needs and standards analysis wherein the specifications were detailed as regards key deliverables such as system and user support, system availability, logical security, virus protection, telephony and other general controls.

The IT risk management process is currently being extended into the combined assurance process of the Company. In the interim a business continuity plan has been formalised and tests performed on the back-up and disaster recovery process.

LEGAL COMPLIANCE

The Board, as part of its ethical leadership commitment, has approved the updated Legal Compliance Policy and ensured that there are sufficient management capacity and controls in place to ensure that all relevant laws and salient industry practices are complied with.

The administration of the Legal Compliance System is vested in an official with the appropriate legal qualifications, supported by a designated legal firm that is mandated to furnish the Company with all relevant new legislation and amendments. Compliance controls vest with senior management who are required to report to the Risk and IT Governance Committee on a regular basis regarding their compliance using a control self-assessment methodology. This process is incorporated into the annual internal audit plan.

INTERNAL CONTROL AND INTERNAL AUDIT

The Group has implemented and maintained a comprehensive system of internal controls to mitigate the risks in the enterprise and to ensure that the Group's objectives are consistently achieved. Internal controls are based on the principle of acceptable risk being inherent to the design and implementation of a cost-effective system of internal control. The system includes monitoring mechanisms and mitigation processes to augment deficiencies when they are detected.

The internal audit function is employed by Remgro Management Services Limited and the head of internal audit, Mr Deon Annandale, reports to the chairman of the Audit and Risk Committee and functionally to the CFO. The department complies with the requirements of King III and the International Standards for the Professional Practice of Internal Auditing. The department has a three-tier quality assurance system comprising internal review processes, file and report sharing with the Group's external auditor and a three-yearly quality assessment by an international external audit firm other than the Group's external auditors.

The internal audit plans, as approved by the Audit and Risk Committee, are designed on a risk-based assurance approach and is focused on adding value to the control environment whilst rendering independent assurance to the Audit and Risk Committee and to the Board on, inter alia: the effectiveness of internal financial control; the effectiveness of internal control over operational and compliance activities; the adequacy of governance systems, including the "tone at the top". When required, specialist skills are in-sourced to assist with information technology and forensic services.

The internal audit department also renders independent internal audit and risk management services to certain Group companies who elects to outsource the function.

EFFECTIVENESS OF RISK MANAGEMENT PROCESS AND SYSTEM OF INTERNAL CONTROL

The Board, via the Audit and Risk Committee, has considered the documented policies, procedures and independent assurance reports and is satisfied that the internal control process and risk management process implemented in the Group is effective.

The Board is not aware of any exposure or position that could culminate in the residual risk profile of the Group exceeding the risk-bearing capacity limits set by the Board.

GOVERNANCE AND SUSTAINABILITY

Sustainable Development Report

"In a legal sense, a company is a person, and the question is: how human is its actions, how big is its heart and what services does it render to the society in which it exists and from which it derives its profits."

(Dr Anton Rupert – 1968)

INTRODUCTION

Remgro's current value system incorporates the guidelines drawn up by its founder, Dr Rupert, more than 40 years ago for doing business successfully. These guidelines include the following:

> ***Honesty*** – because it lasts the longest
> ***Correctness*** – because it creates trust with friends and opponents
> ***Courtesy*** – which means dignity without pride and friendliness without subservience
> ***Service*** – in every respect to your client, your fellow-man, your country
> ***Mutual support*** – so that you push others up the ladder of success while climbing yourself, because if you pull others down, you will also fall
> ***Trust*** – the belief that all will work out well if everyone is doing their duty

Remgro believes that these values incorporate the spirit in which it strives to be a good corporate citizen. From the above it is evident that the three pillars of sustainable development, namely economic, social and environmental sustainability practices have always been part of Remgro's core values. The introduction of the King Report on Governance for South Africa 2009 (King III), as well as the publication of the new Companies Act (No. 71 of 2008) that became effective on 1 May 2011, presented Remgro with the opportunity to strengthen its governance structures, stakeholder relations, risk management processes, reporting regarding sustainability and social performance, as well as IT governance.

Remgro is fully committed to managing its business in a sustainable way and upholding the highest standards of ethics and corporate governance practices. While corporate governance, risk management and IT governance are addressed in the Corporate Governance and Risk Management Reports, the Sustainable Development Report provides a better understanding of Remgro's efforts on the social and environmental front in order to achieve its key objectives of maximising value creation over the short, medium and long term, whilst doing business ethically. Refer to the table below for the external recognition and achievements during the reporting period in this regard.

Sustainability highlights
> Successful participation in the JSE SRI Index since its inception in 2004
> Participation in Carbon Disclosure Project and included in the Leadership Index for 2010
> Continued membership of the Ethics Institute of South Africa

SCOPE AND BOUNDARY OF REPORT

This report represents Remgro's first Sustainable Development Report where more detailed information regarding the non-financial aspects of corporate practice of the Group is presented. As also set out on page 5, guidance was taken from the Global Reporting Initiative™ (GRI) Boundary Protocol in determining the parameters for this report. Disclosure is therefore limited to those entities where the Group exercises control over the financial and operating policies of such entities, save where those entities disclose the relevant information in their own publicised annual reports.

Currently Remgro has three significant operating subsidiaries, i.e. Rainbow Chicken Limited (Rainbow Chicken), Tsb Sugar Holdings (Pty) Limited (Tsb Sugar) and Wispeco Holdings Limited (Wispeco). As Rainbow Chicken (a 74% subsidiary) is listed on the JSE, detailed information regarding its financial, sustainability and social performance is available on its website at www.rainbowchicken.co.za.

Both Tsb Sugar and Wispeco are unlisted wholly owned subsidiaries which are operated and managed on a decentralised basis as independent entities with autonomous boards of directors. Based on the above, as well as the fact that these companies only represent 4.5% of Remgro's intrinsic net asset value, only summarised "non-financial" disclosure relating to social and environmental performance is provided for these companies. This is in line with Remgro's reporting on the financial performance of these companies.

Following on the philosophy outlined above, Remgro manages all investee companies on the same decentralised basis, irrespective of whether they are subsidiaries, associates or joint ventures. Therefore data relating to the social and environmental performance of subsidiaries, associates and joint ventures, over which Remgro does not exercise operational control, are not covered in this report. However, information is provided in instances where material sustainable development issues are at stake. Except where otherwise indicated, all disclosures relating to social and environmental performance thus only relate to Remgro's activities at its head office in Stellenbosch.

REPORTING PRINCIPLES AND ASSURANCE

The content of this report is based on the principles and recommendations regarding integrated sustainability reporting as contained in the King III report as well as the G3 Sustainability Reporting Guidelines developed by the GRI. The recommendations contained in the Discussion Paper on Integrated Reporting issued by the Integrated Reporting Committee of South Africa in January 2011 were also noted and applied wherever possible. Although Remgro is committed to improved reporting in line with the recommendations of King III and GRI G3, we have decided not to declare our GRI G3 application level for this report, but aim to prepare a report on level C for next year's Annual Report.

Simultaneously we acknowledge the increasing requirements from investors and regulatory and other guidelines, such as King III, GRI G3 and the integrated reporting guidelines for the external assurance of selected non-financial information. All available options and levels of external assurance are being considered to determine the way forward on external assurance. In this regard it should be noted that Remgro follows a combined assurance model, incorporating management, internal audit and external assurance (e.g. BBBEE ownership scorecard verification, Carbon Disclosure Project (CDP) verification). We believe that these assurance methods provide the necessary assurance over the quality and reliability of the information presented.

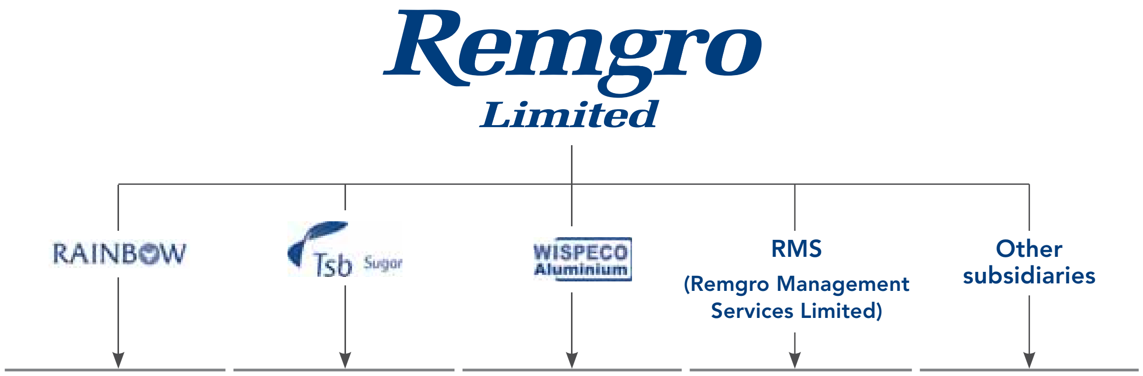
ORGANISATIONAL STRUCTURE

Presented in Figure 1 on the next page is a schematic presentation of Remgro and its operating subsidiaries, including information regarding their number of employees and ownership interest.

As referred to earlier, only summarised "non-financial" disclosure relating to the social and environmental performance of Remgro's operating subsidiaries is provided in this report.

Figure 1

ORGANISATIONAL STRUCTURE



RAINBOW	Tsb Sugar	WISPECO Aluminium	RMS (Remgro Management Services Limited)	Other subsidiaries
NUMBER OF EMPLOYEES				
8 007	2 981	986	182	16
OWNERSHIP %				
73.6%	100%	100%	100%	Varying between 55% and 100%

MANAGEMENT APPROACH TO SUSTAINABILITY

Remgro's Board is ultimately accountable for the performance of the Company, appreciating that strategy, risk, performance and sustainability are inseparable. In this regard the Board has delegated the general oversight and reporting of sustainability to the Audit and Risk Committee. During the period under review Remgro has updated its Environmental Management Policy and Code of Ethics, thereby confirming its commitment to conduct business responsibly.

ETHICS AND COMPLIANCE

Ethics

The Board believes that ethical behaviour stems from appropriate value systems inherent to the people in the Company's employ as directed and supported by visual ethical leadership and a values-driven corporate culture. Leadership based on ethical foundations results in a natural culture of ethical and moral behaviour and compliance with laws, rules, codes and standards. The Board therefore retains the responsibility to establish and maintain a culture of honesty, transparency, fairness, responsibility and accountability in order to position the Company as an investment partner of choice. This is underscored by ethical leadership as ethics cannot be regulated but stems from personal conviction.

In this regard the Company has adopted a Code of Ethics (the code) that provides a framework of ethical practices and business conduct that are applicable to all directors and employees. The code is available to all employees on Remgro's in-house intranet and a copy is provided to all new employees. The code as well as a formal Gifts Policy also provides strict policies regarding gifts, invitations or favours received from suppliers or any other party. The offering of favours to gain unfair commercial advantages is also strictly prohibited.

The Audit and Risk Committee monitors compliance with the code and addresses instances of fraud or irregularities. During the reporting period there were no incidents of fraud or irregularities.

The Company has implemented an ***Ethics line*** to enable any employee or other stakeholder to report knowledge of perceived and alleged irregular or unethical behaviour in a confidential and controlled environment. The Ethics line is managed by an independent third party and is available on a 24-hour basis. During the period under review no calls were received through the Ethics line.

Details regarding the Ethics line and Ethics Contact Person are available on Remgro's website at www.remgro.com.

Compliance

During the period under review there were no incidents of material non-compliance with any laws, regulations, accepted standards or codes, and no significant fines were imposed either.

STAKEHOLDER RELATIONS

Our relationship with all our stakeholders is based on the following values that are entrenched and supported by Remgro's Code of Ethics:

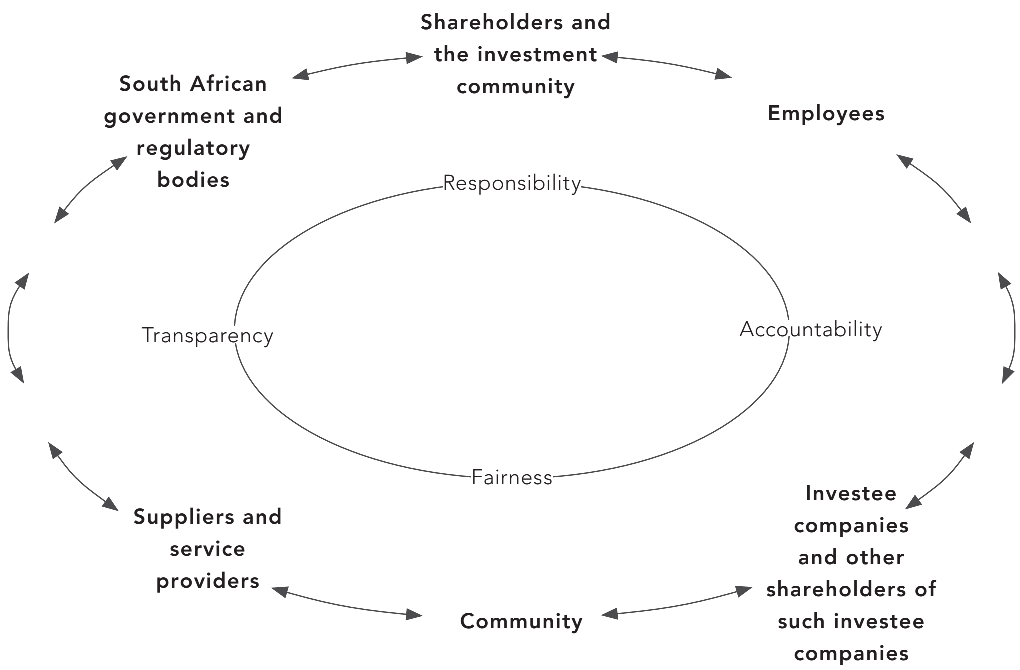
> ***Responsibility***, for the assets and actions of the Company
> ***Accountability***, for justifying its decisions and actions to shareholders and other stakeholders
> ***Fairness***, in considering the legitimate interest of stakeholders
> ***Transparency***, in disclosing information in a manner that enables stakeholders to make informed decisions about the Company's performance and sustainability

Remgro's Board is the ultimate custodian of its corporate reputation and stakeholder relationships. In this regard a formal Stakeholder Policy sets out the approach and strategy of Remgro with respect to stakeholder engagements, ensuring that a stakeholder-inclusive approach to corporate governance is followed.

Remgro utilises a wide variety of communication methods to ensure that its communication with stakeholders is clear and understandable, as well as transparent, balanced and truthful, and sets out all relevant facts, whether positive or negative. Care is taken to ensure that engagement with stakeholders is, where appropriate, not just one-way communication but constructive, partnership-based engagement. This ensures that all legitimate stakeholder expectations are identified and addressed as far as possible.

Shareholders and the investment community

Remgro's primary objective is to maximise value creation and sustainable growth and in this regard particular care is taken to ensure that all shareholders, or classes of shareholders, are treated equitably. Special care is taken to protect minority shareholders from actions by or in the interest of the controlling shareholder that may



be to their detriment. In this regard a Lead Independent Director was appointed during the period under review to act as chairman during meetings in situations where the independence of the existing Chairman may be questionable or compromised.

Communication with investors is based on the principles of timely, balanced, clear and transparent information. In this regard the investment community has access to the same information as Remgro shareholders. Firm protocols are in place to control the nature, extent and frequency of communication with investors. Shareholders and the investment community are encouraged to attend Remgro's general meetings where topical matters are discussed openly. Further interactions with institutional investors take place twice a year at the dial-in interim and final results presentations, where questions can be directed to the CEO, CFO and CIO. The investment community is also welcome to contact senior management directly.

The most recent and historic financial and other information is published on the Company's website at www.remgro.com.

Employees

In order for Remgro to be able to achieve its main objectives it is essential to attract and retain employees of the highest calibre. Our employees are treated fairly and remunerated competitively and Remgro strives to afford all staff the opportunity to realise their full potential. During corporate actions special care is taken to ensure that employees belonging to the Remgro Equity Settled Share Appreciation Right Scheme are not treated more favourably than ordinary shareholders.

As Remgro is an investment holding company with a small staff complement, communication with employees is kept informal and is conducted through a variety of media, including email updates, the in-house intranet, Remgro website, information sessions and notice boards. Care is taken that all communication with shareholders is also communicated to employees.

Investee companies and other shareholders of such investee companies

Remgro's performance is directly linked to the performance of the underlying investee companies and accordingly communication with those entities and co-shareholders is regarded as very important. Relationships with investee companies are managed principally through board representation, with Remgro directors or senior management acting as non-executive directors on the investee companies' boards. These representatives interact with the directors and senior management of investee companies at investee companies' board meetings and, as and when necessary, representatives of investee companies are encouraged to arrange to meet with Remgro senior management to discuss their business. All dealings with co-shareholders in the investee companies are done fairly in terms of the underlying shareholders' agreements and Remgro strives to add value to these investments.

Community

Corporate citizenship, the commitment of a business to contribute to sustainable economic development, endorses the principle that no business exists in isolation but undeniably forms an integral part of the environment in which it operates.

In its relationship with the community Remgro strives to be a value partner and in this regard its involvement in the community focuses on eradicating the effects of poverty and investing in young people from disadvantaged communities in the belief that such an investment will provide sound dividends far into the future. Remgro's corporate social investment initiatives and donations are discussed in more detail on pages 105 to 107.

Suppliers and service providers

Remgro believes in building long-term partnerships with service providers through establishing a relationship of mutual trust and respect. Various criteria play a role in selecting suitable service providers, such as compliance to quality standards (if applicable), the stability and proven track record of the organisation and available support network.

As Remgro is an investment holding company its cost structure is constantly measured against that of unit trusts to ensure that its shareholders are not prejudiced. As part of managing corporate costs good relationships are maintained with suppliers and service providers.

South African government and regulatory bodies

An open and honest relationship is maintained with the government and relevant regulatory bodies. In this regard communication is on an ad hoc basis as and when the need arises and usually in the form of formal meetings. Regulatory bodies like National Treasury, the South African Reserve Bank (SARB) and the JSE

Limited are kept up to date regarding corporate actions in accordance with all applicable laws and regulations. Annual meetings are held with the SARB in order to keep them up to date regarding Remgro's offshore activities.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)

Introduction

The Board believes that BBBEE is a social, political and economic imperative and it supports and encourages the Company's subsidiaries and associates' initiatives in this regard. To the extent that Remgro's subsidiaries and associates implemented BBBEE, Remgro's shareholders effectively participate in BBBEE initiatives and the associated costs and benefits thereof.

During the period under review it was decided to engage Empowerdex to certify the "Equity ownership" score of the Company and the process is discussed in more detail below.

Equity ownership

Verification of BBBEE ownership is governed by the Codes of Good Practice on Broad-Based Black Economic Empowerment (the Code) which were gazetted on 9 February 2007 in terms of Section 9(1) of the Broad-Based Black Economic Empowerment Act (No. 53 of 2003). The methodology followed by Empowerdex for the verification and certification of Remgro's contributions to BBBEE ownership was taken from the provisions of Code Series 100, Statement 102 – Recognition of Sale of Assets. The results of this exercise are presented in Figure 2 below.

It should be noted that, in addition to the above, there is also black ownership included in the shareholdings in Remgro held by institutional investors (refer to page 200 where Remgro's major shareholders are disclosed). Due to the fact that the records of the ultimate beneficiaries of these shareholdings are not readily available by race and gender, it was not quantified.

Other elements of the BBBEE scorecard

The other elements of the generic scorecard criteria set by the Department of Trade and Industry were not certified during the period under review. Remgro does, however, participate in the Empowerdex Financial Mail BBBEE Survey annually and was awarded a score of 44.57 (level 7 contributor) in the 2011 survey, the details of which are fully set out in Figure 3.

Figure 2

BBBEE EQUITY OWNERSHIP SCORECARD

				Scorecard
Ownership	**Weighting**	**Targets**	**Achieved**	**Score**
Black voting rights	3	25.00%	11.44%	**1.37**
Black female voting rights	2	10.00%	2.73%	**0.55**
Black economic interest	4	25.00%	11.44%	**1.83**
Black female economic interest	2	10.00%	2.73%	**0.55**
Economic interest (specified groups)	1	2.50%	2.10%	**0.84**
Realisation points				
– Ownership fulfilment	1	Yes	Yes	**0.00**
– Net value	7	Various	11.44%	**3.20**
Bonus – New black entrants	2	10.00%	0.00%	**0.00**
Bonus – Black participants	1	10.00%	0.00%	**0.00**
Total score				**8.34**

Figure 3

OTHER ELEMENTS OF BBBEE GENERIC SCORECARD

Element	Indicator	Weighting	Score
Management control	Percentage black persons in executive management and/or executive board committees	10	**4.45**
Employment equity	Weighted employment equity analyses	15	**0.00**
Skills development	Skills development expenditure as a proportion of total payroll	15	**7.23**
Preferential procurement	Procurement from black-owned and empowered enterprises as a proportion of total assets	20	**12.89**
Enterprise development	Average value of enterprise development contribution as a percentage of the target of 3% of net profit after tax	15	**15.00**
Socio-economic development	Corporate social investment for the benefit of black persons	5	**5.00**
Total score			**44.57**

The individual elements are discussed in more detail below.

Management control

The composition of Remgro's Board is structured in such a way as to ensure that the collective skills and experience of directors are suitable to carry out its responsibilities and to achieve the Company's objectives. The Board has transformed quite considerably during the past couple of years, with five of the twelve non-executive directors (42%) being black. On Management Board level, one of the seven members is also black.

Employment equity

Employment equity represents Remgro's most significant transformation challenge with a score of 0.0% being awarded in this category due to not having met the minimum level of 40% of each of the targets set out on the Employment Equity Scorecard. An annual labour plan is submitted to the Department of Labour where Remgro's transformation objectives are set out in detail. Although efforts are focused on improving the Company's black representation at management level, low staff turnover of 4.3%, as well as limited organic growth remain limiting factors. More detail regarding employment equity is presented on page 104.

Remgro's summarised employment equity report as at 31 August 2010 is presented in Figure 4 and sets out the distribution by race of permanent employees per occupation level.

Skills development

Remgro complies with the requirements of the Skills Development Act in terms of which a fixed percentage of its payroll is paid as a training levy to the South African Revenue Service. An annual report concerning all the training which has taken place in the Company is also submitted to the relevant SETA.

Preferential procurement

As Remgro is not an operating company it has a small procurement function and its procurement profile is characterised by a high service component as opposed to materials purchased. As is evident from the procurement score obtained, Remgro purchases more than half of its goods and services from BBBEE accredited vendors. The improvement of the preferential procurement score remains a focus area for Remgro.

Enterprise and socio-economic development

Remgro obtained maximum points for these two areas as a result of its continuous spend on business development and corporate social investment (CSI) initiatives. Further detail regarding the Company's CSI initiatives are provided on page 105.

BBBEE at investee companies

Remgro monitors and contributes to its investees' BBBEE performance through its Board representation and participation and facilitation of corporate actions in these investee companies. The BBBEE status of Remgro's operating subsidiaries is discussed in more detail in the section dealing with "Sustainability at operating subsidiaries" on page 107.

Below is the summary of the BBBEE status of a number of Remgro's associates as at 30 June 2011:

Sabido	Level 2 contributor
FirstRand	Level 3 contributor
Mediclinic	Level 3 contributor
Air Products	Level 4 contributor
Total South Africa	Level 4 contributor
Dark Fibre Africa	Level 5 contributor
Distell	Level 5 contributor
Unilever	Level 6 contributor

Figure 4

SUMMARISED EMPLOYMENT EQUITY REPORT AS AT 31 AUGUST 2010

	Male				Female				Foreign nationals		
Occupational levels	A	C	I	W	A	C	I	W	Male	Female	**Total**
Top management	0	1	0	7	0	0	0	1	0	0	**9**
Senior management	0	0	0	14	0	0	0	2	0	0	**16**
Professionally qualified and experienced specialists and mid-management	0	1	1	20	0	0	0	9	0	0	**31**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	4	6	0	12	1	5	0	35	0	0	**63**
Semi-skilled and discretionary decision-making	19	29	0	0	7	11	0	0	0	0	**66**
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	**0**
Total permanent	**23**	**37**	**1**	**53**	**8**	**16**	**0**	**47**	**0**	**0**	**185**
Temporary employees	0	0	0	0	0	0	0	0	0	0	**0**
Grand total	**23**	**37**	**1**	**53**	**8**	**16**	**0**	**47**	**0**	**0**	**185**

OUR PEOPLE

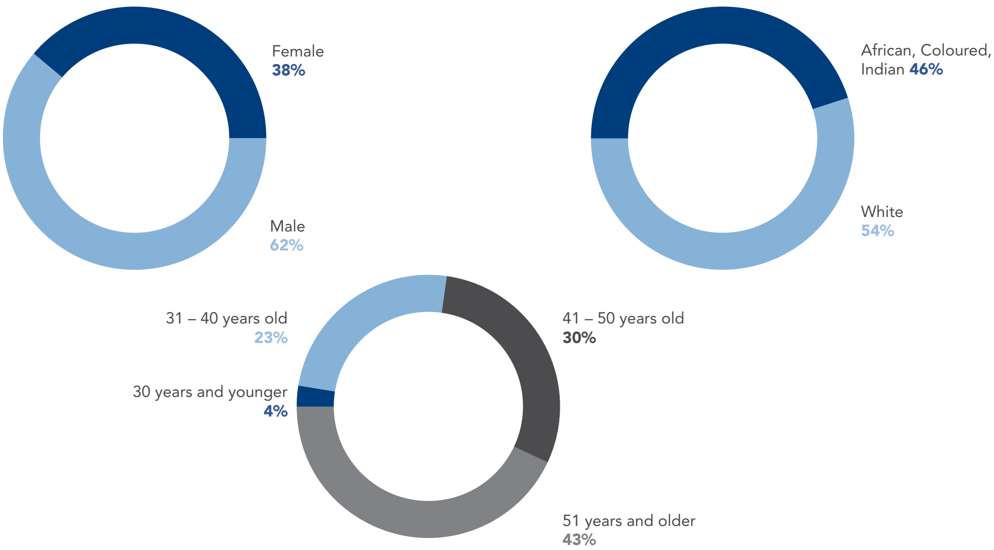
Employee composition

Remgro believes that the quality of its staff represents an important sustainable advantage. Being an investment holding company, it has a relatively small staff complement, with only 182 people being employed as at 30 June 2011 (31 March 2010: 185 employees). Refer to Figure 5 where more detail regarding the composition of our employees by race, gender and age is illustrated.

For the fifteen months under review Remgro's employee turnover rate was 4.3%, compared to 2.7% for the twelve months to 31 March 2010. The turnover rates were calculated by using the total number of employees at year-end.

Figure 5

COMPOSITION OF EMPLOYEES



Recruitment and selection policy

In order to ensure that Remgro remains an investment partner of choice it is imperative to attract, select and retain employees of the highest calibre. In this regard the Company will at all times endeavour to appoint the best candidate in a position. Remgro believes that all persons are entitled to equal employment opportunities and accordingly no unfair discrimination against employees or applicants based on gender, race, religion or any other factor is allowed.

Employment equity

Remgro endorses the principles of the Employment Equity Act, and in this regard its employment equity policy strives to offer equal opportunities to all employees and aims at identifying suitable individuals and developing and compensating them in line with their performance, dedication and loyalty. Special attention is given to those groups which, because of historic reasons, may be in a disadvantaged position.

Employee remuneration

Our objective is to reward our employees fairly and competitively, according to their capabilities, skills, responsibilities and performance levels. The level of salaries we pay is one of a number of elements in our strategy to retain, motivate and, where necessary, recruit high-quality people. In addition, Remgro also offers its staff a stimulating working environment. Remgro's Remuneration Policy was formalised during the period under review and sets out the remuneration approach for directors and members of the Management Board. Refer to the Remuneration Report on page 119 where Remgro's remuneration approach is set out in detail.

Remgro offers retirement benefits to its employees in the form of a defined-benefit (closed fund) and a defined-contribution fund that are administered independently of the finances of the Company. In addition employees are also offered medical insurance and study assistance.

Training and skills development

The main purpose of training is to equip employees in such a way that they can realise their full potential to benefit the Company and themselves. Due to the specialised nature of Remgro's workforce resulting from it being an investment holding company, no prescribed training programmes are promoted. Individuals are, however, encouraged to attend training programmes which will better equip them to do their jobs. During the past two years numerous workshops and training sessions on King III and the new Companies Act were however held to ensure that its directors and management are equipped to implement and practise sound corporate governance at all levels where they are involved.

Health and safety

The Company has a duly constituted health and safety committee, as required by the Occupational Health and Safety Act. The committee is a subcommittee of the Risk and IT Governance Committee and ensures 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.

HIV/Aids

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

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 investee companies. The progress of these policies and strategies is monitored against best practice standards. More information regarding the management of HIV/Aids by Remgro's operating subsidiaries is provided on page 107 of the report.

Company risk

Remgro has a formal HIV/Aids policy and is committed to actively manage the pandemic, and the business risks associated with it. The policy makes provision, inter alia, for the following:

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

Remedi Medical Aid Scheme, of which most of Remgro's staff are members, has a management plan for HIV/Aids in which employees can choose to participate.

INVESTING IN THE COMMUNITY

Remgro's corporate social investment initiatives and donations programme covers a broad spectrum of society and can be summarised in the following categories:

> Community development
> Cultural development
> Entrepreneurship and training
> Environment
> Healthcare
> Sport development

Remgro aims to maintain a corporate social investment (CSI) spend of approximately 2.5% of its net free cash flow annually. In this regard the donations committee meets regularly to consider and approve grants to institutions in need. Donations to qualifying institutions are made on an annual basis for a specified period and, although such contributions cover quite a wide range, there are two noticeable exceptions: political parties and religious institutions. Remgro respects its employees' choice to participate in these organisations, but does not exercise a choice itself.

During the period under review Remgro's CSI spending amounted to R22 million (31 March 2010: R13 million), as set out in the table below.

Summary of CSI spend	Fifteen months 30 June 2011 R million	Twelve months 31 March 2010 R million
Community development	7	4
Cultural development	4	2
Entrepreneurship and training	5	4
Environment	3	1
Healthcare	1	1
Sport development	2	1
	22	13

During the period under review the most notable institutions that Remgro has been involved with, were the following:

Community development

Ikamva Labantu – founded 45 years ago as an "emergency unit" for black urban communities in the Western Cape, has developed into a broad-based development organisation, with a holistic approach to the development of impoverished communities: from early childhood and family support services to catering for the needs of senior citizens and disabled people.

Stellenbosch Community Development Programme (SCDP) – this initiative is based in Kayamandi, a township on the outskirts of Stellenbosch, where the majority of residents (30 000) come in search of work. Most live here in informal settlements and in dire poverty. This, coupled with a high incidence of illiteracy and HIV/Aids, makes Kayamandi a community in desperate need of assistance. The prime aim of SCDP is to stamp out starvation and to provide food to needy and malnourished primary school children, and in doing so to improve their learning and concentration abilities.

Yabonga – was founded in 1997 as an informal initiative to support pre-schools in the poorest communities in Cape Town and the surrounding townships. Due to the neglect of HIV-infected children, the organisation's emphasis shifted when an orphanage for infected babies was opened in Khayelitsha in 2000. Confronted by a growing number of desperate mothers who dumped their children at the orphanage, Yabonga started a training course to educate destitute mothers to become peer educators in their own communities.

Cultural development

Field Band Foundation (FBF) – once described as an innovative answer to a social problem, the FBF has grown from a small beginning in 1997 to 18 field band regions, with 36 bands, involving more than 4 000 children, country-wide. By using mass brass bands, with dancers, to bring home the life skills that are required, the FBF tries to create a safe, inspiring and energising environment in which young people can discover and nurture their inner strengths and positive qualities.

Children's Art Festival (CAF) – founded more than 20 years ago, this established feature of the annual Grahamstown National Arts Festival provides children from especially the Eastern Cape, many of whom from backgrounds where any form of art is completely foreign, with a stimulating and exciting education in the arts.

Entrepreneurship and training

TSiBA – the Tertiary School in Business Administration, also known as the Entrepreneurial University of the Cape, was founded in 2004 with the aim of preparing potentially gifted young people of colour, through a B degree in Business Administration, to become employed. In 2009 TSiBA extended its operations to the Southern Cape, where it merged its activities with those of the Eden Campus near Sedgefield – a residential "green" college that focuses on entrepreneurship and skills development.

Shalamuka Foundation – this foundation was established in 2006 to raise long-term funding, inter alia, through its participation in BEE transactions, for the highly regarded Penreach Programme, a non-profitmaking, holistic schools development programme which aims at improving the skills of teachers and the quality of education at schools in Mpumalanga and surrounding areas.

SciMathUS – was established in 2001 by the University of Stellenbosch as a bridging programme to assist talented black students from disadvantaged communities to gain access to mainstream higher education and to further their studies in physical and applied sciences, engineering, medical and health and economic and management sciences.

Bergzicht Training Centre – based in Stellenbosch this centre provides education in job-related skills to unskilled and unemployed people from disadvantaged backgrounds. Its approach is unique in the sense that it offers several condensed and comprehensive courses throughout the year in various fields, such as home management, educare, frailcare and catercare, no course exceeding three months.

ORT-Tech – has entered into a partnership with Remgro to improve the numeracy and literacy results of Gr. 6 learners in 12 schools in the Stellenbosch district. The project is a follow-up of the ORT SEED project funded by Remgro for Stellenbosch primary schools between 2008 and 2010 and will involve more than 70 educators and 2 200 learners. It aims at improving the literacy and numeracy results of each school by 10%, supporting the schools in managing the implementation of the new changes in the national curriculum, and establishing operational classroom libraries. ORT-Tech is the innovative arm of ORT South Africa which operates throughout the country in areas of extreme poverty and disadvantage.

Environment

Peace Parks Foundation (PPF) – PPF facilitates the following: the establishment of transfrontier conservation areas (peace parks) that link ecosystems across international borders; the development of human resources; the enhancement of sustainable economic development; the conservation of biodiversity, and regional peace and stability. Peace parks in Southern Africa today incorporate over half of the declared conservation areas in the region (measuring some 800 000 km²).

WWF South Africa (WWF-SA) – founded in 1968 by the late Dr Anton Rupert as the Southern African branch of WWF, the international conservation body, WWF-SA plays a fundamental role in conservation, both by executing in-house conservation projects and by making it financially possible for others to undertake related conservation work.

Healthcare

Wits Donald Gordon Medical Centre (WDGMC) – is the first private academic hospital in South Africa. It was established when the University of Witwatersrand bought the Kenridge Hospital in Parktown, Johannesburg, with a founding donation from the Donald Gordon Trust. In 2005 Mediclinic Hospital Group became a partner with Wits University and was awarded the management contract. WDGMC was established to create a facility in the private sector for the training of subspecialists and set itself the target of increasing their number in the near future by as much as 40%.

Organ Donor Foundation of South Africa – the availability of life-sustaining organs is literally a matter of life and death. For the past 23 years the Foundation has dedicated itself to the smooth transition of organs between donor and recipient. By sponsoring four flights per year for the transport of critical organs, Remgro supports this humane effort and wishes to acknowledge the vital role played by the staff of the aviation company Falconair.

Sport development

SA Golf Development Board (SAGDB) – the main focus of the SAGDB is to make golf accessible to all South Africans by developing the game and by creating opportunities where they are lacking. Over the last decade quality coaching has been provided to more than 17 000 young golfers from underprivileged areas with the aim of bringing them into the mainstream of junior golf in South Africa. At present the SAGDB operates in 11 areas of the country.

Western Cape Cricket Academy – as a catalyst for cricket development in the country, the Academy has gone from strength to strength since its establishment in the 1990s. National and provincial teams literally swarm with players who have honed their talents at the Academy. The provincial sides of Western Province and Boland were the greatest beneficiaries of this initiative, which has left an indelible mark on the career paths of many talented players over the years.

SUSTAINABILITY AT OPERATING SUBSIDIARIES

Remgro's three operating subsidiaries, namely Rainbow Chicken, Tsb Sugar and Wispeco are operated and managed on a decentralised basis as independent entities with autonomous boards of directors. Only summarised "non-financial" disclosure relating to their governance structures, as well as social and environmental performance is provided in this report, while their financial performance is discussed in more detail in the "Investment reviews" section on page 43.

RAINBOW

Rainbow Chicken

Introduction

Rainbow is a vertically integrated chicken producer and its business includes well-known brands such as ***Rainbow, Farmer Brown, Rainbow FoodSolutions, Epol, Cobb*** and ***Vector logisticsolutions***. The company is listed on the JSE Limited under the "Consumer Goods – Food Producers" sector, with the share code "RBW".

Governance, risk management and compliance

Rainbow's board consists of nine non-executive (four of whom are independent) and two executive directors. It should be noted that the Chairman of the Board, Mr Thys Visser, is not independent due to his directorship of Rainbow's major shareholder, Remgro Limited. In this regard Rainbow has appointed Mr R V Smither as Lead Independent Director on 30 August 2011, to act as chairman during meetings in situations where the independence of the acting Chairman may be questionable or compromised.

As Rainbow is a listed company it has to comply with the JSE Listings Requirements and King III. During the period under review it has continued to enhance its governance, assurance and risk management practices, resulting in certain roles, structures and committee mandates being enhanced to strengthen governance in the group. Rainbow's Risk Committee, which is a subcommittee of the Board, is responsible for overseeing the adequacy and overall effectiveness of the group's risk management function and its implementation by management. It is assisted by an internal audit department that comprises a dedicated team of appropriately qualified and technically experienced personnel.

Key sustainability areas

Customers are becoming increasingly proactive with regard to issues such as health and safety, farming practices, animal welfare, product safety, and product labelling. Rainbow addresses these issues in a variety of ways and on the next page is an abbreviated extract from its Sustainability Report in this regard. ISO Management Systems have been implemented throughout Rainbow in order to comply with quality requirements and regulations.

STAKEHOLDER CONCERNS	WHAT WE DO
Product quality and safety	Appointment of meat inspectors, processing and engineering personnel to ensure safe products which comply with defined specifications Appointing SHEQ teams to verify processing, food safety, legal and quality compliance by conducting audits Compliance with ISO 22000
Labelling	Conforms to the regulations in Foodstuffs, Cosmetics and Disinfectant Act No 154 of 1972 and compliance with regulation R146 will be completed by March 2012 Supports the Consumer Goods Council of South Africa (CGCSA) and Global Standards (GS1) in listing of all products with GS1
Farming practices, including: *Animal welfare* *Bird housing* *Feed* *Animal health and safety*	Subscribes to the British Poultry Council's Assured Chicken Production Programme that sets the highest standards for the nutrition and welfare of poultry Animal welfare audit by independent accredited auditors throughout agricultural discipline to verify compliance to animal welfare requirements Stock density of each house is determined by the floor space of the house and the equipment in the house Access to farms regulated by strict bio-security measures Feed raw materials are controlled by the Fertilizers, Farms Feeds, Agricultural Remedies and Stock Remedies Act No 36 of 1947 Flock treatment is controlled by the Medicines and Related Substances Control Act No 101 of 1965 Regular SPCA inspections
Halaal status	Chickens are slaughtered by Halaal slaughterers and regular inspections from the South African Halaal Authority (SANHA) and from the Muslim Judicial Council (MJC)
Consumer insight	Marketing and Product Development teams ensure that Rainbow develop and market competitive brands at competitive prices

People

Rainbow recognises the importance of its people and is focused on building a community of inspirational people who have a common purpose. Through constructive recognition agreements, Rainbow has a significant bargaining unit, with 71% of its employees being within the bargaining unit, and for whom their recognised trade unions negotiate annually their salaries and conditions of employment. During 2011 Rainbow embarked upon a process of consultation and engagement with its employment equity committees to ensure the delivery of a comprehensive Employment Equity plan for 2015 and it is committed to achieving the Department of Labour targets within the set timeframe. As at 30 June 2011, 28% of Rainbow's staff at management level comprised of non-white employees (31 March 2010: 27%).

Rainbow has a National Health and Safety Policy which commits all operations and facilities to the provision and maintenance of a working environment that is healthy and safe. The company has achieved a "disabling incident frequency rate" (DIFR) of 1.05 in 2010. The DIFR is an internationally accepted standard to measure safety performance and relates to the number of disabling incidents per 200 000 man-hours worked. The DIFR review for 2011 is currently in progress.

Rainbow's HIV/Aids policy covers the workforce and guides the company in the management of HIV/Aids, placing emphasis on education and peer education, prevention and voluntary counselling and testing. The policy also ensures that there is no discrimination in the workplace and employees attending clinic services do so with full confidentiality. Rainbow also sponsors HIV/Aids awareness youth days annually to increase community awareness.

Rainbow's training expenditure for the fifteen months to June 2011 amounted to R16 million compared to R15 million for the twelve months to March 2010.

BBBEE

Rainbow's latest BBBEE verification process was concluded on 31 March 2011 by Empowerdex and it achieved a level 5 contribution level, equating to an 80% procurement recognition level, and a total of 55.85 points on the generic scorecard.

Corporate social investment (CSI)

In terms of Rainbow's CSI policy it has identified two focus areas where it believes it can make a significant/long-term sustained contribution to disadvantaged communities:

> Education, and
> Skills development

Rainbow's CSI expenditure for the fifteen months to June 2011 amounted to R4 million compared to R3 million for the twelve months to March 2010.

Environment

Refer to the "Environment" section on page 115 where the environmental practices of Rainbow are also incorporated.

Rainbow's complete Sustainability Report is available on its website at www.rainbowchicken.co.za.

Tsb Sugar

Introduction

Tsb Sugar is a wholly owned subsidiary of Remgro and aims to be the leading, low-cost producer and marketer of sugar and sugar-related products and services in the Southern Africa region. The company was founded in 1965 and currently owns and operates three sugar mills, two of which are situated in the Nkomazi region of Mpumalanga, while the third mill is situated in the Pongola area in northern KwaZulu-Natal. Sugar products are primarily sold under the well-established ***Selati*** brand. By-products of the sugar manufacturing process like bagasse and molasses are used in the production process of ***Molatek***, Tsb Sugar's animal feed operation.

The company provides farming support to over 1 700 commercial and small-scale farmers on approximately 47 000 hectares of irrigated land. In turn, the farmers supply approximately 80% of the sugar cane that is processed through the mills.

Governance, risk management and compliance

The introduction of King III presented Tsb Sugar with the opportunity to strengthen its governance structures. The main areas that were addressed related to the review of existing mandates, policies and procedures over the key governance criteria, including but not limited to Board and subcommittee charters and mandates, as well as stakeholder, IT governance and legal compliance policies. Tsb Sugar's Board of Directors currently consists of eleven directors of whom seven are non-executive. Five of the non-executive directors are independent.

The Board has established three subcommittees to assist it in discharging its duties and responsibilities, being an Audit and IT Governance Committee, a Human Resources Committee and a Risk Committee. The Audit and IT Governance Committee consists of three independent, non-executive directors. The Risk Committee consists of two independent, non-executive directors and is responsible to review processes and policies which are implemented by executive management to ensure the integrity and effectiveness of risk management. The committee is assisted by an internal audit department that comprises a dedicated team of appropriately qualified and technically experienced personnel.

Key sustainability areas, risks and opportunities

Stakeholder concerns at Tsb Sugar mainly involve areas such as product quality and food safety, labelling, cane supply, control of rising input costs and responding to possible industry developments. On the next page is a summary of the ways in which Tsb Sugar addresses these issues.

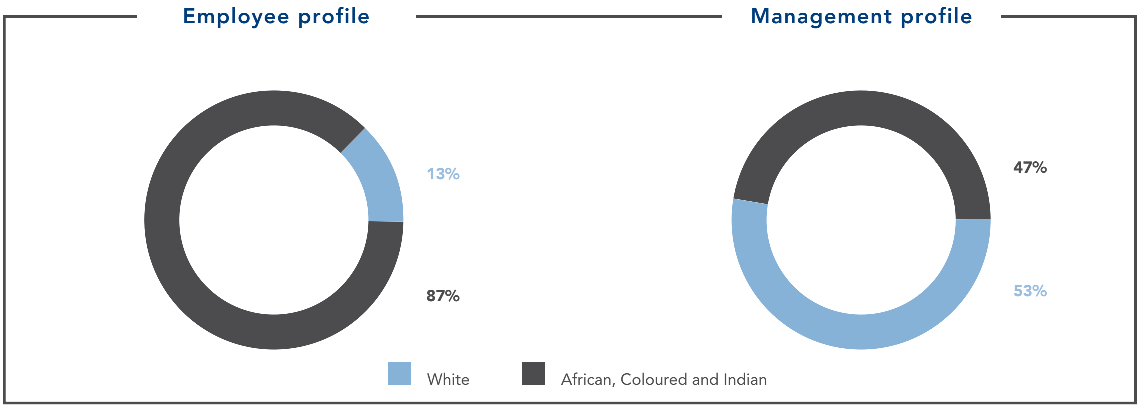
STAKEHOLDER CONCERNS	WHAT WE DO
Product quality and food safety	All production and packaging facilities have been certified under the ISO 9001:2008 quality management system and food safety management system Packaging facilities have also been certified under the food safety systems of Hazard Analysis and Critical Control Points (HACCP), SANS10330:2007 and PAS220 (Pre-Requisite Programs), SANS1049:2011 Sugar products are supplied under a Certificate of Analyses (COA) to certify the quality of the products
Labelling	Conforms to the regulations in Foodstuffs, Cosmetics and Disinfectant Act (No 154 of 1972) Supports the Consumer Goods Council of South Africa (CGCSA) and Global Food Safety Initiative (GFSI) in listing of all products with GFSI
Halaal status	All sugar manufactured has Halaal status. Inspectors of the Islamic Council of South Africa ensure that all practices are in accordance with Halaal standards
Kosher status	Sugar and all ingredients used for the manufacturing process have Kashrut (Kosher) status. Inspectors from the Kashrut Department of the Union of Orthodox Synagogues of South Africa ensure that all practices are in accordance with Kosher requirements
Cane supply	Proactive involvement in the land reform programme in order to influence the implementation of sustainable farming models Promoting availability and security of irrigation water
Controlling rising input costs	Improve output and efficiencies to reduce unit costs Secure alternative revenue streams by diversification into the generation of power and/or ethanol production
Responding to possible industry developments	Continuous participation in Sugar Industry structures Interacting with all stakeholders in respect of the revision of the Sugar Act of 1978 to assist with the implementation of a sustainable industry model

People

Tsb Sugar currently employs approximately 2 700 staff members on a permanent basis. The company is included in the scope of two bargaining units and the remuneration of approximately 56% of the permanent workforce complement is determined through the collective agreement processes followed in these structures. Employment equity within Tsb Sugar is managed through an Employment Equity Forum which supports structured and regular participation by employee representatives in the process and also in the finalisation of annual labour plans submitted to the Department of Labour. Refer to Figure 6 where more detail regarding the composition of Tsb Sugar's workforce is illustrated. Although efforts are focused on improving the company's black representation at management level, factors like a general shortage in specialised skills, particularly in engineering and sugar technology, remains a limiting factor.

Figure 6

COMPOSITION OF WORKFORCE (as at 31 August 2010)



As safety is one of the key strategic objectives of Tsb Sugar, it has a formal health and safety programme that is monitored on a continuous basis by fourteen health and safety committees throughout the company. During the period under review the company has achieved a DIFR of 0.7, compared to 0.9 in 2010. Tsb Sugar uses the NOSA system to manage its health and safety processes and in the annual external audit conducted during October 2010 the company maintained its five-star NOSA rating. In addition to the above, Tsb Sugar operates three main clinics (one at each sugar mill) and seven satellite clinics for the benefit of its employees. These clinics are supported by doctors, nurses and other qualified medical staff.

Awareness in respect of HIV/Aids within Tsb Sugar is promoted through awareness programmes, supported by 54 Peer Group educators throughout the company. The Peer Group educators undergo a formal training programme and the objective is for each educator to undertake one training session per month. The company also supports a voluntary counselling and testing programme and the Government-driven programme to provide ARVs.

Tsb Sugar's training and development plan addresses areas such as leadership/management skills, core strategic skills and capabilities, as well as operational training. The company's internal training centre has been accredited as an Institute of Sectoral or Occupational Excellence (ISOE) in terms of scope and quality standards. Training expenditure for the fifteen months to June 2011 amounted to R15 million compared to R14 million for the twelve months to March 2010.

BBBEE

Tsb Sugar's latest BBBEE verification process was concluded during June 2011 by NERA and it achieved a level 6 contribution level, equating to a 60% procurement recognition level, and a total of 49.8 points on the generic scorecard. Various initiatives have been implemented by the company in order to improve its BBBEE rating. The objective is to improve to a level 5 contributor over the short term and to a level 4 contributor over a three-year period.

Corporate social investment (CSI)

Tsb Sugar's CSI programme covers areas such as education, health, sport events, as well as other social upliftment projects in rural areas. Full detail regarding the company's CSI initiatives is available on its website.

The company's CSI expenditure for the fifteen months to June 2011 amounted to R4 million compared to R2 million for the twelve months to March 2010.

Environment

Refer to the "Environment" section on page 115 where the environmental practices of Tsb Sugar are also incorporated.

For more detail regarding Tsb Sugar, refer to its website at www.tsb.co.za.

Wispeco

Introduction

Wispeco is a wholly owned subsidiary of Remgro and has become one of South Africa's leading aluminium suppliers. Its main business is the manufacturing and distribution of extruded aluminium profiles used mainly in the building, engineering and durable goods sectors. Currently the company is the largest supplier of aluminium to the architectural market and it has recently been involved in some of the larger infrastructure projects in South Africa like the King Shaka International Airport, the Moses Mabhida stadium in Durban and the Coega container depot in the Eastern Cape.

Governance, risk management and compliance

Wispeco's Board of Directors currently consists of four directors of whom none are independent. The composition of the Board does thus not comply with the independence requirements of King III. Remgro currently has two representatives on Wispeco's Board and as part of their duties they ensure that sound corporate governance and sustainability practices are followed through the adoption and implementation of Remgro's policies, processes and procedures. It should further be noted that the composition of Wispeco's Audit Committee also does not comply with the requirements of the new Companies Act and that of King III. In this regard it acts as a subcommittee of the Remgro Audit and Risk Committee and reports to that committee by way of including its minutes of meetings in the agenda.

Remgro's internal audit division is responsible for all internal audit work at Wispeco and in this regard assists the Wispeco Board to maintain a comprehensive risk management system.

Key sustainability areas, risks and opportunities

Stakeholder concerns at Wispeco mainly involve areas such as product quality and safety, raw material procurement and in-house billet production and various environmental issues. A summary of the ways in which Wispeco addresses these issues is outlined on the next page.

Cheap imports by competitors represent the main risk area to the long-term sustainability of Wispeco's business. Wispeco continues its efforts to improve production efficiencies in order to retain high customer service levels and competitive pricing.

STAKEHOLDER CONCERNS	WHAT WE DO
Product quality and safety	Appointment of dedicated quality controllers on each production line to ensure production within defined tolerance levels and specifications Monthly quality meetings where quality trends are monitored and problem areas identified and resolved Preventative maintenance on critical machines Extrusions produced according to BS-EN755, finishing produced according to SANS 1796 and SANS 999
Raw material procurement and in-house billet production	High-quality virgin billet procurement from four dedicated sources around the globe Metallurgical composition of in-house billet production ensured by testing of sample from each batch prior to casting Casting and heat treatment processes continually monitored to ensure compliance to quality standards Iron content controlled by the reduction of virgin ingot into the melting and casting process
Customer service	In line with its vision of "One-Day-Delivery", the company is able to activate spare capacity and overtime shifts in all operational units on short notice to deal with any peaks in order intake Shift systems allows for a large degree of flexibility in terms of labour availability and production capacity Production scheduling allows for priority orders to be included daily where required as such by customers
Environmental impact (also refer to the "Environmental" section on page 115)	The continuous monitoring and controlling of effluent at the company's anodising and powder coating plants The continuous monitoring of energy usage to ensure maximum efficiency and to identify opportunities for energy usage reduction

People

The remuneration of unionised staff representing approximately 79% of the permanent workforce of Wispeco is determined in terms of the Main Agreement negotiated annually by the Metal and Engineering Industries Bargaining Council. The latest three-year settlement agreement was reached in July 2011. Employment equity within Wispeco is managed through an Employment Equity committee that meets on a monthly basis and contributes to the implementation of the annual labour plan submitted to the Department of Labour. Most of the transformation objectives set in Wispeco's previous Employment Equity plan submitted were achieved. A senior manager has the responsibility to manage Wispeco's employment transformation process. Refer to Figure 7 where more detail regarding the composition of Wispeco's workforce is illustrated.

Wispeco's management recognises its responsibility towards the health and safety, as well as improving the working environment of its staff. In this regard Wispeco has a dedicated Safety Officer that is responsible for the management of its health and safety programme. Each site also has a dedicated safety representative which conducts monthly safety inspections. During the twelve months ended 30 June 2011, Wispeco has the proud safety statistic of only fourteen cases being reported in terms of the Compensation Occupational Injuries and Diseases Act. The company has contracted an independent consultant to assist with the management of its health and safety processes. Factory audits include areas such as noise and dust measurements, wearing of protective clothing, etc. The next health and safety audit is due for September 2011.

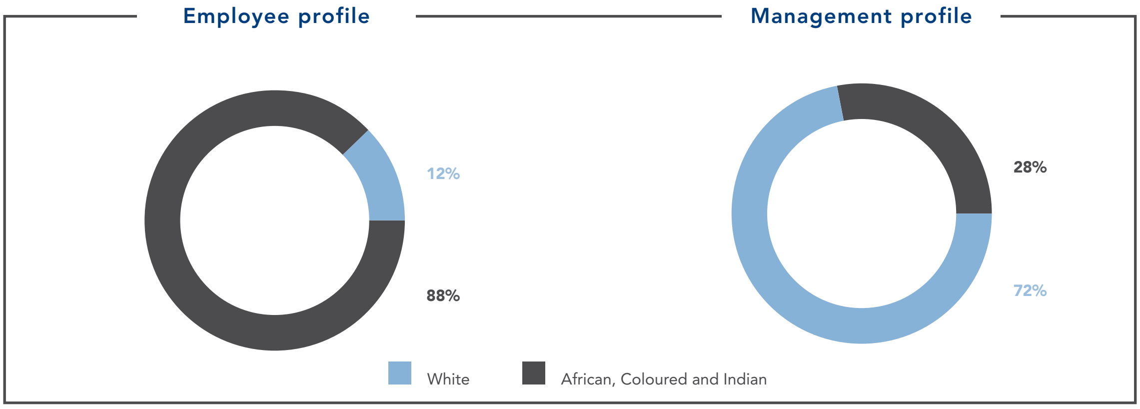
Awareness in respect of HIV/Aids within Wispeco is promoted mainly through training programmes, supported by seventeen Peer Group educators at Wispeco's head office. The Peer Group educators provide informal support and guidance to the affected employees and their families. The company also supports the Government-driven programme to provide ARVs to the community and ensures the confidentiality of all employees' HIV status.

An active Training Committee within Wispeco is responsible for identifying the training needs of staff and for the development of training programmes to enable staff to maintain and develop the required skills in order for the company to remain competitive in the market. These initiatives include formal training programmes in the form of learnerships for leadership development, as well as technical training in the form of apprenticeships. During the past year, seven first-line managers obtained their Certificate in Management (NQF level 3) and two apprentices completed their millwright trade qualifications. The company also has a proud record in the training of the disabled, with formal technical training for the deaf being provided for the past five years. In this regard a group of twelve black males and females completed an aluminium fabrication learnership in 2011.

Training expenditure for the fifteen months to June 2011 amounted to R6 million compared to R3 million for the twelve months to March 2010.

Figure 7

COMPOSITION OF WORKFORCE (as at 31 August 2010)



BBBEE

Wispeco's latest BBBEE verification process was concluded during March 2011 by BEEScore and it achieved a level 5 contribution level, equating to an 80% procurement recognition level, and a total of 56.45 points on the generic scorecard. The company has also been certified as a value-added supplier. Wispeco is especially proud that it has, as with the previous verification, achieved the maximum points allowed for three of the elements, namely skills development, enterprise development and socio-economic development. The skills development element measures the extent to which the employer carries out initiatives designed to develop the competencies of black employees. Various initiatives have been implemented by the company in order to improve its BBBEE rating over the medium term.

Corporate social investment (CSI)

Wispeco's CSI programme mainly involves training programmes in the fabrication and installation of architectural products. This practical training is facilitated by experienced trainers in technical training centres situated in Cape Town, Durban and at the company's head office in Johannesburg. During the past year more than 600 people were trained at a cost of approximately R0.8 million for Wispeco.

Environment

Refer to the "Environment" section on page 115 where the environmental practices of Wispeco are also incorporated.

For more detail regarding Wispeco, refer to its website at www.wispeco.co.za.

ENVIRONMENT

Guided by its Environmental Management Policy (the Policy) and the criteria of the Global Reporting Initiative's (GRI) G3 reporting indicators, Remgro upholds a commitment to minimising the impact that it and its subsidiaries have on the natural environment.

The Policy commits Remgro, inclusive of Remgro Management Services Limited (RMS – its service company), Rainbow Chicken, Tsb Sugar and Wispeco, to strive to be a value partner to all stakeholders, including the environment. To this end, and as a minimum pledge, Remgro aims to continuously improve its environmental performance against set goals and objectives; comply with all relevant legislation; and, educate and train employees in good environmental practice. These principles are primarily enacted through focus on key areas of environmental impact over which Remgro exercises due control.

The Remgro Board is ultimately responsible for the implementation of the Policy, but has delegated its responsibilities to the Risk and IT Governance Committee who is responsible to review and recommend the approval of environmental procedures implemented and maintained by RMS. With regard to Rainbow Chicken, Tsb Sugar and Wispeco, it is the responsibility of Remgro's representatives on the boards of these companies to obtain assurance regarding the effectiveness and efficiency of their respective environmental management processes.

Focus on carbon emissions

Climate change and man-made generation of greenhouse gases has placed international and local focus on company carbon dioxide emissions. Remgro has responded to this by tracking its emissions over the past four years in accordance with the Greenhouse Gas (GHG) Protocol, and participating in the investor-driven Carbon Disclosure Project on an annual basis. The project was launched in South Africa in 2007 in partnership with the National Business Initiative in which JSE-listed companies are measured.

These efforts were recognised in 2010 with Remgro being ranked joint sixth and Rainbow Chicken seventh on the South African Carbon Disclosure Project's Leadership Index.

In terms of the GHG Protocol, emissions can be analysed into the following categories:

> Scope 1 emissions – direct emissions from equipment owned by Remgro, e.g. factories of Rainbow Chicken, Tsb Sugar and Wispeco

> Scope 2 emissions – indirect emissions from the consumption of electricity

> Scope 3 emissions – indirect emissions from third party suppliers (air travel, car rental, hotel accommodation, third-party transport, office paper)

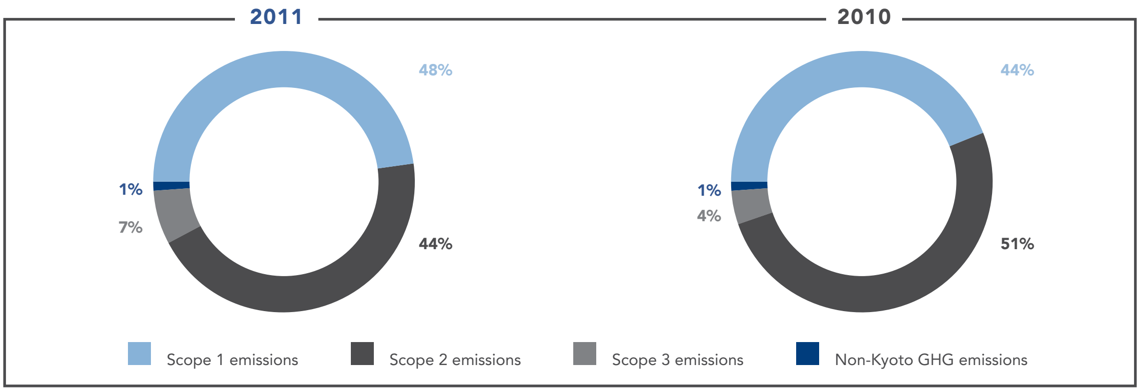
> Non-Kyoto Protocol GHG emissions, e.g. freon, which is used in air-conditioning and refrigerant equipment

Refer to Figure 8 for an analysis of Remgro's GHG emissions per category, expressed in terms of "Tonnes of carbon dioxide equivalent (tCO_2e)".

Remgro's Scope 1 and 2 emissions decreased by 4.6% in 2011 (compared to 2010), and a 7.8% decrease was recorded in Scope 1 and 2 emissions per full-time employee. These decreases were largely driven by energy efficiency initiatives at Rainbow Chicken and Wispeco.

Figure 8

REMGRO'S GHG EMISSIONS ($TC0_2E$)



TOTAL CARBON EMISSIONS PER SUBSIDIARY COMPANY 2010 – 2011

	Rainbow* Chicken	Tsb Sugar	Wispeco	RMS	Total
2010 (tCO_2e)	352 627	282 512	49 920	4 361	689 420
2011 (tCO_2e)	**361 261**	**262 238**	**47 597**	**4 602**	**675 698**

** A 74% subsidiary of Remgro*

Long-term projects are currently under way at both Tsb Sugar and Rainbow Chicken with regard to the carbon credit potential of generating renewable electricity from bagasse and chicken litter respectively. Both projects are in the pre- and technical feasibility stages and, if realised, will bring significant revenue streams to Remgro.

Focus on energy

In addition to being a primary contributor to Remgro's carbon footprint, increasing commodity prices are providing strong financial incentive to reduce energy consumption.

All subsidiaries have deployed energy reducing initiatives over the past year, with Rainbow Chicken implementing a year on year reduction target of 5% for electricity and 10% for coal respectively.

To meet these targets, Rainbow Chicken has improved insulation in both its poultry houses and in the design of new plant cold storage facilities; fixed new energy-efficient LED lighting in select poultry houses; and, installed refrigeration waste-heat recovery processes at its Hammarsdale and Worcester processing plants, thereby reducing the coal used in running the plants' boilers.

Wispeco, too, has retrofitted LED lighting in its factories and offices, fitted energy-saving showerheads on its production lines, as well as installing powerfix equipment at its Parow plant in Cape Town.

Tsb Sugar continues to use renewable energy generated from the burning of bagasse, a by-product of the sugar manufacturing process, with excess electricity from this process being supplied back into the South African electricity grid.

Focus on water

Remgro's water focus has primarily taken place within Rainbow Chicken where a consumption target of 13 litres of potable water per bird has been set for its processing plant.

Quality and quantity of water poses a significant risk to all of Remgro's operations and will also incur increased costs over time. In response Remgro plans to initiate a group-wide water management strategy in preparation for these future uncertainties.

Focus on environmentally responsible product

Remgro's subsidiaries are conscious of resource scarcity and are implementing waste minimisation practices and utilising recycled material wherever possible.

To this end, Wispeco's aluminium manufacturing processes use 69% post-consumer recycled aluminium and process waste. Rainbow Chicken has reduced the length of its preformed bags by 20 mm, reducing oversizing of packaging, and has eliminated all cardboard used in transporting raw material between plants thereby reducing inter-process packaging and associated waste.

Compliance

During the period under review there were no material non-compliance with any environmental laws, regulations, accepted standards or codes applicable to the Group, and no significant fines were imposed either.

GRI INDICATOR TABLE*

Indicator and description	2011	2010	Units
Emissions, effluents and waste			
Total direct and indirect GHG emissions			
Scope 1 – Direct emissions	**324 221**	303 135	tCO_2e
Scope 2 – Indirect emissions	**300 612**	351 752	tCO_2e
Scope 3 – Indirect emissions	**44 619**	28 119	tCO_2e
Other relevant indirect GHG emissions	**6 246**	6 414	tCO_2e
Energy			
Direct energy consumption by primary energy source			
Petrol	**49**	58	kilolitres
Diesel	**9 119**	17 131	kilolitres
Aviation fuel	**1 195**	1 082	kilolitres
Natural gas	**5 735 101**	5 649 008	m^3
LPG	**582**	382	kilolitres
Coal	**86 419**	82 236	tonnes
Indirect energy consumption by primary source			
Electricity	**291 539 100**	337 890 220	kWh
Water			
Total water withdrawal at source	**6 157 427**	5 626 213	kilolitres
Total volume of water recycled and reused	**2 115 734**	1 699 290	kilolitres

** The numbers referred to above include Rainbow Chicken, Tsb Sugar, Wispeco and RMS, and cover the twelve-month periods ended 31 March 2010 and 31 March 2011.*

MILLENNIA PARK – REMGRO'S NEW GREEN HEAD OFFICE

In alignment with its environmental commitment, Remgro has commissioned the refurbishment of Millennia Park, an existing office building in Stellenbosch, in accordance with criteria as established by the Green Building Council of South Africa (GBCSA).

The objective is to achieve a minimum four-star rating (out of a possible 6), as well as being the first refurbishment (as opposed to new build) to be certified by the GBCSA in South Africa.

Green buildings make use of design, materials and technology to minimise critical resource consumption such as energy, water, waste and even commuting. Natural light, the circulation of fresh air and energy-efficient air conditioning and lighting all reduce electricity consumption by as much as 30%.

Non-toxic materials and low-VOC paints are used and recycled materials maximised. Water interventions include efficient plumbing, rainwater harvesting and water recycling, saving as much as 35% – 50% in usage. Waste generation can be reduced by 50% – 90% and carbon dioxide emissions by 35% – 50% in green buildings.

FEEDBACK

We welcome any feedback on Remgro's sustainable development practices and this report. In this regard please contact:

The Company Secretary
Mariza Lubbe
Tel: +27(0)21 888 3311, Fax: +27(0)21 880 2722
Email: ml@remgro.com
Postal address: PO Box 456, Stellenbosch 7599

Remuneration Report

INTRODUCTION

The remuneration report is intended to provide an overview and understanding of Remgro's remuneration principles, policy and practices with specific reference to executive and non-executive directors, members of the Management Board and the other top three earners in the Company. The information provided in this report has been approved by the Board on recommendation by the Remuneration and Nomination Committee.

REMUNERATION AND NOMINATION COMMITTEE

The functioning of this dedicated Board committee is well established within Remgro's mode of operation. In essence it is the committee's role to ensure that directors and executives are remunerated fairly and responsibly and that the disclosure of directors' remuneration is accurate, complete and transparent.

During the period under review the mandate for the Remuneration and Nomination Committee was updated to incorporate recommendations of King III and to further assist members of this committee in the execution of their role and responsibilities. The mandate was approved by the Board on 19 August 2010.

The members of the committee for the period under review were:

> Mr J P Rupert (chairman)
> Mr P K Harris
> Mr G T Ferreira
> Mr F Robertson

The Board acknowledges the principle in King III that the Chairman of the Board should not be the chairman of the Remuneration and Nomination Committee, but given the necessity to align the Company's remuneration approach with corporate strategy, this arrangement is deemed appropriate.

The committee met three times during the period and further details on the attendance of meetings are set out in the Corporate Governance Report on page 85.

The terms of reference set out in the mandate of the committee include the following:

In respect of its nomination function –

> Assist the Board with the process of identifying suitable candidates for appointment as directors
> Ensure the establishment of a formal and transparent process for the appointment of directors
> Oversee the development of a formal induction programme for new directors
> Ensure that formal succession plans for the Board, Chief Executive Officer (CEO) and other Management Board members are developed and implemented

In respect of its remuneration function –

> Oversee the setting and administering of remuneration of all directors, Management Board members and other employees;
> Oversee the establishment of a remuneration policy;
> Advise on the remuneration of non-executive directors;
> Ensure that the mix of fixed and variable pay, in cash, shares and other elements, meets Remgro's needs and strategic objectives; and
> Oversee the preparation and recommending to the Board the remuneration report to be included in the Integrated Annual Report.

The committee is satisfied that it has carried out its responsibilities for the period in compliance with its mandate.

REMUNERATION APPROACH

A remuneration policy for directors and members of the Management Board of Remgro was developed and adopted during the period under review. The remuneration policy is aligned with the Company's approach of rewarding directors and senior executives fairly and competitively, according to their capabilities, skills, responsibilities and level of performance. It aims at supporting the Company's remuneration principles of:

> 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
> Ensuring that remuneration structures are consistent with the Company's long-term requirements
> Protecting the Company's rights by means of standard contracts of employment

It should be noted that the Board will not ask shareholders for non-binding approval of the Company's remuneration policy at the Annual General Meeting on 24 November 2011.

EXECUTIVE DIRECTORS AND MEMBERS OF THE MANAGEMENT BOARD

These employees are rewarded by means of a two-tier approach in Remgro's remuneration structures which entails:

Fixed pay

This element, referred to as total guaranteed package, consists of components such as salary, cash or car allowance and the Company's contributions towards retirement funding and the medical aid scheme.

As part of the annual review process by the Remuneration and Nomination Committee, guaranteed packages are benchmarked against the upper quartile of the market for comparable companies as indicated per independent survey(s). The services of an independent remuneration consultancy are contracted for this purpose.

The annual review is based on the executive's level of responsibility, his/her overall performance and the achievement of specific agreed objectives. The CEO, who attends all committee meetings by invitation, can propose increases to the guaranteed packages, excluding his own, during such review meetings.

The average salary increases paid to executive directors and members of the Management Board with the 1 July 2010 review was 7.8%, compared to an average salary increase paid to general staff of 8.1%.

Variable pay

It is important to note that, due to the nature of the Company's operation as an investment holding company and in order to align the interests of management with those of shareholders, no short-term incentives are paid to executives.

Remgro currently has two long-term incentive plans, i.e. the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme"). Both of these schemes are equity settled plans.

The Remgro Share Scheme was superseded by the SAR Scheme following the unbundling of British American Tobacco Plc and the only remaining participant to this scheme is the CEO, Mr Thys Visser. The scheme is a deferred purchase scheme and payment takes place in three equal yearly instalments, the first of which is payable three years after the offer date. Participants have no rights 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. Payments relating to offers before 26 November 2004 must be settled within ten years, while offers thereafter must be settled before seven years have passed.

The SAR Scheme has the aim of retaining the services of executives by incentivising them based on long-term growth in the market capitalisation of the Company. This approach ensures alignment between personal wealth creation and corporate strategy. All permanent employees of the Company participate in the SAR Scheme.

Participants in the SAR Scheme are remunerated with shares to the value of the appreciation of a specific number of Remgro ordinary shares that must be exercised within a period of seven years after the grant date. The earliest intervals at which the share appreciation rights (SARs) are exercisable are as follows:

> One-third after the third anniversary of the grant date
> Two-thirds after the fourth anniversary of the grant date
> The remainder after the fifth anniversary of the grant date

Awards to executives in terms of the SAR Scheme are made from time to time by the committee and such awards are usually based on a multiple of the total guaranteed package.

No award will be made to a single participant if at the time of or as a result of the making of such grant, the aggregate number of Remgro ordinary shares in respect of which any unexercised SARs granted to the participant may be exercised, together with any other Remgro ordinary shares that have been set aside under any other managerial share scheme to that participant, shall exceed 2 197 399 Remgro ordinary shares.

Similarly, no award will be made if at the time of or as a result of the making of such grant, the aggregate number of Remgro ordinary shares in respect of which any unexercised SARs may be exercised, together with the total number of other Remgro ordinary shares that have been set aside for delivery to employees under any other managerial scheme, shall exceed 21 000 000 Remgro ordinary shares.

For detail of the current status of awards that were made to executive directors, members of the Management Board and the other three top earners in the Company in terms of both schemes, refer to page 125 to 128.

If it is assumed that all of the participants to both the schemes referred to above exercise all options awarded to them on 1 July 2011, Remgro will have to deliver 2.1 million shares in order to settle its obligations. This calculation is based on Remgro's closing share price on 30 June 2011 of R111.60. A 10% increase or decrease in the Remgro share price will require the number of shares to be delivered to be 2.5 million shares and 1.8 million shares, respectively.

At 30 June 2011 Remgro held sufficient treasury shares to settle its obligations to deliver shares to the schemes' participants.

The different components of the remuneration paid as described above, are summarised in the table below:

Element	Purpose	Performance period and measures	Operation and delivery
Total guaranteed package	Reflects market value of role and individual performance	Reviewed annually based on performance and market surveys	Benchmarked against upper quartile of the market of comparable companies
Long-term variable	Alignment with shareholder interests	From time to time and 3 – 5 year vesting period	As determined by the committee

Contracts of employment

Executive directors and members of the Management Board do not have fixed term contracts, but are employed in terms of the Company's standard contract of employment. The notice period for termination of service is one calendar month and the normal retirement age is 63. Executive directors and members of the Management Board also do not have exceptional benefits associated with the termination of their services.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Independent non-executive directors

Independent non-executive directors do not have any employment contracts and do not receive any benefits associated with permanent employment. Furthermore, they do not participate in the Company's long-term incentive plans.

The Board, on recommendation by the Remuneration and Nomination Committee, have decided that independent non-executive directors should not be remunerated by means of a base fee and attendance fee in respect of their board and committee obligations. The fee payable to non-executive directors will thus, as in the past, be a fixed annual fee. The fee structure is reviewed annually on 1 July subject to prior approval by shareholders at the Company's Annual General Meeting. The fees are market related and take into account the nature of Remgro's operations. Remgro also pays for all travelling and accommodation expenses reasonably and properly incurred in order to attend meetings.

The annual fees payable to independent non-executive directors for the period commencing on 1 April 2010 were approved by shareholders on 18 August 2010.

Non-independent non-executive directors

Remgro has four non-independent non-executive directors, i.e. Mr J P Rupert, Dr E de la H Hertzog, as well as Messrs P E Beyers and J Malherbe.

Mr Rupert receives no emoluments, while Dr Hertzog's remuneration is borne by both Mediclinic International Limited (65%) and Remgro (35%). A portion of the latter, as approved by shareholders annually, is regarded as director's fees. Similarly Mr Beyers receives a salary of which a portion is also regarded as director's fees and approved annually by shareholders. Mr Malherbe receives an annual director's fee similar to that paid to independent non-executive directors.

As in the case of independent non-executive directors, these directors do not participate in the Company's long-term incentive plans. It should, however, be noted that, subsequent to the acquisition of VenFin Limited during November 2009, Remgro SARs were awarded to Mr J Malherbe to compensate him for the cancellation of the VenFin Share Appreciation Right Scheme. Mr Malherbe does not qualify for any further allocation of SARs.

In addition to their duties as non-executive directors, Dr Hertzog and Mr Beyers represent the Company on the boards of certain investee companies.

Details of the fee structure payable to non-executive directors for the period ended 30 June 2011 and year ended 31 March 2010 are presented in the table below.

Type of fee	**Fee for the three months ended 30 June 2011 R**	**Fee for the twelve months ended 31 March 2011 R**	Fee for the twelve months ended 31 March 2010 R
Board member	**46 500**	**186 000**	172 000
Chairman of the Audit and Risk Committee	**31 250**	**125 000**	116 000
Member of the Audit and Risk Committee	**15 750**	**63 000**	58 000
Member of the Remuneration and Nomination Committee	**7 750**	**31 000**	29 000

The proposed fee structure payable to non-executive directors for the year ending 30 June 2012 is presented in the table below.

Type of fee	Proposed fee for the year ending 30 June 2012 R
Board member	199 000
Chairman of the Audit and Risk Committee	133 750
Member of the Audit and Risk Committee	67 400
Member of the Remuneration and Nomination Committee	33 200

Details of the remuneration paid to executive directors and members of the Management Board, including the remuneration of the three other top earners, as well as fees paid to non-executive directors for the period under review, are set out on the following page. The current status of all offers made to the above groups in terms of the Remgro Share Scheme and SAR Scheme are also presented.

The three other top earners of the Company were identified with reference only to their total guaranteed packages. The information for Mr Neville Williams, who is a member of the Management Board and also a prescribed officer in terms of the Companies Act, is presented separately, while the information of the other two employees is provided in total.

It should also be noted that the remuneration of the three other top earners of the Company is not presented for the comparative twelve months to 31 March 2010, due to the fact that they were previously employed by VenFin Limited that was only acquired by Remgro during November 2009, resulting in no meaningful comparison being possible.

DIRECTORS' EMOLUMENTS

(The information on pages 124 to 128 was audited)

Fixed pay

	Fifteen months ended 30 June 2011					Twelve months ended 31 March 2010				
	Fees R'000	Salaries R'000	Retirement fund R'000	Other benefits[7] R'000	Total R'000	Fees R'000	Salaries R'000	Retirement fund R'000	Other benefits[2] R'000	Total R'000
Executive										
W E Bührmann	233	2 427	536	284	3 480	172	1 957	422	225	2 776
L Crouse	233	4 130	879	295	5 537	172	3 070	642	225	4 109
J W Dreyer	233	2 533	557	139	3 462	172	1 926	416	106	2 620
J J Durand[1]	233	5 568	1 151	295	7 247	72	2 122	313	75	2 582
J A Preller	233	1 415	332	295	2 275	172	1 074	247	225	1 718
T van Wyk[2]	155	1 743	366	123	2 387	172	1 896	410	141	2 619
M H Visser	233	11 200	2 303	357	14 093	172	8 062	1 685	272	10 191
Subtotal	1 553	29 016	6 124	1 788	38 481	1 104	20 107	4 135	1 269	26 615
Non-executive (independent)										
G D de Jager[3]	–				–	93				93
G T Ferreira[4]	271				271	84				84
P K Harris	271				271	201				201
N P Mageza[4]	311				311	96				96
P J Moleketi	311				311	96				96
M M Morobe	233				233	172				172
M A Ramphele[4]	233				233	72				72
F Robertson	350				350	259				259
H Wessels[5]	389				389	288				288
Subtotal	2 369				2 369	1 361				1 361
Non-executive (non-independent)										
P E Beyers	233	801	208	139	1 381	172	610	155	106	1 043
E de la H Hertzog	233	1 517	314	103	2 167	172	1 141	232	79	1 624
J Malherbe	233	–	–	–	233	172	–	–	–	172
J P Rupert[6]	–	–	–	–	–	–	–	–	–	–
Subtotal	699	2 318	522	242	3 781	516	1 751	387	185	2 839
Total	4 621	31 334	6 646	2 030	44 631	2 981	21 858	4 522	1 454	30 815

[1] Mr J J Durand was appointed as an executive director on 4 November 2009.
[2] Mr T van Wyk retired as executive director with effect from 31 January 2011.
[3] Mr G D de Jager retired as an independent non-executive director on 5 August 2009.
[4] Messrs N P Mageza, P J Moleketi, G T Ferreira and Dr M A Ramphele were appointed as independent non-executive directors on 4 November 2009. During the period under review Mr Mageza also received R398 000 (2010: R59 000) as director's fees from Rainbow Chicken Limited, a subsidiary company of Remgro Limited.
[5] In addition to his director's fee and fee as chairman of the Audit and Risk Committee, an amount of R78 750 was also paid to Mr H Wessels during the period under review for his attendance of meetings of subcommittees of the Audit and Risk Committee.
[6] Mr J P Rupert receives no emoluments.
[7] Benefits include medical aid contributions and vehicle benefits.

Variable pay – long-term incentive plans

Remgro Share Scheme
– ordinary shares

Participant	Balance of shares accepted as at 31 March 2010	Shares accepted during the period	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 of shares (Rand)	Increase in value[1] (R'000)	Balance of shares accepted as at 30 June 2011
Executive									
M H Visser	174 614			**87.86**	**174 614**	**25/2/2011**	**109.66**	**3 807**[2]	**–**
	172 681			**135.00**					**172 681**
	68 230			**186.70**					**68 230**
Total	415 525	**–**			**174 614**			**3 807**	**240 911**

(1) It 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.
(2) According to the rules of the Remgro Share Scheme and, in addition to the Remgro shares received, Mr Visser also received ordinary shares in British American Tobacco Plc (BAT), Reinet Investments and Trans Hex amounting to R21.0 million.

Participant	Balance of shares accepted as at 31 March 2009	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 of shares (Rand)	Increase in value[1] (R'000)	Balance of shares accepted as at 31 March 2010
Executive									
M H Visser	174 614			87.86					174 614
	172 681			135.00					172 681
	68 230			186.70					68 230
Total	415 525	–			–			–	415 525

(1) It 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.

Remgro Equity Settled Share Appreciation Right Scheme
– Share appreciation rights (SARs)

Participant	Balance of SARs accepted as at 31 March 2010	SARs accepted during the period[1]	Fair value of SARs on offer date (R'000)	Offer price (Rand)[2]	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[3] (R'000)	Balance of SARs accepted as at 30 June 2011
Executive									
W E Bührmann[4]	283 148			71.71	83 074	13/01/2011	113.00	3 430	
					83 073	28/03/2011	108.53	3 059	117 001
	124 771			73.71					124 771
		23 548	785	108.69					23 548
L Crouse	418 108			73.71					418 108
		51 865	730	108.69					51 865
J J Durand	427 047			38.90					427 047
	162 354			87.21					162 354
	22 717			83.65					22 717
	12 662			90.52					12 662
		235 895	7 868	108.69					235 895
J A Preller	141 411			71.71	58 689	23/06/2011	108.75	2 174	82 722
	48 788			73.71					48 788
		33 080	1 103	108.69					33 080
T van Wyk[5]	185 207			71.71	71 569	29/06/2011	110.72	2 792	113 638
	87 829			73.71					87 829
M H Visser	136 767			71.71	136 767	25/02/2011	109.66	5 190	–
	542 424			73.71					542 424
		486 465	16 225	108.69					486 465
J W Dreyer	270 270			73.71					270 270
Subtotal	2 863 503	830 853	27 711		433 172			16 645	3 261 184
Non-executive									
J Malherbe	195 730			38.90					195 730
	75 761			87.21					75 761
	20 847			83.65					20 847
	5 807			90.52					5 807
Subtotal	298 145	–	–		–			–	298 145
Total	3 161 648	830 853	27 711		433 172			16 645	3 559 329

(1) SARs were offered on 29 November 2010.
(2) In terms of the rules of the SAR Scheme, the offer price of SARs that were awarded prior to the Trans Hex unbundling was reduced by 29 cents to ensure that participants were placed in substantially the same position as they were prior to the unbundling.
(3) It refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.
(4) Following the BAT unbundling during the 2009 financial year (and as approved by Remgro Shareholders on 7 October 2008), Remgro provided a direct finance facility to participants of the Remgro Share Scheme to settle the outstanding purchase price on certain Remgro scheme shares. As at 31 March 2010, the only related outstanding facility to executive directors was R2.5 million owing by Mr Bührmann. The outstanding amount was settled during the period under review.
(5) Mr T van Wyk retired as executive director with effect from 31 January 2011. In terms of the rules of the SAR Scheme, participants going into retirement are entitled to exercise all the SARs granted to them at any time within twelve months after the date of retirement or before the expiry of the SAR period (being seven years from grant date), whichever is the earlier.

Participant	Balance of SARs accepted as at 31 March 2009	SARs accepted during the year[1]	Fair value of SARs on offer date (R'000)	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[2] (R'000)	Balance of SARs accepted as at 31 March 2010
Executive									
W E Bührmann	283 148			72.00					283 148
	124 771			74.00					124 771
L Crouse	418 108			74.00					418 108
J J Durand		427 047	11 927	39.19					427 047
		162 354	4 535	87.50					162 354
		22 717	634	83.94					22 717
		12 662	354	90.81					12 662
J A Preller	141 411			72.00					141 411
	48 788			74.00					48 788
T van Wyk	185 207			72.00					185 207
	87 829			74.00					87 829
M H Visser	136 767			72.00					136 767
	542 424			74.00					542 424
J W Dreyer	270 270			74.00					270 270
Subtotal	2 238 723	624 780	17 450		–			–	2 863 503
Non-executive									
J Malherbe[3]		195 730	5 467	39.19					195 730
		75 761	2 116	87.50					75 761
		20 847	582	83.94					20 847
		5 807	162	90.81					5 807
Subtotal	–	298 145	8 327		–			–	298 145
Total	2 238 723	922 925	25 777		–			–	3 161 648

[1] *SARs were offered on 23 November 2009.*
[2] *It refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.*
[3] *Subsequent to the acquisition of VenFin, Mr J Malherbe was awarded SARs to compensate him for the cancellation of the VenFin Share Appreciation Rights Scheme.*

TOP THREE EARNERS (that are not executive directors)

Fixed pay

	Fifteen months ended 30 June 2011			
	Salaries R'000	*Retire-ment fund* R'000	*Other benefits*[1] R'000	Total R'000
N J Williams[2]	2 117	426	295	2 838
Other two employees	3 135	632	456	4 223
Total	5 252	1 058	751	7 061

[1] Benefits include medical aid contributions and vehicle benefits.
[2] Mr Neville Williams is a member of the Management Board.

Variable pay – long-term incentive plans

Remgro Equity Settled Share Appreciation Right Scheme
– Share appreciation rights (SARs)

	SARs accepted at 31 March 2010[1]	*SARs accepted during the period*[2]	*Fair value of SARs on offer date (R'000)*	*Offer price (Rand)*	*Number of SARs exercised*	*Date exercising SARs*	*Share price on exercise date*	*Increase in value*[3] *(R'000)*	*Balance of SARs accepted as at 30 June 2011*
N J Williams	47 449		1 325	39.19					47 449
	7 555		211	83.94					7 555
	54 228		1 515	87.50					54 228
	4 259		119	90.81					4 259
		38 652	1 289	108.69					38 652
Other two employees	54 094		1 511	39.19					54 094
	2 933		82	83.94					2 933
	26 835		750	87.50					26 835
	1 624		45	90.81					1 624
	29 539		825	97.19					29 539
		61 930	2 066	108.69					61 930
Total	228 516	100 582	13 093						329 098

[1] SARs were offered on 23 November 2009.
[2] SARs were offered on 29 November 2010.
[3] It refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.

Remgro Limited

REMGRO LIMITED FINANCIAL REPORT 2011

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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 annual financial statements are prepared, in accordance with International Financial Reporting Standards (IFRS) 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 and supported by reasonable and prudent judgements and estimates. The financial statements have been prepared under the supervision of the Chief Financial Officer, Leon Crouse CA(SA).

The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the period and the financial position of the Group at year-end. The accuracy of the other information included in the Annual Report was considered by the directors and they are satisfied that it accords with the financial statements.

The directors are also responsible for the Company's system of internal financial controls. The system was developed to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements, the safeguarding of assets, and to prevent and detect misrepresentation and losses.

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

The financial statements were audited by the independent auditor, PricewaterhouseCoopers Inc., to whom unrestricted access was given to all financial records and related information. The auditor's report is presented on page 134.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Thys Visser
Chief Executive Officer

Stellenbosch
20 September 2011

STATEMENT BY THE COMPANY SECRETARY

I, Mariza Lubbe, being the Company Secretary of Remgro Limited, hereby certify that all returns and notices of Remgro Limited required in terms of the Companies Act, 2008 or the Companies Act, 1973, as applicable, have, in respect of the period under review, been filed with the Commission and that all such returns and notices appear to be true, correct and up to date.

Mariza Lubbe
Secretary

Stellenbosch
20 September 2011

AUDIT AND RISK COMMITTEE REPORT

TO THE SHAREHOLDERS OF REMGRO LIMITED

This report by the Audit and Risk Committee ("the committee"), as appointed by the Board in respect of the period under review, is prepared in accordance with the recommendations of King III and the requirements of the Companies Act (No. 71 of 2008), as amended ("Companies Act") and describes how the committee has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial period ended 30 June 2011.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises four independent non-executive directors (as set out in the table below) and is chaired by Mr Herman Wessels who is a Chartered Accountant. All the committee members are suitably skilled and experienced. In terms of the committee's mandate, at least four meetings should be held annually, but due to Remgro's change in financial year-end from 31 March to 30 June, five meetings were held during the fifteen months under review.

Composition of the committee

Committee member*	Number of meetings held	Number of meetings attended
H Wessels (chairman)	5	5
N P Mageza	5	4
P J Moleketi	5	5
F Robertson	5	5

* *Abridged curriculum vitae of all the directors of the Company are set out on pages 19 to 21 of the Integrated Annual Report.*

The Chief Executive Officer, Chief Financial Officer, Chief Investments Officer, head of internal audit and representatives of the external auditors attend the committee meetings by invitation. Committee agendas provide for confidential meetings between committee members and the internal and external auditors, as well as management.

ROLE AND RESPONSIBILITIES

The committee's role and responsibilities include its statutory duties as per the Companies Act, as well as the responsibilities assigned to it by the Board.

The committee is satisfied that it has fulfilled all of its duties during the financial period under review, as further detailed below.

The Audit and Risk Committees of Remgro's two wholly owned operating subsidiaries, Tsb Sugar and Wispeco, report to this committee at each meeting by way of inclusion of the minutes of the meetings held by these subsidiaries in the committee's agenda. Wispeco's Audit and Risk Committee function as a subcommittee the committee. In the case of Tsb Sugar, its own Audit and Risk Committee comprises three independent non-executive directors and consequently fulfils its responsibilities independent of the committee. Remgro's representatives on the board of Tsb Sugar also attend the meetings of the Tsb Sugar Audit and Risk Committee, ex officio. Furthermore, the committee has satisfied itself that there are effective audit committees functioning at the Company's significant non-wholly owned subsidiaries, associates and joint ventures, whose minutes of meetings held are also included in the committee's agenda.

More information about the functioning of the committee and the matters dealt with in this report can be found in the Corporate Governance Report and Risk Management Report.

Statutory duties

In the conduct of its duties, the committee has performed the following statutory duties:

- Nominated PricewaterhouseCoopers Inc. and Mr Christo Matthee, who, in the opinion of the committee, is independent of the Company, to the shareholders for appointment as the external auditor for the financial period ended 30 June 2011
- Determined the fees to be paid to the external auditor and their terms of engagement
- Ensured that the appointment of the external auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors
- Determined the nature and extent of any non-audit services that the external auditor may provide to the Company and its wholly owned subsidiaries administered by Remgro Management Services Limited (RMS), as well as Wispeco
- Pre-approved any proposed agreement with the external auditor for the provision of non-audit services to the Company and its wholly owned subsidiaries administered by RMS, as well as Wispeco.

External audit

The committee is satisfied that the Company's external auditor, PricewaterhouseCoopers Inc., is independent of the Company and is thereby able to conduct their audit functions without any influence from the Company.

A formal policy governs the process whereby the external auditor of the Company is considered for non-audit services. In terms of the policy, the committee is responsible for determining the nature and extent of any non-audit services that the external auditor may provide and also to pre-approve any proposed contract with the external auditor for the provision of non-audit services.

Internal financial control and accounting systems

The committee is responsible for assessing the systems of internal financial controls and accounting systems of the

AUDIT AND RISK COMMITTEE REPORT
TO THE SHAREHOLDERS OF REMGRO LIMITED

Company and its wholly owned subsidiaries, excluding Tsb Sugar. In this regard the committee has evaluated reports on the effectiveness of the systems of internal financial controls conducted by the internal audit function, considered information provided by management and held discussions with the external auditor on the results of their audit. The committee is of the opinion that the systems of internal financial controls are effective and forms a basis for the preparation of reliable financial statements. In support of the aforementioned the committee also received reports from the internal audit function regarding the effectiveness of the combined assurance process and fraud prevention and detection measures in place.

The Remgro executives serving on the boards of investee companies (Rainbow Chicken, Tsb Sugar and other associates and joint ventures) are responsible for executing the Company's significant influence to ensure that effective internal controls are implemented and complied with.

Expertise and experience of the Chief Financial Officer and finance function

The committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer, Mr Leon Crouse, whose curriculum vitae appears on page 21 of the Integrated Annual Report.

The committee has furthermore considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the Company's finance function and the experience of the senior members of management responsible for the financial function.

Financial statements and going concern

The committee has reviewed the stand-alone and consolidated financial statements of the Company and is satisfied that they comply with International Financial Reporting Standards and the Companies Act, and that the accounting policies used are appropriate.

The committee has also reviewed a documented assessment by management of the going concern premise of the Company before recommending to the Board that the Company will be a going concern in the foreseeable future.

Risk management

The committee has assigned oversight of the risk management function to the Risk and IT Governance committee, which is a subcommittee of the committee. The mandate of this committee includes the maintenance of the risk management policy and plan, establishment of an operational risk register, information technology risk management, legal compliance and occupational health and safety. The Risk and IT Governance Committee is chaired by the CFO and the ten other members are all executives of the Company. The chairman of the committee attends the Risk and IT Governance Committee meetings as an ex officio member to ensure the effective functioning of this committee and that appropriate risk information is shared with the committee.

Internal audit

The Company's internal audit division is an effective independent appraisal function and forms an integral part of the Enterprise-wide Risk Management system that provides assurance on the effectiveness of the Company's system of internal control. The internal audit division of the Company is staffed by qualified and experienced personnel and services all of Remgro's wholly owned subsidiaries administered by RMS, as well as Wispeco. In addition, the internal audit division also performs independent internal audit work for other investee companies such as Dark Fibre Africa, Dorbyl, MARC, Mediclinic, SEACOM and Tracker. Tsb Sugar makes use of its own internal audit division, but uses Remgro's internal audit function to perform independent quality reviews of its work.

During the period under review the committee considered and recommended the internal audit charter for approval by the Board. Further details on the Group's internal audit functions are provided in the Risk Management Report.

Ethics and compliance

The committee is responsible for reviewing any major breach of the Company's Codes of Conduct and Ethics and relevant legal, regulatory and other responsibilities. The committee is satisfied with the compliance to these standards and with the applicable laws and regulations. Furthermore, the committee is satisfied that it has complied with all its legal, regulatory and other responsibilities during the period under review.

Recommendation of the Integrated Annual Report for approval by the Board

The committee is satisfied that the sustainability information disclosed in the Integrated Annual Report is consistent with the annual financial statements and has recommended the Integrated Annual Report for approval by the Board.

Herman Wessels
Chairman of the Audit and Risk Committee

Stellenbosch
20 September 2011

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REMGRO LIMITED

We have audited the Group annual financial statements and annual financial statements of Remgro Limited, which comprise the consolidated and separate statements of financial position as at 30 June 2011, and the consolidated and separate income statements and consolidated and separate statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 135 to 202.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Remgro Limited as at 30 June 2011, and its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: C J Matthee
Registered Auditor

Stellenbosch
20 September 2011

REPORT OF THE BOARD OF DIRECTORS

FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2011

Dear Shareholder

The Board has pleasure in reporting on the activities and financial results for the period 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 and joint ventures.

The Group's interests consist mainly of investments in banking and financial services, medical services, food, wine and spirits, petroleum products, glass products, mining, media and technology.

CHANGE IN FINANCIAL YEAR-END

During the period under review the financial year-end of the Company was changed from 31 March to 30 June, with effect from the current financial year. The rationale for the change was to comply with the revised International Auditing Standard 600 (ISA 600), as fully set out in the announcement released on SENS on 16 March 2011. The period being reported on is thus for fifteen months compared to twelve months in the comparative period, resulting in no meaningful comparison being possible between the reporting periods presented. Full details regarding the change in year-end are provided in the Chief Financial Officer's Report on page 30.

RESULTS

Period ended	Fifteen months ended 30 June 2011	Twelve months ended 31 March 2010
Headline earnings (R million)	**5 555**	3 355
– per share (cents)	**1 082.4**	690.1
– diluted (cents)	**1 050.4**	676.4
Earnings – net profit for the period (R million)	**10 841**	3 060
– per share (cents)	**2 112.4**	629.4
– diluted (cents)	**2 072.3**	616.3
Dividends (R million)	**1 622**	1 080
– ordinary – per share (cents)	**314.00**	209.00

A final dividend of 213 cents (2010: 125 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. No STC is payable on these dividends.

INVESTMENT ACTIVITIES

The most important investment activities during the period under review were as follows:

FirstRand Limited (FirstRand) and RMB Holdings Limited (RMBH)

On 12 November 2010 it was announced that all of the suspensive conditions of the proposed merger of Metropolitan Holdings Limited and Momentum Group Limited, as well as the subsequent unbundling by FirstRand of its entire shareholding in the new merged entity (MMI Holdings Limited (MMI)) to its ordinary shareholders, were fulfilled. On 13 December 2010 Remgro received 81.2 million MMI shares in terms of the above transaction.

During March 2010 RMBH also announced that it was exploring a number of restructuring steps to realign its investment portfolio and to enhance shareholder value. The restructuring commenced during December 2010 and included the separation of RMBH's insurance and banking interests (RMI Holdings Limited (RMI Holdings) and RMBH respectively) and resulted in a separate listing of both companies. In terms of the restructuring, Remgro disposed of its entire holding in MMI to RMI Holdings in exchange for shares in RMI Holdings, and now has the following direct interests in the respective entities after the completion of all related restructuring transactions:

RMI Holdings	34.9%
RMBH	31.5%
FirstRand	3.9%

Capital gains amounting to R4 252 million was realised on the above transactions. These gains include the profit realised on the restructuring transactions by Remgro as well as Remgro's share of the profits realised by FirstRand and RMBH. Due to the fact that Remgro only acquired its interest in RMI Holdings during March 2011, the results of that company was only accounted for the four months to 30 June 2011.

Nampak Limited (Nampak)

During August 2010 Remgro sold its 13.3% interest in Nampak through an accelerated book build offering for a total consideration of R1 358.9 million (or R17.40 per share). During the period under review the results of Nampak were equity accounted for the four months to 31 July 2010 and its contribution to Remgro's headline earnings amounted to R33 million (2010: R73 million).

Trans Hex Group Limited (Trans Hex)

During September 2010 the investment in Trans Hex was unbundled and each Remgro shareholder received 5.85 Trans Hex shares for every 100 Remgro shares held. As the investment in Trans Hex was reclassified as an investment "held for sale" in the previous financial year, no income from Trans Hex was accounted for during the period under review (2010: R11 million).

Mediclinic International Limited (Mediclinic)

During August 2010 a further R591.9 million was invested in Mediclinic in terms of a rights offer whereby Mediclinic shareholders could subscribe for an additional 10 Mediclinic shares for every 100 shares held at a price of R23.00 per share. On 30 June 2011 Remgro's interest in Mediclinic was 45.2% (31 March 2010: 45.7%).

Business Partners Limited (Business Partners)

During the period under review Remgro acquired a further 14 381 742 Business Partners shares for a total consideration of R79.3 million. On a fully diluted basis, Remgro's interest in Business Partners increased to 28.8% (31 March 2010: 20.8%).

Kagiso Trust Investments (Pty) Limited (KTI) and the Kagiso Infrastructure Empowerment Fund (KIEF)

During the 2007 financial year, Remgro entered into agreements with KTI and KIEF, in terms of which it committed funds amounting to R350 million to KIEF. The fund has a target size of R650 million and aims to invest in infrastructure projects, including roads, airports, power and telecommunication installations, railway systems, ports, water and social infrastructure. During the period under review Remgro invested a further R134.2 million in KIEF. By 30 June 2011, Remgro had invested R228.4 million of the R350 million committed.

Dark Fibre Africa (Pty) Limited (Dark Fibre)

In the past Remgro only had an indirect interest of 31.3% in Dark Fibre through its interests in the CIV group of companies. During the period under review an amount of R142.6 million was invested directly in Dark Fibre, while an additional amount of R292.6 million was invested in the CIV group of companies. These investments effectively increased Remgro's interest in Dark Fibre to 46.5%. At the same time Remgro agreed to provide a loan facility amounting to R116.6 million to Dark Fibre. The term of the facility is ten years and the full amount has already been advanced.

Capevin Holdings Limited (Capevin Holdings)

During the period under review Remgro acquired a further 12 210 311 Capevin Holdings shares for a total consideration of R42.7 million. These acquisitions increased Remgro's indirect interest in Distell to 33.5% (31 March 2010: 33.3%).

Lashou Group Inc. (Lashou)

During April 2011 Remgro invested $18.0 million for a 1.6% interest, on a fully diluted basis, in Lashou, a Chinese company specialising in group buying and location-based marketing campaigns.

Fundamo (Pty) Limited (Fundamo)

During June 2011 Remgro sold its interest in Fundamo to Visa Inc. for a total consideration of R230 million. A capital gain of R142 million was realised on this transaction.

Tsb Sugar Holdings (Pty) Limited (Tsb Sugar)

During the period under review Tsb Sugar divested from its citrus operations and sold its interests in Golden Frontiers Citrus (Pty) Limited and Komati Fruits (Pty) Limited with effect from 31 March 2011. An after-tax capital gain of R22 million was realised on this transaction. The future impact of the transaction on Tsb Sugar's results is not expected to be material.

Other smaller investments, amounting to R202 million, were made during the period under review in PGSI Limited, Fundamo, Premier Team Holdings Limited, One Digital Media (Pty) Limited and Milestone China Funds.

POST YEAR-END EVENTS:

Grindrod Limited (Grindrod)

Shareholders are referred to the joint detailed terms announcement made on 20 September 2011 by Remgro and Grindrod. In terms of an agreement reached with Grindrod, Remgro has agreed to subscribe for 133 333 334 new Grindrod ordinary shares (at a price of R15.00 per share) for a total consideration of R2 billion. The subscription will result in Remgro acquiring an interest of 22.3% in Grindrod on a fully diluted basis. Remgro has further provided Grindrod shareholders the option to subscribe for Grindrod shares, in its stead, on a pro-rata basis, also at R15.00 per share. The Grindrod Family has agreed not to exercise their option to subscribe for additional shares. As a result, through the subscription, Remgro will own a minimum of 4.5% in Grindrod regardless of the take-up of the subscription option.

KTI and Tiso Group (Pty) Limited (Tiso)
During the period under review KTI and Tiso entered into negotiations for the merger of the two groups into a new merged entity, Kagiso Tiso Holdings (Pty) Limited. The effective date of the transaction is 1 July 2011 and Remgro's effective interest in the new entity is 25.1%.

Tracker Investment Holdings (Pty) Limited (Tracker)
Since year-end the investment in Tracker was sold for a total consideration of approximately R1.2 billion. It is expected that the transaction will be concluded early in October 2011.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2011 were as follows:

	30 June 2011			31 March 2010
	Local R million	Offshore R million	Total R million	R million
Per consolidated statement of financial position	**2 050**	**2 265**	**4 315**	3 827
Investment in money market funds	**–**	**1 725**	**1 725**	1 812
Less: Cash of operating subsidiaries	**(152)**	**(36)**	**(188)**	(977)
Cash at the centre	**1 898**	**3 954**	**5 852**	4 662

On 30 June 2011, approximately 44% (R1 725 million) of the available offshore cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position. Refer to note 15 to the annual financial statements for further details.

GROUP FINANCIAL REVIEW

Change in accounting policy
During the period under review the accounting treatment of all dilutionary effects of equity transactions by associated companies and joint ventures that Remgro was not a party to, were changed. Full detail of the effect of the change in accounting policy is provided in the Chief Financial Officer's Report on page 36 and the detailed accounting policies presented on page 141.

Statement of financial position
The analysis of "Equity employed" below and of "Source of headline earnings" on the following page reflects the sectors into which the Group's investments have been classified. No adjustment has been made where investments are active mainly in one sector but also have interests in other sectors.

	30 June 2011		31 March 2010	
	R million	R per share	R million	R per share
Equity employed				
Attributable to equity holders	**51 559**	**100.37**	43 304	84.38
Employment of equity				
Financial services	**18 618**	**36.24**	12 426	24.21
Industrial interests	**17 313**	**33.70**	16 154	31.48
Media interests	**1 083**	**2.11**	1 074	2.09
Mining interests	**4 862**	**9.47**	5 776	11.26
Technology interests	**2 446**	**4.76**	2 058	4.01
Other investments	**944**	**1.84**	573	1.12
Central treasury – cash at the centre	**5 852**	**11.39**	4 662	9.08
Other net corporate assets	**441**	**0.86**	581	1.13
	51 559	**100.37**	43 304	84.38

Income statement

	Fifteen months ended 30 June 2011		Twelve months ended 31 March 2010	
	R million	**%**	R million	%
Source of headline earnings				
Financial services	**2 845**	**51**	1 355	40
Industrial interests	**2 512**	**45**	1 982	59
Media interests	**20**	**–**	17	1
Mining interests	**112**	**2**	96	3
Technology interests	**111**	**2**	13	–
Other investments	**28**	**1**	(64)	(2)
Central treasury	**89**	**2**	57	2
Other net corporate costs	**(162)**	**(3)**	(101)	(3)
	5 555	**100**	3 355	100

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Composition of headline earnings		
Subsidiary companies	**515**	630
Profits	**675**	730
Losses	**(160)**	(100)
Associated companies and joint ventures	**5 040**	2 725
Profits	**5 185**	2 839
Losses	**(145)**	(114)
	5 555	3 355

SHARE SCHEMES

Remgro currently has two long-term incentive plans, i.e. the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme"). No new allocations under the Remgro Share Scheme have been made during the period under review. In terms of the SAR Scheme, participants are offered Remgro ordinary shares to the value of the appreciation of their rights to a specified number of Remgro ordinary shares that can be exercised at different intervals but before the expiry of seven years from date of grant.

The earliest intervals at which the share appreciation rights are exercisable are as follows:

- One-third after the third anniversary of the grant date
- Two-thirds after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

Refer to note 26 to the annual financial statements for full details on the Remgro Share Scheme as well as the SAR Scheme.

TREASURY SHARES

At 31 March 2010, 3 424 044 Remgro ordinary shares (0.7%) were held as treasury shares by a wholly owned subsidiary company of Remgro. As previously reported, these shares were acquired for the purpose of hedging Remgro's share incentive schemes.

During the period under review no Remgro ordinary shares were repurchased, while 505 778 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised the rights granted to them.

At 30 June 2011, 2 918 266 Remgro ordinary shares (0.6%) were held as treasury shares.

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Pty) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.61% (31 March 2010: 42.64%) of the total votes.

An analysis of the shareholders appears on pages 200 and 201.

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 19 to 21.

In terms of the provision of the Articles of Association, Messrs P E Beyers, W E Bührmann, L Crouse, P K Harris, M M Morobe and Dr E de la H Hertzog, retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 30 June 2011 the aggregate of the direct and indirect interests of the directors and their associates in the issued ordinary share capital of the Company amounted to 2.81% (31 March 2010: 2.81%).

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 202.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial period amounted to R4.6 million (31 March 2010: R3.0 million).

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 (No. 71 of 2008), as amended ("Companies Act"), and the Listings Requirements of the JSE Limited ("Listings Requirements"). It is further recommended that a general authority be granted to the Board to enable the Board to, subject to the provisions of the Companies Act and the Listings Requirements, enter into derivative transactions which may or will lead to the Company being required to purchase its own shares.

Special resolutions to grant this general authority to the Board are incorporated in the notice of the annual general meeting that appears on page 203.

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.

DIVIDENDS

The final ordinary dividend per share was determined at 213 cents (2010: 125 cents). Total ordinary dividends per share in respect of the fifteen months to 30 June 2011 therefore amount to 314 cents (2010: 209 cents).

DECLARATION OF CASH DIVIDEND

Declaration of Dividend No. 22

Notice is hereby given that a final dividend of 213 cents (2010: 125 cents) per share has been declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each for the fifteen months ended 30 June 2011.

The total dividend for the fifteen months ended 30 June 2011 of 314 cents per share represents an increase of 50.2% over the total dividend of 209 cents per share paid in respect of the twelve months to 31 March 2010.

Shareholders should note that the total dividend for the period of 314 cents per share includes 63 cents per share in respect of the three months with which the financial year-end of the Group was extended to 30 June 2011.

Payment

The final dividend is payable on Monday, 21 November 2011, to shareholders of the Company registered at the close of business on Friday, 18 November 2011.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 14 November 2011, and Friday, 18 November 2011, both days inclusive.

SECRETARY

The name and address of the Company Secretary appears on page 22.

APPROVAL

The annual financial statements set out on pages 135 to 202 have been approved by the Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Thys Visser
Chief Executive Officer

Stellenbosch
20 September 2011

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS), the requirements of the Companies Act (No. 71 of 2008), as amended, and the Listings Requirements of the JSE Limited.

These financial statements incorporate accounting policies that have been consistently applied to both periods presented, with the exception of the implementation of the amendments to *IAS 28: Investments in Associates*, resulting from the introduction of the revised *IFRS 3: Business Combinations*.

In the past all dilutionary effects of equity transactions by associated companies and joint ventures that Remgro was not a party to, were accounted for in other comprehensive income. With the introduction of the amendments to *IAS 28: Investments in Associates*, resulting from the application of the revised *IFRS 3: Business Combinations*, these effects are now accounted for in the income statement.

The composition of the Group's net profit is relevant for a proper understanding of its financial results. Due to the nature of the Group's operations a significant portion of its net profit results from associated companies and joint ventures. Consequently, additional information relating to the Group's share of the after-tax profit of associated companies and joint ventures is disclosed separately in note 29. In order to promote comparability, equity accounted income from associated companies and joint ventures, which is presented on an after-tax basis, is disclosed after the tax line on the income statement.

"Consolidated profit" represents the profit of the Company and its subsidiary companies before equity accounted income, while "Trading profit" represents the profit of the operating subsidiaries in the Group, before investment income, finance costs and items of a capital nature.

The accounting policies that the Group applied in the presentation of the financial statements are set out below.

(I) CONSOLIDATION AND EQUITY ACCOUNTING

Consolidation – subsidiary companies

All entities 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 govern the financial and operating policies, are included in the consolidated financial statements in the accepted manner. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination, irrespective of the extent of minority interests, are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is accounted for in the income statement. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

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

Intergroup transactions, balances and unrealised gains are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The accounting policies of subsidiaries conform to the policies adopted by the Group. Accounting policies between various industries have been aligned to the extent that it is material and appropriate for the specific industry.

Special purpose entities are consolidated when the substance of the relationship between the Group and the special purpose entity indicates that the Group effectively controls the entity.

The Group applies a policy of treating transactions with minority shareholders as transactions with equity owners of the Group. For purchases of minority interests, the difference between the consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. When interests in subsidiaries are sold to minority shareholders, any difference between the consideration received and the interest of the minority shareholder in the carrying value of the subsidiary's net assets are also accounted for in equity.

Consolidation – The Remgro Share Trust

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

Equity accounting – joint ventures

Entities that are jointly controlled through contractual arrangements between the Group and other parties are classified as joint ventures and accounted for according to the equity method as described below.

Equity accounting – associated companies

Entities that 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. 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. Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. 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 is accounted for through other comprehensive income. The carrying value of the Group's associated companies includes goodwill identified at acquisition. When the Group's share of losses in an associated company equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Dilutionary effects of equity transactions by associated companies that Remgro is not party to, are accounted for in the income statement.

Certain associated companies have year-ends that 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 have been changed where necessary to align them to those of Remgro and its subsidiaries to the extent that it is material and appropriate for the specific industry in which the associate operates.

Separate financial statements

In Remgro's separate financial statements, investments in subsidiaries, joint ventures and associated companies are carried at cost.

(II) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Land and buildings, machinery, equipment, office equipment and vehicles – are stated at historical cost less accumulated depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on buildings, machinery, equipment, office equipment and vehicles is provided on a straight line basis at rates that reduce the cost thereof to an estimated residual value over the expected useful life of the asset. The residual values and expected useful lives of assets are reviewed annually on reporting date and adjusted where necessary. No depreciation is provided for land.

Leased assets – Assets leased in terms of finance leases, i.e. where the Group assumes substantially all the risks and rewards of ownership, are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum finance lease payments. Leased assets are depreciated over the shorter of the lease period or the period over which the particular asset category is otherwise depreciated. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The finance charges are accounted for in the income statement over the term of the lease using the effective interest rate method.

Leases of assets where the lessor substantially retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are accounted for in the income statement on a straight line basis over the period of the lease.

Pre-production and borrowing costs – Pre-production and borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets until such assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs capitalised.

(III) BIOLOGICAL AGRICULTURAL ASSETS

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

Growing crops and orchards – Growing crops and orchards comprise two elements:
- Bearer biological assets – sugar cane roots, citrus trees and banana plants
- Consumable biological assets – standing sugar cane, citrus fruit and bananas

Bearer biological assets are valued at fair value based on the current replacement cost of planting and establishment, subsequently reduced in value over the period of their productive lives.

Consumable biological assets are measured at their fair value, determined on current estimated market prices less estimated harvesting, transport, packing and point-of-sale costs.
- Standing cane at estimated sucrose content, age and market price.
- Growing fruit at estimated yields, quality standards, age and market prices.

Breeding stock – Breeding stock includes the breeding and laying operations. Hatching eggs are included in breeding stock. Breeding stock is measured at their fair value less estimated closure point-of-sale costs at reporting dates. Fair value is determined based on market prices or, where market prices are not available, by reference to sector benchmarks.

Gains and losses arising on the initial recognition of these assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs are accounted for in the income statement during the period in which they arise.

Growing crops and orchards – bearer biological assets are reported in the statement of financial position as non-current assets, while breeding stock and growing crops and orchards – consumable biological assets are reported as current assets.

(IV) INVESTMENT PROPERTIES

Investment properties are held to generate rental income and appreciate in capital value. Investment properties are treated as long-term investments and are carried at cost less accumulated depreciation. Buildings are depreciated to their estimated residual values on a straight-line basis over their expected useful lives.

Investment properties are valued by external independent professional valuers every third year.

(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 subsidiaries, joint ventures and associated companies at the acquisition dates. Goodwill is reported in the statement of financial position as non-current assets and is carried at cost less accumulated impairment losses.

Goodwill attributable to associated companies and joint ventures is included in the carrying value of these companies.

Trade marks – The cost of developing and establishing trade marks is expensed as incurred. Consequently, the value thereof is not reflected in the annual financial statements. The cost of purchased trade marks is written off on a straight-line basis over their expected useful lives.

Research and development costs – Research cost is expensed as incurred. Where the asset recognition criteria have been met, development cost is capitalised and written off over the expected useful life of the product. Development cost previously expensed is not recognised as an asset in a subsequent period.

Trade marks and capitalised development costs with indefinite useful lives are not amortised.

(VI) FINANCIAL INSTRUMENTS

Financial instruments disclosed in the financial statements include cash and cash equivalents, investments in money market funds, other investments, derivative instruments, debtors and short-term loans, trade and other payables and borrowings. Financial instruments are initially recognised at fair value, including transaction costs, when the Group becomes party to the contractual terms of the instruments. The transaction costs relating to the acquisition of financial instruments held at fair value through profit and loss are expensed. Subsequent to initial recognition, these instruments are measured as follows:

Loans and receivables – Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. These instruments are carried at amortised cost using the effective interest rate method.

Held-to-maturity financial instruments – Instruments with fixed maturity that the Group has the intent and ability to hold to maturity are classified as held-to-maturity financial instruments and are carried at amortised cost using the effective interest rate method.

Available-for-sale financial instruments – Other long-term financial instruments are classified as available-for-sale and are carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial instruments are recognised through other comprehensive income in the period in which they arise. When these financial instruments are either derecognised or impaired, the accumulated fair value adjustments are realised and included in the income statement.

Financial instruments at fair value through profit and loss – These instruments, consisting of investments in money market funds, financial instruments held-for-trading and those designated at fair value through profit and loss at inception, are carried at fair value. Derivatives are also classified as held-for-trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these financial instruments are recognised in the income statement in the period in which they arise.

Investments in money market funds relate to investments in shares of liquidity funds of which the underlying investments have maturities of up to one year. The shares in these funds are callable on a daily basis.

Trade payables and borrowings – Trade payables and borrowings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

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

Financial assets (or portions thereof) are derecognised 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 derecognition, the difference between the carrying amount of the financial asset and proceeds receivable, as well as any prior adjustments to reflect fair value that had been recognised in other comprehensive income, is included in the income statement.

Financial liabilities (or portions thereof) are derecognised when the Group's obligation specified in the contract is discharged or cancelled or has expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in the income statement.

Fair value estimation – Financial instruments that are measured at fair value in the statement of financial position, are disclosed by level of the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 that are 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 reporting 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 that are parties to derivative financial instruments that reduce exposure to financial risks. These instruments mainly comprise forward contracts. Certain Group companies apply hedge accounting. Gains and losses arising from cash flow hedges are recognised through other comprehensive income, while those 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.

Any derivatives embedded in financial instruments are separated from the host contract when their economic characteristics are not closely related to those of the host contract and the host contract is not carried at fair value. Gains and losses are reported in the income statement.

Where a current 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.

(VII) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. These assets (or disposal groups) are measured at the lower of its carrying amount or fair value less costs to sell.

The Group classifies a component as a discontinued operation when that component has been disposed of, or is classified as held for sale; and

- it represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

A component of the Group comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes from the rest of the Group.

(VIII) INVENTORIES

Inventories are stated at the lower of cost or net realisable value. The basis of determining cost, which excludes finance costs, is the first-in first-out cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Work in progress and finished goods include direct costs and an appropriate allocation of manufacturing overheads.

(IX) TAXATION

Current taxation is provided by using rates that have been enacted or substantially enacted in terms of applicable tax laws.

Deferred taxation is provided for at rates that have been enacted or substantially enacted using the statement of financial position liability method. Full provision is made for all temporary differences between the taxation base of an asset or liability and its carrying amount on the statement of financial position. 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.

(X) FOREIGN CURRENCIES

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. its functional currency. The functional currency of the Company and the presentation currency of both the Company and the Group is rand. All amounts, unless otherwise indicated, are stated in millions.

Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the date of the transactions. Except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges, foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of foreign currency denominated monetary assets and liabilities are recognised in the income statement. Translation differences on non-monetary items are accounted for based on the classification of the underlying items. Foreign exchange gains and losses on financial instruments classified as available-for-sale financial assets are included in other comprehensive income, whereas those on financial instruments held at fair value through profit and loss are reported as part of the fair value gain or loss.

Group entities

The results and financial position of all foreign operations (excluding those operating in hyperinflationary economies) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate on the reporting date.
- Income and expenses for each income statement are translated at average exchange rates for the year, to the extent that such average rates approximate actual rates.
- All resulting exchange differences are recognised directly in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. On disposal of foreign operations, the related exchange differences are recognised in the income statement as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at closing rates at reporting date.

(XI) IMPAIRMENT OF ASSETS

Goodwill and intangible assets with indefinite lives

These assets are assessed annually for possible impairments. For purposes of impairment testing, goodwill is allocated to cash-generating units, being the lowest component of the business measured in the management accounts that is expected to generate cash flows that are largely independent of another business component. Impairment losses relating to goodwill are not reversed. Any impairment is recognised in the income statement.

Other assets

The Group assesses at each reporting date whether there is objective evidence that other assets may be impaired.

- **Impairment – subsidiaries, joint ventures and associated companies**

  An asset is impaired if its carrying amount is greater than its estimated recoverable amount, which is the higher of its fair value less cost to sell or its value in use. The carrying amounts of subsidiaries, joint ventures and associated companies are reviewed if there is objective evidence of impairment and written down where necessary.

- **Investment properties, property, plant and equipment and intangible assets with finite useful lives**

  Where these 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 the income statement.

- **Financial instruments carried at amortised cost**

  A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, such as improved credit rating, the previously recognised impairment loss is reversed and is recognised in the income statement.

- **Financial assets carried at fair value**
  If any objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in profit or loss is removed from other comprehensive income and recognised in the income statement.

  Impairment losses on equity instruments that were recognised in the income statement are not subsequently reversed through the income statement – such reversals are accounted for in other comprehensive income.

(XII) PROVISIONS

Provisions are recognised when a present 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.

Provisions are measured at the present value of the expected expenditure required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(XIII) EMPLOYEE BENEFITS

Post-retirement benefits

Pension obligations – Companies in the Group provide defined-benefit and defined-contribution post-retirement plans for their employees. The plan assets 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. 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. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities that have maturity terms approximating the terms of the related liability.

Past-service costs are immediately expensed, unless the changes to the pension plan are conditional on the employees remaining in service for a specified vesting period, in which case the past-service costs are amortised on a straight-line basis over the vesting period.

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. If the cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed the greater of ten percent of the defined-benefit obligation or defined-benefit plan's assets, that excess is recognised in future periods over the expected average remaining working lives of the participating employees.

The Group's contribution to the defined-contribution pension plans is charged to the income statement in the period 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 projected unit credit method of valuation is used to calculate the liability for post-retirement medical benefits.

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-benefit pension plans. Independent qualified actuaries value these obligations.

Equity compensation plans

The Remgro Group operates various equity settled share-based compensation plans. All offers granted after 7 November 2002 that have not vested by 1 January 2005 are accounted for as share-based payment transactions. The fair value of offers is determined on the grant date and is accounted for as an employee services expense over the vesting period of the offer, with a corresponding increase in equity, based on the Group's estimate of the number of shares that will eventually vest. Fair value is determined using a binomial model. The expected contract life used in the model has been adjusted based on management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations.

Any profits or losses that realise from shares being delivered to participants of the schemes are recognised directly in equity. The proceeds received net of any directly attributable transaction costs are accounted for against treasury shares when the options are exercised.

Short-term benefits

Employee entitlements to leave are recognised when they accrue to employees involved. A creditor is created for the estimated liability for leave as a result of services rendered by employees up to reporting date.

(XIV) CASH AND CASH EQUIVALENTS

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

(XV) 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. Sales comprise the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities and are disclosed net of value added tax, returns, rebates and discounts.

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.

(XVI) SHARE CAPITAL

Ordinary shares and B ordinary shares of the Company are classified as equity. Costs directly attributable to the issue of new shares are accounted for in equity as a deduction from the proceeds.

Shares in the Company held by Group companies 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.

(XVII) DIVIDEND DISTRIBUTION

Distributions of assets to the Company's shareholders are accounted for at fair value.

(XVIII) CURRENT/NON-CURRENT DISTINCTION

Items are classified as current when it is expected to be realised, traded, consumed or settled within twelve months after the reporting date, or the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date.

(XIX) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company, who makes strategic decisions. Each significant investment is classified as an operating segment.

(XX) CRITICAL ACCOUNTING JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements necessitates the use of estimates, assumptions and judgements that affect the reported amounts in the statement of financial position and income statement. Although estimates are based on management's best knowledge and judgements of current facts as at reporting date, the actual outcome may differ from those estimates.

Critical judgements in applying the Group's accounting policies

The most critical judgement exercised relates to the classification of investments as associated companies rather than investments available-for-sale. There are some investments over which Remgro is believed to have significant influence although it has an interest of less than 20% in these companies. However, as Remgro has board representation and is one of the major shareholders of these companies, its influence over their financial and operating policies is significant. Those investments are accordingly accounted for as associated companies using the equity method and not as financial instruments at fair value. The fair value of associated companies is set out in note 6 to the annual financial statements.

Critical judgement is also exercised with regard to the determination of the functional currency of the offshore entities that holds the Group's cash and short-term financial investments. The functional currencies of these entities are determined with reference to the currency in which the entities receive their operating cash inflows, as these most fairly present the economic effects of the underlying transactions, events and conditions. The operations of these entities are clearly separated from those of the parent and are managed separately from each other in terms of a strategic investment plan to invest in hard currencies based on specific and pre-determined portfolio allocations. As a result, exchange differences arising on the translation of those entities into the reporting currency of the Group are deferred in other comprehensive income until being realised, as opposed to being reported in the income statement on a continuous basis.

Critical accounting estimates and assumptions

A significant estimate relates to the Group's accounting policy in terms of which deferred taxation is provided for on all temporary differences between the carrying value and the tax base of investments. This tax is measured at the estimated tax consequences based on the manner in which the entity, at the reporting date, expects to recover the carrying value of the various investments. The carrying value of investments in associated companies is mainly recovered through dividends. As no taxable temporary differences exist, no deferred taxation is provided. Deferred taxation is provided on temporary differences that arise on the revaluation of available-for-sale investments based on the future economic benefits the entity expects to realise from that asset, i.e. a combination of dividends and capital gains or losses.

Another significant estimate relates to the Board's view that on the strength of legal opinions obtained, the disputes with the South African Revenue Service regarding three assessments issued by them, will be successfully defended.

Other estimates and assumptions relate to the determination of the useful lives of assets, impairments, the valuation of unlisted investments, the provision of deferred taxation for the Company's unutilised STC (secondary taxation on companies) credits and the assumptions used in calculating retirement benefit obligations and share-based payments. Details of these estimates and assumptions are set out in the relevant notes to the annual financial statements.

Critical accounting estimates and assumptions were also made during the purchase price allocation process in accounting for acquisitions as business combinations in accordance with *IFRS 3: Business Combinations*. These estimates and assumptions relate to the determination of useful lives of assets, discount rates, growth rates and valuation of unlisted investments.

(XXI) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 30 June 2011, but not yet effective on that date. The standards that are applicable to the Group, but that were not implemented early, are the following:

- **IFRS 9: Financial Instruments**
  (effective date – financial periods commencing on/after 1 January 2013)
  The International Accounting Standards Board (IASB) issued *IFRS 9: Financial Instruments* as the first step in its project to replace *IAS 39: Financial Instruments – Recognition and Measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets, as well as the requirements for classification and measurement of financial liabilities.

  The IASB intends to expand IFRS 9 to add new requirements for the derecognition of financial instruments, impairment and hedge accounting. IFRS 9 will be a complete replacement for IAS 39, but its application will only be mandatory from 1 January 2013.

- **IFRS 10: Consolidated Financial Statements**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and will replace *IAS 27: Consolidated Financial Statements.*

- **IFRS 11: Joint Arrangements**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS establishes principles for financial reporting by parties to a joint arrangement and will supersede *IAS 31: Interests in Joint Ventures.*

- **IFRS 12: Disclosure of Interests in Other Entities**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS sets out disclosure requirements that applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

- **IFRS 13: Fair Value Measurement**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements.

- **IAS 27: Separate Financial Statements**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. It will supersede IAS 27 (2008).

- **IAS 28: Investments in Associates and Joint Ventures**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. It will supersede IAS 28 (2003).

- **IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments**
  (effective date – financial periods commencing on/after 1 July 2010)
  This interpretation clarifies the requirements of IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially:
  - The entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability.
  - The equity instruments issued are measured at their fair value. If their fair value cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.
  - The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the entity's profit or loss for the period.

- **Revised IAS 24: Related Party Disclosures**
  (effective date – financial periods commencing on/after 1 January 2011)
  The revised standard provides an exemption from disclosure requirements for transactions between entities controlled, jointly controlled or significantly influenced by the same state ("state-controlled entities").

  The definitions of a related party and of a related party transaction have also been amended to clarify the intended meaning and remove some inconsistencies.

- **Amendments to IFRS 1: First-Time Adoption of International Financial Reporting Standards**
  The amendments allow certain exemptions for entities that adopt IFRS for the first time.

- **Amendments to IFRS 7: Disclosures – Transfers of Financial Assets: Amendments to IFRS 7**
  (effective date – financial periods commencing on/after 1 July 2011)
  The amendments will help users of financial statements evaluate the risk exposures relating

to transfers of financial assets and the effect of those risks on an entity's financial position and will promote transparency in the reporting of transfer transactions, particularly those that involve securitisation of financial assets.

- **Amendments to IAS 12: Deferred Tax: Recovery of Underlying Assets**
  (effective date – financial periods commencing on/after 1 January 2012)
  IAS 12 was amended to clarify the recognition of deferred tax by requiring that the tax base of the item must be consistent with the expected manner of its recovery or settlement.

- **Amendment to IAS 32: Financial Instruments: Presentation (Classification of Rights Issues)**
  (effective date – financial periods commencing on/after 1 February 2011)
  The amendment clarified that rights, options, or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments (and not financial liabilities) if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

- **Amendment to IAS 39: Financial Instruments – Recognition and Measurement (Eligible Hedged Items)**
  (effective date – financial periods commencing on/after 1 July 2010)
  The amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows of a hedged item is eligible for designation in a hedging relationship, should be applied in particular situations.

- **Amendment to IFRIC 14: Prepayments of a Minimum Funding Requirement**
  (effective date – financial periods commencing on/after 1 January 2011)
  The amendment to IFRIC 14, which is itself an interpretation of *IAS 19: Employee Benefits,* applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset.

- **IASB's first and second annual improvements projects**
  The IASB concluded its first two annual improvements projects, amending various accounting standards. These changes become effective for periods commencing on or after 1 July 2010, unless specified otherwise in the transitional provision for each amendment.

- **Improvements to IFRS (issued during May 2010)**
  In its annual improvements to IFRS, the IASB amended various standards. These changes become effective for periods commencing on or after 1 July 2010, unless specified otherwise in the transitional provision for each amendment.

The application of the standards, interpretations and amendments to IFRS mentioned above in future financial reporting periods is not expected to have a significant effect on the Group's financial results, financial position and cash flows.

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2011

		CONSOLIDATED		THE COMPANY	
R million	Notes	30 June 2011	31 March 2010	30 June 2011	31 March 2010
ASSETS					
Non-current assets					
Property, plant and equipment	2	**3 098**	3 050	–	–
Biological agricultural assets	3	**131**	157	–	–
Investment properties	4	**41**	34	–	–
Intangible assets	5	**327**	361	–	–
Investments – Associated companies	6	**34 920**	28 052	–	–
– Joint ventures	7	**252**	55	–	–
– Other	8	**6 059**	6 644	–	–
– Subsidiary companies	9			3 736	3 736
Retirement benefits	10	**149**	121	–	–
Loans		**139**	108	–	–
Deferred taxation	11	**7**	6	–	–
		45 123	38 588	3 736	3 736
Current assets		**10 864**	9 470	3 637	4 835
Inventories	12	**1 476**	1 048	–	–
Biological agricultural assets	3	**445**	423	–	–
Debtors and short-term loans	13	**1 968**	1 941	3 637	4 835
Derivative instruments	14	**120**	145	–	–
Taxation		**51**	42	–	–
Investment in money market funds	15	**1 725**	1 812	–	–
Cash and cash equivalents	16	**4 315**	3 827	–	–
		10 100	9 238	3 637	4 835
Assets held for sale	17	**764**	232	–	–
Total assets		**55 987**	48 058	7 373	8 571
EQUITY AND LIABILITIES					
Share capital	18	**8**	8	8	8
Share premium	18	**3 597**	3 714	3 597	3 714
Reserves	19	**48 170**	39 837	3 720	4 817
Treasury shares		**(216)**	(255)	–	–
Shareholders' equity		**51 559**	43 304	7 325	8 539
Non-controlling interest		**771**	779		
Total equity		**52 330**	44 083	7 325	8 539
Non-current liabilities		**1 481**	1 517	–	–
Retirement benefits	10	**238**	180	–	–
Long-term loans	20	**154**	175	–	–
Deferred taxation	11	**1 089**	1 162	–	–
Current liabilities		**2 176**	2 458	48	32
Trade and other payables	21	**2 160**	2 292	48	32
Short-term loans	22	**3**	146	–	–
Provisions	23	**3**	–	–	–
Derivative instruments	14	**6**	3	–	–
Taxation		**4**	17	–	–
Total equity and liabilities		**55 987**	48 058	7 373	8 571

INCOME STATEMENTS

FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2011

		CONSOLIDATED		THE COMPANY	
		Fifteen months ended 30 June	Twelve months ended 31 March	**Fifteen months ended 30 June**	Twelve months ended 31 March
R million	Notes	**2011**	2010	**2011**	2010
Sales		**14 955**	11 849	**–**	–
Inventory expenses		**(9 015)**	(7 099)	**–**	–
Staff costs	24	**(2 729)**	(1 939)	**–**	–
Depreciation	27	**(387)**	(290)	**–**	–
Other net operating expenses	27	**(2 160)**	(1 680)	**(46)**	(10)
Trading profit/(loss)		**664**	841	**(46)**	(10)
Dividend income	28	**155**	116	**115**	5 624
Interest received	27	**205**	146	**–**	–
Finance costs		**(35)**	(59)	**–**	–
Negative goodwill		**112**	–	**–**	–
Net impairment of investments, loans, assets and goodwill	27	**(68)**	(179)	**–**	–
Profit/(loss) on sale of investments	27	**2 283**	(9)	**2**	–
Consolidated profit before tax		**3 316**	856	**71**	5 614
Taxation	11	**(480)**	(309)	**–**	–
Consolidated profit after tax		**2 836**	547	**71**	5 614
Share of after-tax profit of associated companies and joint ventures	29	**8 112**	2 619		
Net profit for the period		**10 948**	3 166	**71**	5 614
Attributable to:					
Equity holders		**10 841**	3 060	**71**	5 614
Non-controlling interest		**107**	106		
		10 948	3 166	**71**	5 614

EARNINGS PER SHARE	1	**Cents**	Cents
Basic		**2 112.4**	629.4
Diluted		**2 072.3**	616.3

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2011

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					CONSOLIDATED	
R million	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Share-holders' equity	Non-controlling interest	Total equity
30 June 2011							
Net profit for the period				**10 841**	**10 841**	**107**	**10 948**
Other comprehensive income, net of tax	**(427)**	**(101)**	**(675)**	**(158)**	**(1 361)**	**–**	**(1 361)**
Exchange rate adjustments	**8**	**(94)**		**(158)**	**(244)**		**(244)**
Fair value adjustments for the period		**(10)**	**(797)**		**(807)**		**(807)**
Deferred taxation on fair value adjustments		**3**	**142**		**145**		**145**
Realisation of reserves previously deferred in equity	**6**		**(20)**		**(14)**		**(14)**
Change in reserves of associated companies and joint ventures	**(441)**				**(441)**		**(441)**
Total comprehensive income for the period	**(427)**	**(101)**	**(675)**	**10 683**	**9 480**	**107**	**9 587**
31 March 2010							
Net profit for the period				3 060	3 060	106	3 166
Other comprehensive income, net of tax	(621)	(158)	1 200	(1 061)	(640)	–	(640)
Exchange rate adjustments		(155)		(1 061)	(1 216)		(1 216)
Fair value adjustments for the year		3	1 418		1 421		1 421
Deferred taxation on fair value adjustments		(1)	(218)		(219)		(219)
Realisation of reserves previously deferred in equity		(6)			(6)		(6)
Change in reserves of associated companies and joint ventures	(621)	1			(620)		(620)
Total comprehensive income for the period	(621)	(158)	1 200	1 999	2 420	106	2 526

	THE COMPANY	
R million	**30 June 2011**	31 March 2010
Net profit for the period	**71**	5 614
Other comprehensive income	**–**	–
Total comprehensive income for the period	**71**	5 614

STATEMENTS OF CHANGES IN EQUITY

FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2011

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							CONSOLIDATED	
R million	**Issued capital**	**Equity reserves**	**Other reserves**	**Fair value reserves**	**Retained earnings**	**Treasury shares**	**Share-holders' equity**	**Non-controlling interest**	**Total equity**
30 June 2011									
Balances at 1 April	**3 722**	**9 477**	**409**	**4 589**	**25 362**	**(255)**	**43 304**	**779**	**44 083**
Total comprehensive income for the period		**(427)**	**(101)**	**(675)**	**10 683**		**9 480**	**107**	**9 587**
Dividends paid					**(1 160)**		**(1 160)**	**(60)**	**(1 220)**
Capital invested by minorities								**14**	**14**
Transfer between reserves and other movements		**(2 313)**	**(23)**		**2 329**		**(7)**	**(74)**	**(81)**
Transfer of retained income of associated companies and joint ventures		**1**	**–**		**(1)**		**–**		**–**
Long-term share incentive scheme reserve			**20**			**39**	**59**	**5**	**64**
Unbundling of investment	**(117)**						**(117)**		**(117)**
Balances at 30 June	**3 605**	**6 738**	**305**	**3 914**	**37 213**	**(216)**	**51 559**	**771**	**52 330**
31 March 2010									
Balances at 1 April	8	8 642	314	3 389	25 979	(260)	38 072	715	38 787
Total comprehensive income for the period		(621)	(158)	1 200	1 999		2 420	106	2 526
Dividends paid					(950)		(950)	(56)	(1 006)
Capital invested by minorities								10	10
Transfer between reserves and other movements			266		(264)		2	–	2
Transfer of retained income of associated companies and joint ventures		1 456	(54)		(1 402)		–		–
Long-term share incentive scheme reserve			41			5	46	4	50
Shares issued	3 714						3 714		3 714
Balances at 31 March	3 722	9 477	409	4 589	25 362	(255)	43 304	779	44 083

	THE COMPANY	
R million	**30 June 2011**	31 March 2010
Balances at the beginning of the period	**8 539**	167
Issued capital	**3 722**	8
Retained earnings	**4 817**	159
Shares issued	**–**	3 714
Total comprehensive income for the period	**71**	5 614
Dividends paid	**(1 168)**	(956)
Unbundling of investment	**(117)**	–
Balances at the end of the period	**7 325**	8 539

STATEMENTS OF CASH FLOWS

FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2011

R million	Notes	CONSOLIDATED Fifteen months ended 30 June 2011	CONSOLIDATED Twelve months ended 31 March 2010	THE COMPANY Fifteen months ended 30 June 2011	THE COMPANY Twelve months ended 31 March 2010
Cash flows – operating activities					
Trading profit/(loss)		664	841	(46)	(10)
Adjustments	30.1	515	231	–	–
Trading profit/(loss) before working capital changes		1 179	1 072	(46)	(10)
Working capital changes	30.2	(968)	(155)	16	(18)
Cash generated/(utilised) from/(by) operations		211	917	(30)	(28)
Cash flow generated from returns on investments		2 768	1 590	–	5 624
Interest received		205	146	–	–
Dividends received	30.3	2 563	1 444	–	5 624
Finance costs		(35)	(59)	–	–
Taxation paid	30.4	(407)	(144)	–	–
Cash available/(utilised) from/(by) operating activities		2 537	2 304	(30)	5 596
Dividends paid	30.5	(1 220)	(1 006)	(1 168)	(956)
Cash inflow/(outflow) from operating activities		1 317	1 298	(1 198)	4 640
Cash flows – investing activities					
Net investments to maintain operations		(370)	(240)	–	–
Replacement of property, plant and equipment		(395)	(274)	–	–
Proceeds on disposal of property, plant and equipment and other assets		25	34	–	–
Investments to expand operations		(2 062)	(1 005)	–	(22)
Additions to – property, plant and equipment and other assets		(230)	(153)	–	–
– investments and loans		(1 832)	(729)	–	(22)
Businesses acquired	31	–	(123)	–	–
Proceeds from disposal of investments and loans		1 664	98	–	–
Businesses disposed	32	10	–	–	–
Net cash generated/(utilised) before financing activities		559	151	(1 198)	4 618
Cash flows – financing activities		87	(5)	1 198	(4 618)
(Increase)/decrease in loans		58	(15)	1 198	(4 618)
Disposal of treasury shares		15	–	–	–
Issue of new shares by subsidiary companies		14	10	–	–
Net increase in cash and cash equivalents		646	146	–	–
Decrease/(increase) in money market funds		87	(234)	–	–
Exchange rate loss on foreign cash		(159)	(1 190)	–	–
Cash and cash equivalents at the beginning of the period		3 741	5 019	–	–
Cash and cash equivalents at the end of the period		4 315	3 741	–	–
Cash and cash equivalents – per statement of financial position		4 315	3 827		
Bank overdraft		–	(86)		

1. EARNINGS

	Fifteen months ended 30 June 2011		Twelve months ended 31 March 2010	
	Gross R million	**Net R million**	Gross R million	Net R million
HEADLINE EARNINGS RECONCILIATION				
Net profit for the period attributable to equity holders		**10 841**		3 060
Plus/(minus):				
– Negative goodwill	**(112)**	**(112)**	–	–
– Net impairment of associates and joint ventures	**(14)**	**(14)**	117	117
– Net impairment of other investments	**–**	**–**	32	32
– Impairment of property, plant and equipment	**40**	**40**	4	3
– Impairment of intangible assets	**–**	**–**	26	20
– (Profit)/loss on sale of associates and joint ventures	**(2 312)**	**(2 154)**	13	21
– (Profit)/loss on sale of other investments	**54**	**49**	(4)	(4)
– Profit on sale of subsidiary company	**(25)**	**(23)**	–	–
– Net (surplus)/loss on disposal of property, plant and equipment	**1**	**–**	(4)	(1)
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	**(3 122)**	**(3 072)**	123	107
– Net surplus on disposal of property, plant and equipment	**(76)**	**(78)**	–	–
– Profit on the sale of investments	**(2 759)**	**(2 749)**	(41)	(34)
– Net impairment of investments, assets and goodwill	**102**	**136**	118	97
– Other non-recurring and capital items	**(389)**	**(381)**	46	44
Headline earnings		**5 555**		3 355

	Fifteen months ended 30 June 2011 Cents	Twelve months ended 31 March 2010 Cents
EARNINGS PER SHARE		
Headline earnings per share		
– Basic	**1 082.4**	690.1
– Diluted	**1 050.4**	676.4
Earnings per share		
– Basic	**2 112.4**	629.4
– Diluted	**2 072.3**	616.3

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 513 209 003 (31 March 2010: 486 152 822), was taken into account after deduction of treasury shares as well as shares held in certain associated companies.

Diluted earnings per share

In determining diluted earnings per share and diluted headline earnings per share the weighted number of shares in issue was adjusted for the deemed dilutive effect of the offers accepted by participants in the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme, but not yet delivered.

The delivery of scheme shares 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 1 537 747 (31 March 2010: 533 594) and have been added to the weighted number of shares to determine the dilutive effect.

Some subsidiary and associated companies have similar management incentive schemes as well as other instruments that can dilute these companies' earnings in the future. To calculate Remgro's diluted earnings per share, R148 million (31 March 2010: R63 million) and R174 million (31 March 2010: R61 million) were offset against headline earnings and earnings respectively to account for the potential diluted effect.

2. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R million	Machinery and equipment R million	Vehicles R million	Office equipment R million	Total R million
Carrying value at 1 April 2009	917	1 486	319	34	2 756
Cost	1 377	3 015	489	53	4 934
Accumulated depreciation	(460)	(1 529)	(170)	(19)	(2 178)
Additions	126	228	66	4	424
Disposals	(6)	(18)	(6)	–	(30)
Depreciation	(40)	(213)	(34)	(3)	(290)
Businesses acquired	45	148	4	1	198
Transfers and other	(51)	46	–	(3)	(8)
Carrying value at 31 March 2010	991	1 677	349	33	3 050
Cost	1 483	3 381	532	47	5 443
Accumulated depreciation	(492)	(1 704)	(183)	(14)	(2 393)
Additions	**238**	**282**	**84**	**8**	**612**
Disposals	**(1)**	**(15)**	**(9)**	**–**	**(25)**
Depreciation	**(54)**	**(277)**	**(52)**	**(4)**	**(387)**
Businesses disposed	**(23)**	**(19)**	**(4)**	**–**	**(46)**
Impairments	**–**	**1**	**(41)**	**–**	**(40)**
Transfers and other	**(97)**	**36**	**(5)**	**–**	**(66)**
Carrying value at 30 June 2011	**1 054**	**1 685**	**322**	**37**	**3 098**
Cost	**1 596**	**3 599**	**525**	**54**	**5 774**
Accumulated depreciation	**(542)**	**(1 914)**	**(203)**	**(17)**	**(2 676)**

Depreciation rates are as follows:	**30 June 2011 %**	31 March 2010 %
Buildings	**0 – 50**	0 – 50
Machinery and equipment	**3⅓ – 100**	3⅓ – 100
Vehicles	**4 – 33⅓**	4 – 33⅓
Office equipment	**5 – 33⅓**	5 – 33⅓

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by assets with a book value of R2 million (31 March 2010: R2 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.

Assets with a book value of R178 million (31 March 2010: R181 million) are still under construction.

3. BIOLOGICAL AGRICULTURAL ASSETS

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the period	***Sugar cane roots*** **R million**	***Sugar cane plants*** **R million**	***Other*** **R million**	**30 June 2011 R million**	*Sugar cane roots* R million	*Sugar cane plants* R million	*Other* R million	31 March 2010 R million
Balances at the beginning of the period	**30**	**75**	**52**	**157**	33	27	16	76
Fair value adjustment	**7**	**88**	**31**	**126**	7	24	36	67
Additions	**–**	**–**	**12**	**12**	–	–	–	–
Transfer from assets "held for sale"	**–**	**–**	**–**	**–**	–	24	–	24
Businesses disposed	**–**	**–**	**(61)**	**(61)**	–	–	–	–
Decrease due to harvest	**–**	**(75)**	**(28)**	**(103)**	(10)	–	–	(10)
Balances at the end of the period	**37**	**88**	**6**	**131**	30	75	52	157

The quantity at 30 June is as follows:		
Sugar cane roots (ha)	**7 149**	2 922
Sugar cane plants (ha)	**7 149**	4 461
Other (ha)	**158**	1 694

Included in current assets:

Reconciliation of carrying value at the beginning and end of the period	***Breeding stock*** **R million**	***Broiler stock*** **R million**	**30 June 2011 R million**	*Breeding stock* R million	*Broiler stock* R million	31 March 2010 R million
Balances at the beginning of the period	**241**	**182**	**423**	245	185	430
Additions	**880**	**4 064**	**4 944**	735	3 643	4 378
Decrease due to harvest	**(902)**	**(4 051)**	**(4 953)**	(745)	(3 661)	(4 406)
Fair value adjustment	**5**	**26**	**31**	6	15	21
Balances at the end of the period	**224**	**221**	**445**	241	182	423

4. INVESTMENT PROPERTIES

	30 June 2011			31 March 2010		
	Cost **R million**	***Accumulated depreciation*** **R million**	***Net value*** **R million**	*Cost* R million	*Accumulated depreciation* R million	*Net value* R million
Land	**3**	**–**	**3**	3	–	3
Buildings	**38**	**–**	**38**	31	–	31
	41	**–**	**41**	34	–	34

Reconciliation of carrying value at the beginning and end of the period	***Land*** **R million**	***Buildings*** **R million**	**30 June 2011 R million**	*Land* R million	*Buildings* R million	31 March 2010 R million
Balances at the beginning of the period	**3**	**31**	**34**	3	31	34
Additions	**–**	**9**	**9**	–	–	–
Transfer to assets "held for sale"	**–**	**(2)**	**(2)**	–	–	–
Balances at the end of the period	**3**	**38**	**41**	3	31	34

The investment properties were valued during the 2011 financial period by an independent, qualified valuer using market information. The fair value of the investment properties, VAT exclusive, is R372 million (31 March 2010: R345 million).

No depreciation was provided for on investment properties, as all the assets have significant residual values. The remaining useful life of the assets is estimated as 50 years.

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.

5. INTANGIBLE ASSETS

	30 June 2011 Cost or valuation R million	30 June 2011 Accumulated impairment/ amortisation R million	30 June 2011 Net value R million	31 March 2010 Cost or valuation R million	31 March 2010 Accumulated impairment/ amortisation R million	31 March 2010 Net value R million
Goodwill	**332**	**(12)**	**320**	350	(12)	338
Trade marks and other	**63**	**(56)**	**7**	100	(77)	23
	395	**(68)**	**327**	450	(89)	361

Amortisation rates are as follows:	30 June 2011 %	31 March 2010 %
Trade marks and other	**5 – 100**	5 – 100

Reconciliation of carrying value at the beginning and end of the period	Goodwill R million	Trade marks and other R million	30 June 2011 R million	Goodwill R million	Trade marks and other R million	31 March 2010 R million
Balances at the beginning of the period	**338**	**23**	**361**	347	47	394
Additions	**–**	**1**	**1**	–	2	2
Amortisation	**–**	**(2)**	**(2)**	–	(10)	(10)
Impairment	**–**	**–**	**–**	(12)	(14)	(26)
Businesses acquired	**–**	**–**	**–**	5	2	7
Transfers and other	**(18)**	**(15)**	**(33)**	(2)	(4)	(6)
Balances at the end of the period	**320**	**7**	**327**	338	23	361

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	Tsb Sugar Holdings (Pty) Limited and its subsidiaries	Wispeco Holdings Limited and its subsidiaries	30 June 2011 Total
Goodwill allocated (R million)	**292**	**13**	**15**	**320**
Basis of valuation of cash-generating units	**Value in use**	**Value in use**	**Value in use**	

R287 million of the goodwill relating to Rainbow Chicken and its subsidiaries relates to the acquisition of Vector Logistics (Pty) Limited in 2005. In determining the value in use of the cash-generating unit to which this goodwill was allocated, the following assumptions were used:

Discount rate	10.7%
Growth rate	5.5%
Period	5 years

Sensitivity analysis of assumptions used in the goodwill impairment test:

Assumption	Movement	Impairment
Discount rate	+5%	Nil
Growth rate	–5%	Nil

6. INVESTMENTS – ASSOCIATED COMPANIES

(Annexures B & C)

	30 June 2011			31 March 2010		
	Listed R million	*Unlisted* R million	*Total* R million	*Listed* R million	*Unlisted* R million	*Total* R million
Shares – at cost	18 917	6 331	25 248	9 318	6 245	15 563
Equity adjustment	4 463	4 657	9 120	7 917	4 039	11 956
Carrying value	23 380	10 988	34 368	17 235	10 284	27 519
Long-term loans	–	552	552	–	533	533
	23 380	11 540	34 920	17 235	10 817	28 052
Market values of listed investments	32 086		32 086	28 480		28 480
Directors' valuation of unlisted investments		19 695	19 695		17 720	17 720
Market values and directors' valuation	32 086	19 695	51 781	28 480	17 720	46 200
Excess of market values and directors' valuation over the carrying value of investments:						
– attributable to equity holders			16 861			18 148
– attributable to non-controlling interest			–			–
			16 861			18 148

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R4 254 million (31 March 2010: R4 048 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 period	30 June 2011 R million	31 March 2010 R million
Carrying value at the beginning of the period	28 052	23 795
Exchange rate differences on translation of carrying value at the beginning of the period to year-end rate	(68)	–
Share of net attributable profit of associated companies	8 086	2 678
Dividends received from associated companies*	(8 302)	(1 221)
Exchange rate differences on translation from average rate to year-end rates	5	–
Equity-accounted movements on reserves	(437)	(621)
Dilutionary effects	194	–
Investments made*	12 601	221
Loans advanced	174	150
Businesses acquired	–	2 986
Investments disposed/capital reductions*	(4 524)	(9)
Loans repaid	(61)	(2)
Transfer to assets "held for sale"	(651)	(65)
Other transfers	(130)	258
Net impairments	(19)	(118)
Carrying value at the end of the period	34 920	28 052

** Include amounts of R6 174 million (MMI and RMI Holdings unbundling dividends), R11 210 million (RMBH and RMI Holdings investments made) and R3 300 million (FirstRand disposal) in respect of the FirstRand/RMBH restructuring transactions.*

7. INVESTMENTS – JOINT VENTURES

(Annexure B)

	30 June 2011 R million	31 March 2010 R million
Unlisted shares – at cost	**128**	8
Equity adjustment	**54**	39
Carrying value	**182**	47
Long-term loans	**70**	8
	252	55
Directors' valuation of unlisted investments	**250**	55
Excess of directors' valuation over the carrying value of investments:		
– attributable to equity holders	**–**	–
– attributable to non-controlling interest	**–**	–
	–	–
Reconciliation of carrying value at the beginning and end of the period		
Carrying value at the beginning of the period	**55**	84
Exchange rate differences on translation of carrying value at the beginning of the period to year-end rate	**–**	(18)
Share of net attributable income/(losses) of joint ventures	**26**	(59)
Dividends received from joint ventures	**(3)**	(1)
Exchange rate differences on translation from average rate to year-end rates	**–**	5
Equity accounted movements on reserves	**(4)**	1
Dilutionary effects	**2**	–
Investments made	**–**	57
Loans advanced	**5**	–
Businesses acquired	**–**	9
Disposals	**–**	(19)
Loans repaid	**(5)**	(1)
Transfers	**176**	(3)
Carrying value at the end of the period	**252**	55

The Group's share in the results, assets and liabilities of joint ventures is as follows:

	30 June 2011 R million	31 March 2010 R million
Profit/(loss)	**24**	(146)
Sales	**621**	146
Assets	**344**	95
Liabilities	**184**	49

The Group's share in capital commitments of joint ventures amounted to RNil (31 March 2010: RNil).

8. INVESTMENTS – OTHER

(Annexure B)

	30 June 2011			31 March 2010		
	Listed R million	*Unlisted* R million	*Total* R million	*Listed* R million	*Unlisted* R million	*Total* R million
Investments – other						
Shares	**5 482**	**577**	**6 059**	6 357	287	6 644
Market values of listed investments	**5 482**		**5 482**	6 357		6 357
Directors' valuation of unlisted investments		**577**	**577**		287	287
Market values and directors' valuation	**5 482**	**577**	**6 059**	6 357	287	6 644

Reconciliation of carrying value of investments – other at the beginning and end of the period	**30 June 2011**	31 March 2010
Balances at the beginning of the period	**6 644**	4 742
Fair value adjustments for the period	**(803)**	1 425
Investments made*	**2 180**	300
Businesses acquired	**–**	476
Exchange rate adjustments	**(23)**	(5)
Impairments	**–**	(31)
Transfer to investments – associated companies	**–**	(258)
Disposals*	**(1 939)**	(5)
Balances at the end of the period	**6 059**	6 644

** Include amounts of R1 842 million (MMI investment made) and R1 842 million (MMI disposal) in respect of the FirstRand/RMBH restructuring transactions.*

9. INVESTMENTS – SUBSIDIARY COMPANIES

(Annexure A)

THE COMPANY

Unlisted subsidiary companies		
Shares – at cost	3 736	3 736

10. RETIREMENT BENEFITS

Statement of financial position obligations		
Retirement benefits	**(55)**	(16)
Post-retirement medical benefits	**(183)**	(164)
	(238)	(180)
Statement of financial position assets	**149**	121
Retirement benefits	**8**	9
Defined-contribution fund employer's surplus	**141**	112
Net defined-benefit post-retirement obligation	**(89)**	(59)
Represented by:		
Retirement benefits (refer note 10.1)	**(47)**	(7)
Post-retirement medical benefits (refer note 10.2)	**(183)**	(164)
Defined-contribution fund employer's surplus	**141**	112
	(89)	(59)
Income statement		
Retirement benefits*	**41**	10
Post-retirement medical benefits	**27**	21
Expense/(income)	**68**	31

** Refer note 24 on page 177.*

10. RETIREMENT BENEFITS (continued)

10.1 Retirement benefits

Some of the Company's subsidiaries have various defined-benefit and defined-contribution funds which are privately administered independent of the finances of the Group. The Group operates defined-benefit funds in South Africa, governed by the Pension Funds Act, 1956 (as amended), and the United Kingdom. All salaried employees are obliged to accept membership of one of these funds.

For statutory purposes the defined-benefit pension funds are actuarially valued every three years by independent actuaries using the projected unit credit method. The latest actuarial valuations of these funds were conducted between 31 March 2008 and 31 March 2011.

	Statement of financial position					Income statement
	Fair value of plan assets R million	*Present value of funded obligations* R million	*Unrecognised actuarial (gains)/ losses* R million	*Pension fund surplus limitation** R million	*Amount recognised in statement of financial position* R million	*Included in staff costs* R million
Balances at 1 April 2009	718	(697)	60	(81)	–	
Current service cost	–	(1)	–	–	(1)	1
Interest cost	–	(45)	–	–	(45)	45
Expected return on assets	53	–	–	–	53	(53)
Surplus limitation utilisation	–	–	29	(41)	(12)	12
Actuarial gain amortisation	–	–	(5)	–	(5)	5
Transferred to defined-contribution fund**	(19)	14	–	5	–	–
Exchange rate differences	(87)	109	(19)	–	3	–
Benefit payments	(38)	38	–	–	–	–
Actuarial movements: fund obligation	–	(114)	114	–	–	–
Actuarial movements: plan assets	117	–	(117)	–	–	–
Balances at 31 March 2010	744	(696)	62	(117)	(7)	10
Current service cost	**–**	**(2)**	**–**	**–**	**(2)**	**2**
Interest cost	**–**	**(54)**	**–**	**–**	**(54)**	**54**
Expected return on assets	**73**	**–**	**–**	**–**	**73**	**(73)**
Surplus limitation utilisation	**–**	**–**	**(55)**	**35**	**(20)**	**20**
Actuarial gain amortisation	**–**	**–**	**(80)**	**–**	**(80)**	**80**
Curtailment	**–**	**42**	**–**	**–**	**42**	**(42)**
Contributions	**1**	**–**	**–**	**–**	**1**	**–**
Exchange rate differences	**(4)**	**4**	**–**	**–**	**–**	**–**
Benefit payments	**(47)**	**47**	**–**	**–**	**–**	**–**
Actuarial movements: fund obligation	**–**	**(7)**	**7**	**–**	**–**	**–**
Actuarial movements: plan assets	**(39)**	**–**	**39**	**–**	**–**	**–**
Balances at 30 June 2011	**728**	**(666)**	**(27)**	**(82)**	**(47)**	**41**

* *The Financial Services Board approved the surplus allocation scheme on 6 September 2005. The present value of economic benefits recognised in the financial statements is limited to the value of the surplus allocated to the Employer Surplus Account. The Trustees have decided not to allocate any of the current surpluses in the Fund.*

** *During the year, Rainbow Chicken's pension fund was replaced by a defined-contribution fund.*

10. RETIREMENT BENEFITS (continued)

10.1 Retirement benefits (continued)

	30 June 2011 R million	31 March 2010 R million
Amount of plan assets represented by investment in the entity's own financial instruments	–	–
Actual return on plan assets	34	170
Adjustment for experience on funded obligations	(16)	(9)
Expected contributions to retirement funds for the year ended 30 June 2012: RNil		

	Number	Number
Number of members	392	389

Composition of plan assets	%	%
Cash	18.34	8.88
Equity	10.15	20.22
Bonds	3.68	3.72
Property	0.65	0.69
International	67.18	65.41
Other	–	1.08
	100.00	100.00

Principal actuarial assumptions on reporting date		
Discount rate	5.50 – 8.75	5.50 – 9.25
Expected rates of return on plan assets*	4.58 – 8.75	6.23 – 10.00
Future salary increases	8.25	8.00
Future pension increases	3.50 – 5.75	3.50 – 5.25
Inflation rate	5.75	5.50

** The expected return on plan assets is determined with reference to the expected long-term returns on equity, cash and bonds.*

Fund history for the current and previous 4 periods	30 June 2011 R million	31 March 2010 R million	31 March 2009 R million	31 March 2008 R million	31 March 2007 R million
Fair value of plan assets	728	744	718	875	771
Present value of funded obligations	(666)	(696)	(697)	(845)	(767)
Surplus	62	48	21	30	4

10. RETIREMENT BENEFITS (continued)

10.2 Post-retirement medical benefits

	Statement of financial position				Income statement
	Fair value of plan assets R million	*Present value of funded obligations* R million	*Unrecognised actuarial (gains)/ losses* R million	*Amount recognised in statement of financial position* R million	*Included in staff costs* R million
Balances at 1 April 2009	34	(194)	13	(147)	
Current service cost	–	(6)	–	(6)	6
Interest cost	–	(16)	–	(16)	16
Expected return on assets	3	–	–	3	(3)
Amortisation of actuarial (gains)/losses	–	(2)	–	(2)	2
Liability assumed as part of VenFin acquisition	1	(2)	–	(1)	–
Benefit payments	(2)	7	–	5	–
Actuarial movements	4	21	(25)	–	–
Balances at 31 March 2010	40	(192)	(12)	(164)	21
Current service cost	**–**	**(6)**	**–**	**(6)**	**6**
Interest cost	**–**	**(22)**	**–**	**(22)**	**22**
Expected return on assets	**5**	**–**	**–**	**5**	**(5)**
Amortisation of actuarial (gains)/losses	**–**	**(5)**	**1**	**(4)**	**4**
Contributions	**–**	**3**	**–**	**3**	**–**
Benefit payments	**(3)**	**8**	**–**	**5**	**–**
Actuarial movements	**(1)**	**(16)**	**17**	**–**	**–**
Balances at 30 June 2011	**41**	**(230)**	**6**	**(183)**	**27**

	30 June 2011 R million	31 March 2010 R million
Amount of plan assets represented by investment in the entity's own financial instruments	**1**	1
Actual return on plan assets	**4**	7
Expected contributions to retirement funds for the year ended 30 June 2012: R6 million.		

	Number	Number
Number of members	**844**	895

Fund history for the current and previous 4 periods	**30 June 2011 R million**	31 March 2010 R million	31 March 2009 R million	31 March 2008 R million	31 March 2007 R million
Fair value of plan assets	**41**	40	34	37	35
Present value of funded obligations	**(230)**	(192)	(194)	(153)	(146)
Surplus/(deficit)	**(189)**	(152)	(160)	(116)	(111)

Composition of plan assets	**30 June 2011 %**	31 March 2010 %
Cash	**6.00**	16.00
Equity	**83.00**	78.00
Bonds	**11.00**	6.00
	100.00	100.00

10. RETIREMENT BENEFITS (continued)

10.2 Post-retirement medical benefits (continued)

	30 June 2011 %	31 March 2010 %
Principal actuarial assumptions on reporting date		
Discount rate	**8.75 – 9.00**	9.25 – 9.50
Expected rates of return on plan assets*	**9.75**	10.25
Annual increase in healthcare costs	**5.75 – 7.75**	5.50 – 5.75

** The expected return on plan assets is determined with reference to the expected long-term returns on equity, cash and bonds.*

	30 June 2011 Increase R million	30 June 2011 Decrease R million
The effect of a 1% movement in the above-mentioned expected yearly increase in healthcare costs is as follows:		
Post-retirement medical liability	**43**	**(26)**
Current service costs and interest on obligation	**5**	**(4)**

11. TAXATION

11.1 Deferred taxation

	30 June 2011 R million	31 March 2010 R million
Deferred taxation liability	**1 089**	1 162
Property, plant and equipment	**454**	432
Intangibles	**–**	4
Inventories	**121**	173
Provisions	**(40)**	(48)
Biological agricultural assets	**43**	46
Investments	**467**	614
Tax losses	**(2)**	(14)
Future capital gain taxable	**46**	46
Other	**–**	(91)
Deferred tax asset	**(7)**	(6)
Property, plant and equipment	**1**	(1)
Provisions	**(4)**	(3)
Other	**(4)**	(2)
Net deferred taxation	**1 082**	1 156
The movement between balances of deferred taxation at the beginning and end of the period can be analysed as follows:		
Beginning of the period	**1 156**	815
Businesses acquired	**–**	5
Businesses disposed	**(20)**	–
As per income statement	**96**	117
Accounted for in other comprehensive income	**(145)**	219
Transfers and other	**(5)**	–
	1 082	1 156

No deferred tax is provided on temporary differences relating to investments in subsidiary companies and joint ventures as Remgro controls the dividend policy of these companies and consequently also controls the reversal of the temporary differences.

Deferred taxation on capital distributions received from 1 October 2001 to 30 September 2007 is provided at 14.0%, as a result of the promulgation of retrospective legislation.

11. TAXATION (continued)

11.2 Tax losses

	30 June 2011 R million	31 March 2010 R million
Estimated tax losses available for set-off against future taxable income	**294**	215
Utilised to create deferred tax asset	**(42)**	(128)
	252	87

The calculated capital losses on 30 June, which could be set off against future capital gains of the Company, amount to R3 906 million (31 March 2010: R3 906 million).

11.3 Secondary taxation on companies (STC)

	30 June 2011 R million	31 March 2010 R million
The STC credits on 30 June, which could be set off against future dividend payments, amount to		
– The Company	**3 560**	4 727
– Subsidiary companies	**4 542**	1 794
Unutilised STC credits	**8 102**	6 521

Remgro's history of dividends received compared to ordinary dividends paid suggested increasing STC credits over time. It was therefore unlikely that Remgro's STC credits were to be utilised against ordinary dividends paid, and consequently no deferred tax asset was created for the Company's unutilised STC credits. With the introduction of dividends tax expected on 1 April 2012, the STC credits will no longer be the asset of the Company, but that of the shareholders, and no deferred tax asset will be created.

11.4 Taxation in income statement

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
CONSOLIDATED		
Current	**384**	192
– current period – South African normal taxation	**220**	167
– Taxation on capital gain	**156**	–
– Foreign taxation	**6**	8
	382	175
– previous year – South African normal taxation	**(20)**	(3)
Secondary taxation on companies – current	**22**	20
Deferred – current period	**81**	107
– previous year	**14**	2
– tax on capital gain	**1**	8
	480	309

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

	%	%
Effective tax rate	**14.5**	36.1
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	**1.5**	4.0
Non-taxable capital profit	**29.9**	–
Other non-taxable expenditure	**(17.6)**	(8.2)
Foreign taxation	**(0.1)**	(0.9)
Tax on foreign income	**(0.1)**	–
Previous year taxation	**0.3**	0.2
Future capital gain payable	**(0.1)**	(0.9)
Tax losses utilised	**0.4**	–
Secondary taxation on companies	**(0.7)**	(2.3)
Standard rate	**28.0**	28.0

12. INVENTORIES

	30 June 2011 R million	31 March 2010 R million
Raw materials	**338**	282
Finished products	**984**	661
Work in progress	**14**	4
Consumable stores	**140**	101
	1 476	1 048

13. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	30 June 2011 R million	31 March 2010 R million	**30 June 2011 R million**	31 March 2010 R million
Trade debtors (gross)	–	–	**1 714**	1 488
Less: Provision for impairments	–	–	**(49)**	(44)
Trade debtors (net)	–	–	**1 665**	1 444
Dividends receivable	–	–	**50**	327
Advance payments and other	–	–	**253**	170
Loans – Subsidiary companies	3 637	4 835	**–**	–
	3 637	4 835	**1 968**	1 941

At the general meeting of shareholders to be held on 24 November 2011, shareholders will be requested to provide a general authority to the Board of Directors of the Company to enable them, subject to the provisions of section 45 of the Companies Act, to authorise the Company to provide financial assistance to related and inter-related companies and corporations of the Company.

Debtors with a carrying value of R41 million (31 March 2010: R43 million) provided collateral to the Group. Loans to subsidiary companies are unsecured, carry no interest and are repayable on request.

Movements on the provision for impairments of trade debtors are as follows:

	30 June 2011 R million	31 March 2010 R million
Balances at the beginning of the period	**44**	45
Provision for impairments on debtors	**26**	8
Debtors written off as uncollectable during the period	**(6)**	(3)
Unused amounts written back	**(14)**	(6)
Other	**(1)**	–
Balances at the end of the period	**49**	44

During the period, bad debts amounting to R6 million (31 March 2010: R3 million) were written off. The other classes of assets in debtors and short-term loans have no assets where impairments were made. For further information refer to note 33.

14. DERIVATIVE INSTRUMENTS

The following derivative instruments existed at 30 June:

	30 June 2011			31 March 2010		
Assets	***Currency value*** **million**	***Forward value*** **R million**	***Fair value*** **R million**	*Currency value* million	*Forward value* R million	*Fair value* R million
Foreign exchange contracts						
Sell: USA dollar	**13.8**	**98.1**	**3.6**	35.9	281.4	12.4
			3.6			12.4
Other derivative instruments						
Conversion right on preference shares			**116.7**			132.6
			116.7			132.6
			120.3			145.0
Liabilities						
Foreign exchange contracts						
Buy: Euro	**–**	**–**	**–**	1.0	10.1	0.2
GBP	**0.3**	**3.5**	**0.1**	1.0	10.2	0.7
Sell: USA dollar	**13.6**	**92.5**	**1.0**	–	–	–
			1.1			0.9
Other derivative instruments						
Commodity option contracts			**3.3**			0.1
Exchange option contracts			**–**			–
Interest rate swaps			**1.4**			2.4
			4.7			2.5
			5.8			3.4

15. INVESTMENT IN MONEY MARKET FUNDS

	30 June 2011 R million	31 March 2010 R million
Money market fund investments are held in the following currencies:		
USA dollar (2011: $161 million; 2010: $161 million)	**1 087**	1 172
British pound (2011: £13 million; 2010: £13 million)	**144**	146
Euro (2011: €50 million; 2010: €50 million)	**494**	494
	1 725	1 812

Investments in money market funds relate to investments in shares of JP Morgan liquidity funds, specifically the Sterling Gilt Liquidity Fund, the US Treasury Liquidity Fund and the Euro Government Liquidity Fund (all with an Aaa Moody's Rating). The portfolios of the funds on 30 June 2011 consisted of government bonds with maturities of up to one year and bank repurchase agreements to ensure liquidity on demand as the shares in the funds are callable on a daily basis. Distributions from these funds are disclosed as dividend income. These instruments carry very low risk and provide daily liquidity, but cannot be classified as cash and cash equivalents as the individual instruments held by the funds do not meet the maturity criteria of *IAS 7: Statement of Cash Flows*. These investments are considered to be equity instruments categorised as "financial assets at fair value through profit and loss".

16. CASH AND CASH EQUIVALENTS

	30 June 2011 R million	31 March 2010 R million
Cash at the centre	**4 127**	2 850
Operating subsidiaries	**188**	977
	4 315	3 827
The cash is held in the following currencies:		
South African rand	**2 067**	1 388
British pound	**95**	109
USA dollar	**1 101**	1 255
Euro	**868**	896
Swiss franc	**184**	158
Other	**–**	21
	4 315	3 827

At year-end cash and cash equivalents earned interest at effective interest rates that varied between 5.25% and 5.73% (31 March 2010: 6.00% and 7.73%) per annum at local financial institutions and between 0.02% and 5.01% (31 March 2010: 0.02% and 6.15%) per annum abroad.

	30 June 2011 R million	31 March 2010 R million
Cash and cash equivalents are represented by the following:		
United Kingdom treasury bills	**32**	33
German treasury instruments	**122**	122
Current accounts and money market instruments	**4 161**	3 672
	4 315	3 827
At year-end the Group's cash was invested at financial institutions with the following Moody's credit rating (unless otherwise indicated):		
Aa1	**468**	489
Aa2	**628**	693
Aa3	**56**	65
A1	**1**	–
A2	**776**	857
A3	**1 376**	1 323
AAA/V1 (Fitch credit rating)	**510**	400
A+ (Fitch credit rating)	**500**	–
	4 315	3 827

17. ASSETS HELD FOR SALE

	30 June 2011 R million	31 March 2010 R million
Tsb Sugar entered into various landform agreements with, amongst others, the South African Government. These transactions are in the process of being completed. Accordingly, the related assets are classified as non-current assets "held for sale" and measured according to IFRS 5.		
Carrying value of the assets classified as "held for sale"	**175**	167
Property, plant and equipment	**128**	119
Biological agricultural assets	**47**	48
Effective 30 November 2009 the investment in Trans Hex was reclassified as "held for sale".		
Carrying value of the investment classified as "held for sale"	**–**	65
Remgro is in the process of concluding the sale of its investment in Tracker Investments Holdings (Pty) Limited, subject to certain regulatory requirements.		
Carrying value of the investment classified as "held for sale"	**587**	–
Remgro decided to dispose of certain investment properties in Stellenbosch. An active process to market the properties is under way. Accordingly, the related assets are classified as non-current assets "held for sale".		
Carrying value of the investment properties classified as "held for sale"	**2**	–
	764	232

18. SHARE CAPITAL AND SHARE PREMIUM

Share capital

	30 June 2011 R million	31 March 2010 R million
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		
481 106 370 (31 March 2010: 481 106 370) ordinary shares of 1 cent each	**4.8**	4.8
35 506 352 (31 March 2010: 35 506 352) B ordinary shares of 10 cents each	**3.6**	3.6
	8.4	8.4

	30 June 2011 Number of shares	31 March 2010 Number of shares
Movement of the ordinary shares of 1 cent each for the period:		
Total number of shares issued at the beginning of the period	**481 106 370**	439 479 751
Shares issued	**–**	41 626 619
Total number of shares issued at the end of the period*	**481 106 370**	481 106 370

** Treasury shares held by wholly owned subsidiary companies included.*

18. SHARE CAPITAL AND SHARE PREMIUM (continued)

Share premium	30 June 2011 R million	31 March 2010 R million
Movement of the share premium account for the period:		
Balances at the beginning of the period	**3 714**	–
Shares issued	**–**	3 714
Unbundling of Trans Hex investment	**(117)**	–
Balances at the end of the period	**3 597**	3 714

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

Number of shares held in treasury by a wholly owned subsidiary (ordinary shares of 1 cent each): 2 918 266 (31 March 2010: 3 424 044).

At a general meeting of shareholders held on 7 October 2008, 21 000 000 Remgro ordinary shares were placed under the control of the Remgro Board as a specific authority for purposes of issuing and allotting such Remgro ordinary shares to participants in the Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme") in accordance with the provisions of the rules of the SAR Scheme.

Details in respect of the share schemes and the current period's offers are disclosed in note 26 and the Report of the Board of Directors.

19. RESERVES

19.1 Composition of reserves

	30 June 2011 R million	31 March 2010 R million
The Company:		
Retained earnings	**3 720**	4 817
Subsidiary companies and joint ventures	**37 712**	25 543
Fair value reserve	**3 914**	4 589
Other reserves*	**305**	409
Retained earnings	**33 493**	20 545
Associated companies:		
Equity reserves	**6 738**	9 477
	48 170	39 837
Statutory non-distributable reserves included in other reserves	**6**	6

** Other reserves consist mainly of share scheme reserves.*

19. RESERVES (continued)

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

	Equity reserves R million	Other reserves R million	Retained earnings R million	30 June 2011 Total R million	31 March 2010 Total R million
Balances at the beginning of the period	–	(138)	(1 124)	(1 262)	(35)
Exchange rate adjustments during the period	8	(94)	(158)	(244)	(1 216)
Realised to the income statement	–	–	–	–	(11)
Balances at the end of the period	8	(232)	(1 282)	(1 506)	(1 262)

20. LONG-TERM LOANS

	30 June 2011 R million	31 March 2010 R million
Interest-bearing loans		
Secured long-term loans with effective interest rates of between 6% and 9.37% (31 March 2010: 9.37% and 10%) per annum repayable over a period of between two to ten years	150	188
These liabilities are secured by assets with a book value of RNil (31 March 2010: R62 million).		
Net liabilities resulting from various capitalised finance leases and instalment sale agreements payable in monthly, quarterly and annual instalments at varying interest rates per annum amount to	1	3
These liabilities are secured by plant, machinery and equipment with a book value of R2 million (31 March 2010: R2 million).		
Various unsecured loans with varying terms and interest rates	5	5
	156	196
Instalments payable within one year transferred to short-term interest-bearing loans	(2)	(21)
	154	175
Payable – two to five years	154	173
Payable thereafter	–	2
	154	175

21. TRADE AND OTHER PAYABLES

	THE COMPANY		CONSOLIDATED	
	30 June 2011 R million	31 March 2010 R million	30 June 2011 R million	31 March 2010 R million
Trade payables	48	32	1 936	1 724
Accrued expenses	–	–	224	568
	48	32	2 160	2 292

22. SHORT-TERM LOANS

Interest-bearing loans				
Portion of long-term interest-bearing loans payable within one year	–	–	2	21
Bank overdrafts	–	–	–	86
	–	–	2	107
Interest-free loans with no fixed repayment conditions	–	–	1	39
Loans – Subsidiary companies	–	–		
	–	–	3	146

23. PROVISIONS

	Legal disputes* R million	**Other** R million**	**30 June 2011 R million**	Legal disputes* R million	Other** R million	31 March 2010 R million
Balances at the beginning of the period	**–**	**–**	**–**	18	5	23
Additional provisions	**3**	**–**	**3**	–	(5)	(5)
Unused amounts	**–**	**–**	**–**	–	–	–
	3	**–**	**3**	18	–	18
Provisions utilised during the period	**–**	**–**	**–**	(18)	–	(18)
Balances at the end of the period	**3**	**–**	**3**	–	–	–

* *Litigation, of which the timing and outcome is uncertain, is in progress against certain subsidiary companies.*
** *Various smaller provisions.*

24. STAFF COSTS

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Salaries and wages	**2 374**	1 699
Share-based payments	**63**	54
Pension costs – defined contribution	**160**	119
Pension costs – return on defined-contribution asset	**(11)**	(21)
Pension costs – defined benefit	**41**	10
Post-retirement medical benefits	**27**	21
Other	**75**	57
	2 729	1 939

25. DIRECTORS' EMOLUMENTS

The detail of the remuneration and benefits received by each director and prescribed officer of the Company are presented on pages 124 to 128. This information was audited.

	Fifteen months ended 30 June 2011			Twelve months ended 31 March 2010		
	***Executive* R'000**	***Non-executive* R'000**	**Total R'000**	*Executive* R'000	*Non-executive* R'000	Total R'000
Executive directors						
Fees	**1 553**		**1 553**	1 104		1 104
Salaries	**29 016**		**29 016**	20 107		20 107
Retirement fund contributions	**6 124**		**6 124**	4 135		4 135
Other benefits	**1 788**		**1 788**	1 269		1 269
Subtotal	**38 481**		**38 481**	26 615		26 615
Non-executive directors						
Independent		**2 369**	**2 369**		1 361	1 361
Non-independent		**3 781**	**3 781**		2 839	2 839
Total	**38 481**	**6 150**	**44 631**	26 615	4 200	30 815
Increase in value – Remgro Share Scheme and Remgro SAR Scheme*	**20 452**	**–**	**20 452**	–	–	–

* *It refers to the increase in value of the Scheme shares and SAR Scheme shares of participants from the offer date to the date of payment and delivery. Refer to page 125 and 126 for detail regarding the individual participants.*

	Fifteen months ended 30 June 2011			Twelve months ended 31 March 2010		
	***Fees* R'000**	***Salaries and other* R'000**	**Total R'000**	*Fees* R'000	*Salaries and other* R'000	Total R'000
Paid by:						
The Company	**2 602**		**2 602**	1 533		1 533
Subsidiary company	**2 019**	**40 010**	**42 029**	1 448	27 834	29 282
	4 621	**40 010**	**44 631**	2 981	27 834	30 815

26. SHARE-BASED PAYMENTS

The share-based payments that are accounted for in the financial statements are in respect of the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme, as well as the Rainbow Share Scheme and the Rainbow Share Appreciation Right Scheme.

Background to the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme

The valuation of both share schemes were performed using an actuarial model. This model was developed by an independent third party from the standard binomial option pricing model in order to address the unique nature of the schemes, especially with regard to early exercise of offers.

The expected contract lifetimes are estimated by considering separately each of the tranches within that grant. The risk-free rate was estimated by using the implied yield on an SA zero-coupon government bond and the yield curve over the expected contract lifetimes of five, six and seven years from the offer date.

Share price volatility of ordinary shares in Remgro Limited was determined with reference to movements in the share price since 1 October 2000, that being the date from which Remgro commenced trading on the JSE.

Dividend yield was calculated using the two-year moving average dividend yield at each offer date.

26.1 Remgro Share Scheme (the "Scheme")

Share-based payments in terms of the Scheme consist of ordinary shares in Remgro Limited that were offered to participants. The offers are valid for one year from the offer date. The Scheme is a deferred purchase scheme and payment takes place in three equal yearly instalments, the first of which is payable three years after the offer date. Participants have no rights 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 relating to offers before 26 November 2004 must be settled within ten years, while offers thereafter must be settled before seven years have passed. The Scheme was superseded by the Remgro Equity Share Appreciation Right Scheme following the unbundling of BAT.

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	**1**	2

Although the Group elected, in accordance with the transitional provisions of IFRS, to only apply IFRS 2 on transactions entered into after 7 November 2002 that had not vested at 1 January 2005, the following information relates to all offers to the participants of the Scheme.

Number and weighted average exercise prices of all share offers to participants of the Scheme:

	Fifteen months ended 30 June 2011		Twelve months ended 31 March 2010	
	Number of shares	***Rand***	*Number of shares*	*Rand*
Carried forward from previous financial periods	**415 525**	**123.68**	415 525	123.68
Shares paid for and delivered	**(174 614)**	**87.86**	–	–
Total at the end of the period	**240 911**	**149.64**	415 525	123.68
Exercisable at the end of the period	**218 168**	**145.78**	232 175	99.55

26. SHARE-BASED PAYMENTS (continued)

26.1 Remgro Share Scheme (the "Scheme") (continued)

Exercise price range of all offers:

	30 June 2011 Number of shares outstanding at year-end	Weighted average remaining contract lifetime in years	Weighted average exercise price per share (Rand)*	31 March 2010 Number of shares outstanding at year-end	Weighted average remaining contract lifetime in years	Weighted average exercise price per share (Rand)
R80 – R100	–	–	–	174 614	1.67	87.86
R120 – R140	**172 681**	**1.99**	**135.00**	172 681	3.24	135.00
R180 – R200	**68 230**	**2.97**	**186.70**	68 230	4.22	186.70

The following assumptions were used in the binomial model to value offers:

	31 March 2009
Average expected exercise period (years)	5 – 7
Price volatility (%)	19.24 – 20.21
Risk-free rate	7.7 – 8.4
Expected dividend yield (%)	2.5 – 2.6

No offers were made during the current financial period in terms of this share scheme.

* *Additionally, in terms of the scheme rules, participants also receive all special dividends and proceeds from group restructurings following the offer date.*

26.2 Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme")

Participants of the SAR Scheme are remunerated with shares to the value of the appreciation of a specified number of Remgro ordinary shares that must be exercised within a period of seven years after the grant date.

The earliest intervals at which the share appreciation rights (SARs) are exercisable are as follows:

- One-third after the third anniversary of the grant date
- Two-thirds after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	**40**	33
Fair value of offers made during the period	**60**	13

Number and weighted average exercise prices of all SARs offered to participants of the SAR Scheme:

	Fifteen months ended 30 June 2011 Number of SARs	Fifteen months ended 30 June 2011 Rand	Twelve months ended 31 March 2010 Number of SARs	Twelve months ended 31 March 2010 Rand
Carried forward from previous financial periods	**5 566 506**	**65.35**	3 634 754	73.24
Offered during current financial period	**1 788 472**	**108.58**	145 785	75.72
SARs issued due to the VenFin transaction*	**–**	**–**	2 010 335	43.93
Forfeited during the period	**(28 749)**	**70.73**	(8 713)	75.77
Exercised during the period	**(810 249)**	**64.84**	(215 655)	56.40
Outstanding at the end of the period	**6 515 980**	**78.98**	5 566 506	65.35
Exercisable at the end of the period	**1 840 956**	**53.93**	2 053 903	63.93

* *After the acquisition of VenFin Limited by the Group became unconditional during November 2009, participants to the VenFin Share Appreciation Rights Scheme (VenFin SAR Scheme) were given the opportunity to join the SAR Scheme on the basis of equivalent value, terms, conditions and vesting dates that were applicable in terms of the VenFin SAR Scheme. Each VenFin SAR Scheme participant accordingly received 1 Remgro SAR for every 6.25 unexercised and/or unvested VenFin SARs held.*

26. SHARE-BASED PAYMENTS (continued)

26.2 Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme") (continued)

Exercise prices of all options:

	30 June 2011		31 March 2010	
	Number of SARs outstanding at year-end	*Weighted average remaining contract lifetime in years*	*Number of SARs outstanding at year-end*	*Weighted average remaining contract lifetime in years*
R30.00 – R39.99	**871 415**	**1.98**	949 709	2.22
R40.00 – R49.99	**228 708**	**1.82**	368 247	2.23
R50.00 – R59.99	**1 368**	**2.05**	3 640	2.29
R60.00 – R69.99	**25 881**	**4.71**	26 131	5.92
R70.00 – R79.99	**2 992 129**	**3.69**	3 609 240	4.64
R80.00 – R89.99	**530 592**	**5.09**	530 592	5.41
R90.00 – R99.99	**94 728**	**4.03**	78 947	3.90
R100.00 – R109.99	**1 770 161**	**6.42**	–	–
R110.00 – R120.00	**998**	**6.93**	–	–

The following assumptions were used in the binomial model to value offers:

	30 June 2011	31 March 2010
Weighted average Remgro share price for the period (R)	**104.84**	84.11
Exercise price (R)	**39.19 – 112.80**	39.19 – 97.19
Average expected exercise period (years)	**3 – 5**	4 – 5
Price volatility (%)	**22.12 – 23.23**	22.21 – 22.36
Risk-free rate (%)	**7.21 – 8.13**	7.32 – 8.46
Expected dividend yield (%)	**2.14 – 2.34**	2.37 – 2.41

26.3 Rainbow Share Schemes

Rainbow has an equity settled share scheme, as well as a share appreciation right scheme, for certain of its employees in terms of which share options offered are exercisable in three equal tranches from two, three and four years (for the share scheme) and three, four and five years (for the share appreciation right scheme) after the grant date. Subject to the discretion of the Rainbow Share Incentive Trust's trustees, options are forfeited if not exercised before termination of employment. An expense of R22 million (31 March 2010: R19 million) relating to these schemes were recognised in the income statement.

27. PROFIT

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Profit is stated after taking the following into account:		
CONSOLIDATED		
Income		
Fair value adjustment – biological assets	136	74
Fair value adjustment – derivative instruments	43	78
Rental income – investment properties	15	10
Interest received	205	146
Loans to associated companies	71	18
Financial institutions and other	134	128
Profit on sale of investments	2 283	–
RMBH restructuring (mainly the disposal of FirstRand shares)	1 753	–
Investment in Fundamo	142	–
Investment in Nampak	96	–
Investment in Trans Hex	52	–
Dilution of interest in associated companies and joint ventures	194	–
Other	46	–
Exchange rate gains	24	–
Profit on sale of property, plant and equipment	–	4
Negative goodwill on acquisition of additional Business Partners shares	112	–
Expenses		
Amortisation of intangible assets	2	10
Fair value adjustment – derivative instruments	85	117
Expenses – investment properties	5	1
Rental	201	130
Land and buildings	91	55
Machinery and equipment	80	55
Vehicles	10	5
Office equipment	20	15
Research and development costs written off	1	6
Auditors' remuneration – audit fees	22	15
– other services	3	2
Net impairment of investments, assets and goodwill	26	179
Investment in PGSI	(37)	107
Investment in the Kagiso Infrastructure Empowerment Fund	–	31
Investment in Premier Team Holdings	16	30
Other	47	11
Net impairment of loans	42	–
Loan to One Digital Media	32	–
Other	10	–
Professional fees	78	38
Depreciation	387	290
Buildings	54	40
Machinery and equipment	277	213
Vehicles	52	34
Office equipment	4	3
Loss on sale of investments	–	9
Exchange rate losses	–	9
Loss on sale of property, plant and equipment	1	–
THE COMPANY		
Profit on unbundling of investment in Trans Hex	2	–

28. DIVIDEND INCOME

	THE COMPANY		CONSOLIDATED	
	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Included in profit:				
Listed	–	–	146	113
Unlisted – Subsidiary companies	115	5 624		
– Other	–	–	9	3
	115	5 624	155	116
Dividends from associated companies and joint ventures set off against investments (the 2011 amount includes the MMI and RMI Holdings unbundling dividends amounting to R6 174 million)			8 305	1 222

29. EQUITY ADJUSTMENT

	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Share of after-tax profit of associated companies and joint ventures		
Profit before taking into account impairments, non-recurring and capital items	7 624	3 952
Net impairment of investments, assets and goodwill	(102)	(118)
Profit on the sale of investments	2 759	41
Other non-recurring and capital items	389	(46)
Profit before tax and non-controlling interest	10 670	3 829
Taxation	(2 010)	(981)
Non-controlling interest	(548)	(229)
Share of net attributable profit of associated companies and joint ventures – per income statement	8 112	2 619
Dividends received from associated companies and joint ventures	(8 305)	(1 222)
Share of net profit retained by associated companies and joint ventures	(193)	1 397
Exchange rate differences on translation from average rates to year-end rates	–	5
Dilution of interest in associated companies and joint ventures	194	–
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	1	1 402
Portion of the share of net attributable profit of associated companies and joint ventures, that has been accounted for from unaudited interim reports and management accounts. The results of these associated companies and joint ventures will be audited in later financial periods that coincide with their financial year-ends.	468	1 219
Contingent liabilities of associated companies and joint ventures		
Guarantees to third parties – Performance guarantees, suretyships and letters of credit of various associated companies and joint ventures	285	190
Contingent tax liabilities	18	23

Claims – There are a number of existing and potential legal claims against various associated companies, the outcome of which cannot be foreseen, but are not regarded as material individually or on a group basis.

30. CASH FLOW INFORMATION

30.1 Adjustments

	THE COMPANY		CONSOLIDATED	
	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million	Fifteen months ended 30 June 2011 R million	Twelve months ended 31 March 2010 R million
Amortisation of intangible assets and depreciation	–	–	389	300
Movement in provisions	–	–	34	(21)
Net movement in derivative instruments	–	–	17	(86)
Share scheme cost	–	–	63	54
(Profit)/loss on the sale of property, plant and equipment	–	–	1	(4)
Other	–	–	11	(12)
	–	–	515	231

30.2 Decrease/(increase) in working capital

Decrease/(increase) in inventories and biological agricultural assets	–	–	(512)	(109)
Decrease/(increase) in trade and other receivables	–	5	(361)	(54)
Increase/(decrease) in trade and other payables	16	(23)	(95)	8
	16	(18)	(968)	(155)

30.3 Reconciliation of dividends received

Receivable at the beginning of the period	–	–	327	389
Per income statement	115	5 624	155	116
Dividends from associated companies and joint ventures set off against investments	–	–	8 305	1 222
Dividend *in specie*	(115)	–	(6 174)	–
Businesses acquired	–	–	–	44
Receivable at the end of the period	–	–	(50)	(327)
Cash received	–	5 624	2 563	1 444

30.4 Reconciliation of taxation paid with the amount disclosed in the income statement

Paid in advance at the beginning of the period	–	–	42	65
Unpaid at the beginning of the period	–	–	(17)	–
Per income statement	–	–	(384)	(192)
– normal income	–	–	(206)	(172)
– capital gain	–	–	(156)	–
– STC	–	–	(22)	(20)
Businesses acquired	–	–	–	8
Businesses disposed	–	–	(1)	–
Unpaid at the end of the period	–	–	4	17
Paid in advance at the end of the period	–	–	(51)	(42)
Cash paid	–	–	(407)	(144)

30.5 Reconciliation of dividends paid

Per statements of changes in equity	(1 168)	(956)	(1 160)	(950)
Paid by subsidiary companies to minority	–	–	(60)	(56)
Cash paid	(1 168)	(956)	(1 220)	(1 006)

31. BUSINESSES ACQUIRED

With effect from 23 November 2009 Remgro acquired 100% of VenFin Limited (VenFin), an investment holding company with investments mainly in the media and technology sectors. In terms of the transaction, VenFin shareholders received 1 Remgro share for every 6.25 VenFin shares held and on 23 November 2009 Remgro issued 41 626 619 shares at a price of R89.25 per share. Apart from VenFin's investments in associated companies the carrying values of all the other assets and liabilities approximated their fair value. The cost of the acquisition was allocated to the assets acquired and liabilities and contingent liabilities assumed as required by the International Financial Reporting Standards (*IFRS 3: Business Combinations*). Goodwill that arose was allocated to the different associated companies and forms part of each associated company's underlying purchase price. Since the acquisition, the results of VenFin included in Remgro's reported results were immaterial and for the twelve months to 31 March 2010 it consisted of headline earnings from investee companies of approximately R53 million and after-tax corporate costs of approximately R16 million. By applying the Group's accounting policies and based on the assumption that the acquisition was effective on 1 April 2009, it was calculated that VenFin's headline earnings for the full twelve months to 31 March 2010 would have amounted to approximately R117 million.

With effect from 3 August 2009, Tsb Sugar, a wholly owned subsidiary of Remgro, acquired the Pongola sugar mill from Illovo Limited. For the eight months to 31 March 2010 the Pongola sugar mill contributed R248 million to turnover, while an operating loss of R46 million, before interest and tax, was reported. If the acquisition had occurred on 1 April 2009, the Pongola sugar mill would have contributed R471 million to turnover and an operating loss of R37 million, before interest and tax, for the twelve months to 31 March 2010.

For the twelve months to 31 March 2010 certain subsidiary companies in the Group also acquired various other small businesses.

The assets and liabilities arising from the acquisitions above were as follows:

	30 June 2011 Total R million	*VenFin Limited* R million	*Pongola sugar mill* R million	*Other* R million	31 March 2010 Total R million
Assets					
Property, plant and equipment (refer note 2)	–	–	167	31	198
Intangible assets (refer note 5)	–	–	–	2	2
Investments – Associated companies (refer note 6)	–	2 986	–	–	2 986
– Joint ventures (refer note 7)	–	9	–	–	9
– Other (refer note 8)	–	476	–	–	476
Loans	–	116	–	–	116
Deferred taxation (refer note 11)	–	–	1	–	1
Inventories	–	–	55	23	78
Debtors and short-term loans	–	106	75	13	194
Derivative instruments	–	55	–	–	55
Taxation	–	9	–	–	9
Cash and cash equivalents	–	317	–	3	320
Liabilities					
Long-term loans	–	(1)	–	(2)	(3)
Deferred taxation (refer note 11)	–	(6)	–	–	(6)
Trade and other payables	–	(89)	(181)	(9)	(279)
Bank overdrafts	–	(242)	–	–	(242)
Taxation	–	(1)	–	–	(1)
Fair value of net assets acquired	–	3 735	117	61	3 913
Investment previously held	–	–	–	(3)	(3)
Goodwill (refer note 5)	–	–	5	–	5
Total purchase consideration	–	3 735	122	58	3 915
Fair value of shares issued*	–	(3 714)	–	–	(3 714)
Purchase consideration settled in cash	–	21	122	58	201
Cash and cash equivalents in subsidiary acquired	–	(75)	–	(3)	(78)
Cash (inflow)/outflow on acquisition	–	(54)	122	55	123

** The fair value of the shares issued was based on the published share price on 13 November 2009.*

32. BUSINESSES DISPOSED

During the period under review Tsb Sugar divested from its citrus operations and sold its interests in Golden Frontiers Citrus (Pty) Limited and Komati Fruits (Pty) Limited with effect from 31 March 2011. An after-tax capital gain of R22 million was realised on this transaction. The future impact of the transaction on Tsb Sugar's results is not expected to be material.

The assets and liabilities arising from the disposal above were as follows:

	30 June 2011 Total R million	31 March 2010 Total R million
Assets		
Property, plant and equipment (refer note 2)	**46**	–
Biological agricultural assets (refer note 3)	**61**	–
Inventories	**10**	–
Debtors and short-term loans	**2**	–
Taxation	**1**	–
Cash and cash equivalents	**7**	–
Liabilities		
Long-term loans	**(17)**	–
Deferred taxation (refer note 11)	**(20)**	–
Trade and other payables	**(5)**	–
Short-term loans	**(83)**	–
Non-controlling interest	**(10)**	–
Net liabilities disposed	**(8)**	–
Profit on disposal	**25**	–
Consideration settled in cash	**17**	–
Cash and cash equivalents in subsidiary disposed	**(7)**	–
Cash inflow on disposal	**10**	–

33. FINANCIAL INSTRUMENTS

33.1 Classes of financial instruments and fair value

Financial instruments on the statement of financial position include investments, investment in money market funds, loans receivable, debtors, cash, creditors, short-term loans, long-term loans and derivative instruments. Details of the nature, extent and terms of these instruments are explained in the notes to the relevant items.

The accounting policy for financial instruments was applied to the following statement of financial position line items.

Financial assets	*Non-financial assets* R million	*Loans and receivables* R million	*Assets at fair value through profit and loss* R million	*Available-for-sale* R million	*Carrying value* R million	*Fair value* R million
30 June 2011						
Investments – other			**47**	**6 012**	**6 059**	**6 059**
Loans		**139**			**139**	**139**
Loans to associated companies and joint ventures		**622**			**622**	**622**
Debtors and short-term loans	**50**	**1 918**			**1 968**	**1 968**
Derivative instruments			**120**		**120**	**120**
Investment in money market funds			**1 725**		**1 725**	**1 725**
Cash and cash equivalents			**4 315**		**4 315**	**4 315**
	50	**2 679**	**6 207**	**6 012**	**14 948**	**14 948**
31 March 2010						
Investments – other			60	6 584	6 644	6 644
Loans		108			108	108
Loans to associated companies and joint ventures		541			541	541
Debtors and short-term loans	62	1 879			1 941	1 941
Derivative instruments			145		145	145
Investment in money market funds			1 812		1 812	1 812
Cash and cash equivalents		3 827			3 827	3 827
	62	6 355	2 017	6 584	15 018	15 018

Financial liabilities	*Liabilities at amortised cost* R million	*Liabilities at fair value through profit and loss* R million	*Carrying value* R million	*Fair value* R million
30 June 2011				
Long-term loans	**154**		**154**	**154**
Trade and other payables	**2 160**		**2 160**	**2 160**
Short-term loans	**3**		**3**	**3**
Derivative instruments		**6**	**6**	**6**
	2 317	**6**	**2 323**	**2 323**
31 March 2010				
Long-term loans	175		175	175
Trade and other payables	2 292		2 292	2 292
Short-term loans	146		146	146
Derivative instruments		3	3	3
	2 613	3	2 616	2 616

33. FINANCIAL INSTRUMENTS (continued)

33.1 Classes of financial instruments and fair value (continued)

Fair value

On 30 June 2011 and 31 March 2010 the fair value of financial instruments approximates their carrying value.

Fair value estimation

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

- Financial instruments available-for-sale and investment in money market funds: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies.
- Cash and cash equivalents, debtors, creditors and short-term loans: Due to the expected short-term maturity of these financial instruments their carrying values approximate their fair value.
- Borrowings: The fair value of long-term borrowings is based on discounted cash flows using the effective interest rate method. As the interest rates of long-term borrowings are all market related, their carrying values approximate their fair value.
- Derivative instruments: The fair value of derivative instruments is determined by using mark-to-market valuations.

The following table illustrates the fair values of financial assets that are measured at fair value, by hierarchy level:

	Level 1 R million	*Level 2* R million	*Level 3* R million	Total R million
30 June 2011				
Available-for-sale	**5 450**	**–**	**562**	**6 012**
Assets at fair value through profit and loss	**32**	**–**	**15**	**47**
Derivative instruments	**–**	**4**	**116**	**120**
Investment in money market funds	**1 725**	**–**	**–**	**1 725**
	7 207	**4**	**693**	**7 904**

Reconciliation of carrying value of level 3 assets at the beginning and end of the period	*Available-for-sale* R million	*Assets at fair value through profit and loss* R million	*Derivative instruments* R million	Total R million
30 June 2011				
Balances at the beginning of the period	**274**	**10**	**133**	**417**
Additions	**323**	**16**	**–**	**339**
Disposals	**(75)**	**–**	**–**	**(75)**
Exchange rate adjustments	**(16)**	**–**	**–**	**(16)**
Reversal of impairments/(impairments)	**7**	**(11)**	**–**	**(4)**
Fair value adjustments through profit and loss	**–**	**–**	**(17)**	**(17)**
Fair value adjustments through comprehensive income	**49**	**–**	**–**	**49**
Balances at the end of the period	**562**	**15**	**116**	**693**

The following table illustrates the fair value of financial liability by hierarchy level:

	Level 1 R million	*Level 2* R million	*Level 3* R million	Total R million
30 June 2011				
Derivative instruments		**6**		**6**

33. FINANCIAL INSTRUMENTS (continued)

33.2 Financial instruments and risk management

Various financial risks have an impact on the Group's results: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Company and its subsidiary companies' risk management programmes, of which key aspects are explained below, acknowledge the unpredictability of financial markets and are aimed to minimise any negative effect thereof. Derivative instruments are used to hedge against certain financial risk exposures.

Risk management is performed by the central treasury department in terms of policy that was approved by the Board of Directors. A treasury committee identifies, evaluates and hedges financial risks in terms of the Group's risk appetite, sets risk limits and monitors compliance to policy and procedures. The committee is assisted by the internal audit department that regularly, and on an ad hoc basis, reviews risk management controls and procedures. It is the responsibility of the Remgro Audit and Risk Committee to supervise these functions and assess the appropriateness of risk management strategies.

Relevant financial risks and risk management programmes are summarised as follows:

Market risk

Price risk

Exposure to price risk is due to investments in listed and unlisted shares which are classified as "Investments available-for-sale", conversion rights on preference shares, investments in money market funds and investments in commodity future contracts.

"Investments available-for-sale" consists mainly of the investment in Impala Platinum Holdings Limited. The Management Board monitors all the investments continuously and makes recommendations to the investment committee and the Board of Directors in this regard.

Conversion rights on preference shares are preference shares in associated companies, the valuation of which is influenced by the underlying valuation of the associated company. The underlying valuations are monitored by the Board of Directors, through representation on the associated companies' boards.

Investments in money market funds consist mainly of interest-bearing liquid investments with a low risk. Refer to note 15 for further details.

Some operating subsidiaries have commodity options and future contracts that are influenced by the prices of the underlying commodities. The Board of Directors monitors this through representation on the subsidiaries' boards.

Foreign exchange risk

Certain subsidiary companies operate internationally and are therefore exposed to foreign currency risk due to commercial transactions denominated in foreign currencies. These risks are limited by using foreign exchange contracts when deemed necessary. Refer to note 14 for further details.

The Group is also exposed to foreign exchange translation risk through its investment in money market funds (note 15) and foreign cash (note 16).

The Board of Directors monitors the exposure on money market funds and foreign cash on a regular basis and the risk is limited through the diversification in foreign currencies.

Interest rate risk

Due to significant cash investments, movements in market interest rates influence income. The profile of the cash and cash equivalents is explained in note 16. Interest rate risk is managed by the treasury department by using approved counterparties that offer the best rates.

The Company and its subsidiary companies are also exposed to interest rate risk due to long-term debt. The interest rate profile of the liabilities is disclosed in note 20.

33. FINANCIAL INSTRUMENTS (continued)

33.2 Financial instruments and risk management (continued)

The Group's sensitivity to market risk

The following table illustrates the sensitivity of the Group's profit and other comprehensive income to market risk if markets change with the following percentages:

	Fifteen months ended 30 June 2011			Twelve months ended 31 March 2010		
	Change	*Income statement* R million	*Equity* R million	*Change*	*Income statement* R million	*Equity* R million
Interest rates	**2.0%**	**69**	**–**	2.0%	86	–
Foreign exchange	**5.0%**	**1**	**132**	5.0%	1	231
Equity prices	**10.0%**	**12**	**518**	10.0%	9	566
		82	**650**		96	797

The above was calculated with reference to the carrying value of financial instruments at year-end and a possible change in the market risk factor.

Credit risk

The Group's exposure to credit risk is the fair value of loans, loans to associated companies and joint ventures, debtors, short-term loans, derivative instruments, investments in money market funds and cash and cash equivalents as indicated above, as well as financial guarantee contracts.

Loans to associated companies and joint ventures

Management continuously assesses the credit risk of loans to associated companies and joint ventures through its representation on the respective boards. Loans to associated companies and joint ventures are within their mandated terms and none have been impaired in the current financial period.

Financial guarantee contracts

Credit risk exposure relating to items not recognised on the statement of financial position relates to financial guarantee contracts. Refer to note 37 for further details.

Loans receivable and debtors

At year-end "Loans receivable" consisted of various insignificant loans. No significant concentration of credit risk existed regarding debtors as customers are spread over a wide geographical area. Policies and procedures are in place ensuring that sales occur only to customers with an acceptable credit history. Other debtors consist mainly of prepayments and dividends receivable.

Terms granted to trade debtors are determined by the respective credit policies of each operating subsidiary, i.e. Rainbow Chicken, Tsb Sugar and Wispeco.

The following table indicates the age analysis of trade debtors in arrears and the corresponding outstanding amount of debtors at year-end:

	Age analysis of trade debtors in arrears				*Total trade debtors in arrears*
Debtors	*30 days* R million	*60 days* R million	*90 days* R million	*120 days +* R million	R million
30 June 2011	**168**	**17**	**4**	**33**	**222**
31 March 2010	79	21	–	8	108

A provision for doubtful debts of R49 million (31 March 2010: R44 million) was made. Refer note 13.

The credit quality of performing trade debtors against whom no impairment was provided, is as follows:

	30 June 2011 R million	31 March 2010 R million
Existing customers (history of six months +) – no past defaults	**1 026**	1 234
Existing customers (history of six months +) – with past defaults	**352**	57
New customers (history of less than six months)	**115**	45
	1 493	1 336

33. FINANCIAL INSTRUMENTS (continued)

33.2 Financial instruments and risk management (continued)

Derivative instrument transactions and cash investments

Derivative instruments consist mainly of conversion rights attached to preference shares issued by associated companies. Credit risk is assessed as low as these companies are authorised to issue shares to fulfil their relevant obligations. Other derivative instruments are limited to transactions with financial institutions with an acceptable credit rating. The treasury committee approves these institutions and determines the limit of credit exposure of each separate entity.

Investments in money market funds and cash and cash equivalents are only held by approved institutions with an acceptable credit-worthiness. The treasury committee sets the limit for each financial institution. Refer to the investment in money market funds note (note 15) and cash and cash equivalents note (note 16) for additional information.

Liquidity risk

The Company and its subsidiary companies have substantial cash balances at their disposal and minimum long-term debt that limit their liquidity risk. Nevertheless it is ensured that adequate credit facilities are available to maintain flexibility in the funding of transactions.

The following schedule indicates the repayment terms of outstanding debt:

			Non-discounted cash flow		
Financial liabilities	*Carrying value* R million	*Contractual cash flow* R million	*0 to 12 months* R million	*1 to 5 years* R million	*5 years and longer* R million
30 June 2011					
Long-term loans	**154**	**176**	**16**	**160**	**–**
Trade and other payables	**2 160**	**2 160**	**2 160**	**–**	**–**
Short-term loans	**3**	**3**	**3**	**–**	**–**
Derivative instruments	**6**	**26**	**17**	**9**	**–**
Financial guarantee contracts (note 37)	**–**	**644**	**644**	**–**	**–**
	2 323	**3 009**	**2 840**	**169**	**–**
31 March 2010					
Long-term loans	175	273	–	270	3
Trade and other payables	2 292	2 292	2 292	–	–
Short-term loans	146	146	146	–	–
Derivative instruments	3	63	35	28	–
Financial guarantee contracts (note 37)	–	644	644	–	–
	2 616	3 418	3 117	298	3

34. CAPITAL MANAGEMENT

The Company manages its shareholders' equity, i.e. its issued capital (including share premium), reserves and treasury shares, as capital. The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders in the form of dividends and capital appreciation.

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue shares or repurchase shares from shareholders. For the period under review cash dividends amounting to R1 622 million (31 March 2010: R1 080 million) were declared. The Group also unbundled its investment in Trans Hex to the value of R117 million (31 March 2010: issued shares to the value of R3 714 million) to shareholders.

Refer to the statements of changes in equity for further details regarding the Group's capital.

35. COMMITMENTS

	30 June 2011 R million	31 March 2010 R million
Capital commitments	**1 693**	882
Uncompleted contracts for capital expenditure	**223**	114
Capital expenditure authorised but not yet contracted	**151**	130
Investments	**1 319**	638
Operating lease commitments		
Land and buildings	**267**	121
Due within one year	**69**	43
Due – two to five years	**190**	65
Due thereafter	**8**	13
Machinery and equipment	**52**	49
Due within one year	**22**	20
Due – two to five years	**30**	29
	2 012	1 052

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

36. BORROWING POWERS

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

37. GUARANTEES AND CONTINGENT LIABILITIES

37.1 Guarantees

	30 June 2011 R million	31 March 2010 R million
Guarantee to associated company*	**103**	–
Guarantees by subsidiary companies**	**369**	144
	472	144

37.2 Contingent liabilities

	30 June 2011 R million	31 March 2010 R million
Legal disputes***	**1 975**	214
Contract grower guarantees****	**25**	31
	2 000	245

* *Unilever Plc and Unilever NV, hereafter Unint, and Robertsons Holdings (Pty) Limited (Robertsons), a wholly owned subsidiary company of Remgro, issued a guarantee to the holders of commercial paper issued by Unilever SA (Pty) Limited (Unilever SA). The companies are jointly and severally liable in the event of non-performance by Unilever SA. In terms of its commercial paper programme, Unilever SA may issue commercial paper to the value of R2.5 billion. On 30 June 2011, commercial paper amounting to R400 million (2010: RNil) was issued by Unilever SA. Unint issued a cross-guarantee that limits Robertson's liability to 25.75% of the paper in issue. If Unilever SA issues commercial paper to the full extent of the programme, Robertson's maximum exposure in terms of this arrangement amounts to R643.75 million.*

** *Various guarantees given to financial institutions on behalf of associated companies.*

*** *Legal disputes relating to Remgro Limited (Remgro) and VenFin Limited (VenFin) regarding possible STC liabilities involving shares held in treasury by a subsidiary/subsidiaries of the aforementioned companies, that was subsequently sold to the respective holding companies, Remgro and VenFin. The assessments, including interest, amounts to R906 million and R365 million, respectively. A third dispute, amounting to R699 million (including interest), involves the disposal of investments. Based on legal opinion received, the assessments are being disputed.*

**** *Certain subsidiary companies have contingencies relating to certain contract grower arrangements. It is not anticipated that any material liabilities will arise from these contingencies.*

38. RELATED PARTY INFORMATION

Subsidiaries

Details of income from and investments in subsidiary companies are disclosed in note 28 and in Annexure A respectively.

Associated companies and joint ventures

Details of investments in and income from associated companies and joint ventures are disclosed in notes 6, 7 and 29 respectively, as well as in Annexures B and C.

Key management personnel

Only Remgro's directors and members of the Management Board are key management personnel. Information on directors' emoluments and their shareholding in the Company appears in notes 25 and 26 as well as 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 200 and 201 of the Integrated Annual Report.

Related party transactions

	30 June 2011 R million	31 March 2010 R million
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
Controlling shareholder		
Cash dividends	**80**	69
Associated companies and joint ventures		
Interest received	**78**	32
Dividends received	**8 305**	1 222
Sales	**–**	50
Administration fees	**23**	17
Purchases	**111**	141
Interest paid	**3**	–
Key management personnel		
Salaries and other benefits	**35**	27
Retirement benefits	**7**	4
Share-based payments	**23**	20
Other		
Fees received from VenFin Limited	**–**	11

38. RELATED PARTY INFORMATION (continued)

Related party transactions (continued)

	30 June 2011 R million	31 March 2010 R million
CONSOLIDATED (continued)		
Balances due from/(to) related parties:		
Associated companies	**(15)**	(19)
Associated companies	**483**	413
Other	**51**	57
Loans to directors	**–**	3
Balance – 1 April	**3**	38
Interest charged	**–**	2
Repayments made	**(3)**	(37)
THE COMPANY		
Transactions of Remgro Limited with:		
Controlling shareholder		
Cash dividends	**80**	69
Subsidiary companies		
Dividends received	**115**	5 624
Balances due by related parties		
Subsidiary companies	**3 602**	4 815

No security is given for any outstanding balances. No provisions for bad debts against outstanding balances with related parties have been made and no bad debt of related parties has been written off during the period. Loans were advanced to participants of the Remgro Share Scheme relating to the purchase of ordinary shares in Remgro by participants awarded before 30 September 2004, which have not vested by 6 August 2008.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 30 JUNE 2011

NAME OF COMPANY					HELD BY COMPANY			
		Issued capital	Effective interest		Shares		Loan	
Incorporated in South Africa unless otherwise stated		R (unless otherwise stated)	**30 June 2011 %**	31 March 2010 %	**30 June 2011 R**	31 March 2010 R	**30 June 2011 R million**	31 March 2010 R million
Eikenlust (Pty) Limited		100	**100.0**	100.0				
Entek Investments Limited		810 630	**66.4**	65.6				
Financial Securities Limited		250 000	**100.0**	100.0	**250 000**	250 000		
Historical Homes of South Africa Limited		555 000	**55.0**	55.0				
Industrial Electronic Investments Limited	#	1 000	**100.0**	100.0				
Industrial Partnership Investments Limited		125 000	**100.0**	100.0	**125 000**	125 000		
Invenfin (Pty) Limited	#	100	**100.0**	100.0				
IPI (Overseas) Limited – Jersey		1 132 917	**100.0**	100.0				
IPROP Holdings Limited – British Virgin Islands	# (USD)	4 882 892	**100.0**	100.0				
Metkor Group Limited		60 242 009	**100.0**	100.0				
Partnership in Mining Limited		100	**100.0**	100.0	**100**	100		
Rainbow Chicken Limited	*	1 189 684 366	**73.6**	73.3				
Remgro CHF Limited – Jersey	(CHF)	2	**100.0**	100.0				
Remgro Continental Limited – Jersey	(EUR)	1	**100.0**	100.0				
Remgro Finance Corporation Limited		300 000	**100.0**	100.0				
Remgro International Holdings (Pty) Limited		2	**100.0**	100.0	**2**	2		
Remgro International Limited – Jersey		51 359	**100.0**	100.0				
Remgro Investment Corporation (Pty) Limited		100	**100.0**	100.0	**100**	100		
Remgro Loan Corporation Limited		700	**100.0**	100.0			**1 902**	4 584
Remgro Management Services Limited		100	**100.0**	100.0			**1 735**	251
Remgro South Africa (Pty) Limited		48 614	**100.0**	100.0	**96 506**	96 506		
Remgro Sterling Limited – Jersey	(GBP)	2	**100.0**	100.0				
Remgro USA Limited – Jersey	(USD)	2	**100.0**	100.0				
Remont (Pty) Limited		100	**100.0**	100.0	**100**	100		
Robertsons Holdings (Pty) Limited		1 000	**100.0**	100.0				
RPII Holdings Limited	#	8 600 000	**100.0**	100.0				
SEACOM SA SPV (Pty) Limited	#	100	**100.0**	100.0				
Tegniese Mynbeleggings Limited		2	**100.0**	100.0				
Tracking and Signal Distribution Technologies (Pty) Limited	#	21 412	**100.0**	100.0				
Tsb Sugar Holdings (Pty) Limited		100	**100.0**	100.0				
TTR Holdings (Pty) Limited		7	**100.0**	100.0	**7**	7		
VenFin Holdings Limited – Jersey	# (EUR)			100.0				
VenFin Limited	#	5 797 236	**100.0**	100.0	**3 735 678 454**	3 735 678 454		
VenFin Media Investments (Pty) Limited	#	2	**100.0**	100.0				
VenFin Sport Investments (Pty) Limited	#	100	**100.0**	100.0				
Wispeco Holdings Limited		5 000 000	**100.0**	100.0				
					3 736 150 269	3 736 150 269	**3 637**	4 835

(GBP) British pound

(CHF) Swiss franc

(EUR) euro

(USD) USA dollar

** Listed company*

 # Acquired in terms of the VenFin transaction.

A complete register of subsidiary companies is available for inspection at the registered office of the Company.

ANNEXURE B

PRINCIPAL INVESTMENTS AT 30 JUNE 2011

NAME OF COMPANY		LISTED				UNLISTED			
		30 June 2011		31 March 2010		**30 June 2011**		31 March 2010	
Incorporated in South Africa unless otherwise stated		**Shares held**	**Effective interest %**	Shares held	Effective interest %	**Shares held**	**Effective interest %**	Shares held	Effective interest %
Financial services									
RMB Holdings Limited		**444 520 104**	**31.5**	302 279 403	25.0				
– held by RMB Holdings Limited:									
– FirstRand Limited (35%)			**11.0**		8.1				
FirstRand Limited		**219 805 470**	**4.0**	481 142 375	9.1				
RMI Holdings Limited		**518 505 232**	**34.9**						
Industrial interests									
Air Products South Africa (Pty) Limited						**4 500 000**	**50.0**	4 500 000	50.0
Capevin Holdings Limited						**50 762 168**	**11.3**	38 551 857	8.6
– indirectly held by Capevin Holdings Limited through Remgro-Capevin Investments Limited:									
– Distell Group Limited (15%)			**1.7**		1.3				
Capevin Investments Limited		**4 034 692**	**9.6**	4 034 692	9.6				
– indirectly held by Capevin Investments Limited through Remgro-Capevin Investments Limited:									
– Distell Group Limited (29%)			**2.8**		2.8				
Dorbyl Limited		**14 058 346**	**41.4**	14 058 346	41.4				
Kagiso Trust Investments (Pty) Limited	*					**10 344**	**42.3**	10 344	42.5
Mediclinic International Limited		**283 080 915**	**45.2**	257 346 286	45.7				
Nampak Limited		**–**	**–**	78 096 694	13.3				
PGSI Limited – BVI	*					**14 969 421**	**28.5**	13 272 128	28.7
PGSI Limited preference shares	**					**129 607 022**	**91.7**	129 607 022	91.7
Unilever South Africa Holdings (Pty) Limited						**5 348 135**	**25.8**	5 348 135	25.8
Total South Africa (Pty) Limited						**12 872 450**	**24.9**	12 872 450	31.1
Remgro-Capevin Investments Limited						**50**	**50.0**	50	50.0
– held by Remgro-Capevin Investments Limited:									
– Distell Group Limited (58%)			**29.0**		29.2				
Media interests									
Sabido Investments (Pty) Limited						**17 730 595**	**31.6**	17 730 595	31.6
MARC Group Limited						**81 392 413**	**34.5**	81 392 413	33.7
MARC Group Limited preference shares	**					**144 788 321**	**100.0**	144 788 321	100.0
Mining interests									
Impala Platinum Holdings Limited	**	**26 687 288**	**4.4**	26 687 288	4.4				
Trans Hex Group Limited		**–**	**–**	30 215 000	28.6				
Technology interests									
CIV Fibre Network Solutions (Pty) Limited						**216**	**30.0**	150	30.0
CIE Telecommunications Limited						**90 000**	**30.0**	90 000	30.0
CIV Power Limited						**90 000**	**30.0**	90 000	30.0
Central Lake Trading No. 77 (Pty) Limited						**67 419**	**44.8**	21 445	18.8
Dark Fibre Africa (Pty) Limited						**22 936**	**8.4**	–	–
SEACOM Capital Limited – Mauritius						**1 000**	**25.0**	1 000	25.0
Tracker Investment Holdings (Pty) Limited						**28 374**	**34.4**	28 374	31.0
Other investments									
Business Partners Limited	*					**51 591 891**	**29.8**	37 210 149	21.5

* *Effective interest, on a fully diluted basis:*
– Kagiso Trust Investments (Pty) Limited 41.8% (2010: 37.7%)
– Business Partners Limited 28.8% (2010: 20.8%)
– PGSI Limited 25.3% (2010: 25.1%)
** *Not an associated company.*
BVI – British Virgin Islands
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

	RMIH (Financial services) 2011	RMBH (Financial services) 2011	FirstRand (Financial services) 2011	Mediclinic (Industrial interests) 2011	Unilever South Africa (Industrial interests) 2011
Effective interest	34.9%	31.5%	4.0%	45.2%	25.8%
	R million	R million	R million	R million	R million
Carrying value of investments	5 623	9 968	3 027	4 216	2 990
Share of retained equity income					
– Current period	(889)	(1 352)	320	514	(119)
Normal income	193	1 489	1 173	494	370
Dividends	(118)	(5 203)	(1 656)	(335)	(489)
Non-recurring and capital items and impairments	6	2 153	812	10	–
Other changes in reserves	(970)	209	(9)	345	–
– Cumulative	(889)	1 722	1 787	1 562	280

Summarised financial information:

	Per Annual Report 30/06/2011	Per Annual Report 30/06/2011	Per Annual Report 30/06/2011	Per Annual Report 31/03/2011	Per Quarterly Report 30/06/2011
STATEMENT OF FINANCIAL POSITION					
Assets					
Net advances, loans and bank-related securities	239	–	61 611	–	–
Intangible assets	32	–	1 691	5 565	10 530
Property, plant and equipment and other	211	2	7 302	30 409	3 346
Investments and loans	15 561	25 080	6 716	955	18
Net current assets/(liabilities)	2 616	(14)	(6 411)	1 553	(1 152)
	18 659	25 068	70 909	38 482	12 742
Equity and liabilities					
Shareholders' funds	11 303	23 701	64 219	10 560	11 939
Long-term debt	7 356	1 367	6 690	27 922	803
	18 659	25 068	70 909	38 482	12 742

	4 months ended 30/06/2011	12 months ended 30/06/2011	12 months ended 30/06/2011	12 months ended 31/03/2011	15 months ended 30/06/2011
INCOME STATEMENT					
Headline earnings	525	3 746	9 856	1 110	1 451
Net profit for the period	570	11 468	20 065	1 177	1 438
Dividends paid	339	18 341	19 338	398	1 900

There are no loans to these associated companies.

The investments above represent 75% of the total carrying value of associated companies.

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMBH (Financial services) 2010	FirstRand (Financial services) 2010	Mediclinic (Industrial interests) 2010	Unilever South Africa (Industrial interests) 2010
Effective interest	25.0%	9.1%	45.7%	25.8%
	R million	R million	R million	R million
Carrying value of investments	6 400	6 026	3 111	3 109
Share of retained equity income				
– Current year	373	298	(422)	159
Normal income	720	635	461	275
Dividends	(299)	(270)	(180)	(116)
Non-recurring and capital items and impairments	(21)	(15)	13	–
Other changes in reserves and exchange rates	(27)	(52)	(716)	–
– Cumulative	3 074	3 270	1 048	399

Summarised financial information:

	Per Interim Report 31/12/2009	Per Interim Report 31/12/2009	Per Annual Report 31/03/2010	Per Quarterly Report 31/03/2010
				Note 1
STATEMENT OF FINANCIAL POSITION				
Assets				
Net advances, loans and bank-related securities	1 082	50 180	–	–
Intangible assets	13	5 632	5 243	10 496
Property, plant and equipment and other	143	7 990	28 046	2 726
Investments and loans	21 664	24 436	26	22
Net current assets/(liabilities)	–	(21 321)	(4 686)	173
	22 902	66 917	28 629	13 417
Equity and liabilities				
Shareholders' funds	22 902	56 622	7 616	12 148
Long-term debt	–	10 295	21 013	1 269
	22 902	66 917	28 629	13 417

	12 months ended 31/12/2009	12 months ended 31/12/2009	12 months ended 31/03/2010	12 months ended 31/03/2010
INCOME STATEMENT				
Headline earnings	2 879	6 880	1 004	1 083
Net profit for the year	2 797	6 717	1 034	1 070
Dividends paid	1 197	2 929	374	450

There are no loans to these associated companies.

Note 1: This statement of financial position is at 31 December 2009 as Uniliver South Africa has not included a statement of financial position in its quarterly report to 31 March 2010.

Note 2: The investments above represent 66% of the total carrying value of associated companies.

ANNEXURE D

INFORMATION ON SEGMENTS FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2011

R million		Fifteen months ended 30 June 2011 Revenue	Fifteen months ended 30 June 2011 Headline earnings	Twelve months ended 30 June 2011* Headline earnings	30 June 2011 Assets	30 June 2011 Liabilities
Financial services						
RMBH	(1)	–	1 489	1 014	9 968	–
RMI Holdings	(2)	–	183	183	5 623	–
FirstRand	(1)	–	1 173	718	3 027	–
Industrial interests						
Mediclinic	(3)	–	474	474	4 216	–
Unilever SA Holdings	(4)	–	374	312	2 990	–
Distell Group**	(1)	–	433	328	2 100	–
Rainbow Chicken	(4)	8 621	285	220	4 772	1 912
Tsb Sugar	(4)	5 215	187	134	2 481	935
Air Products South Africa	(3)	–	139	139	521	–
Nampak	(5)	–	33	33	–	–
Kagiso Trust Investments	(1)	–	256	59	1 441	–
Total South Africa	(1)	–	289	191	972	–
PGSI	(1)	–	11	18	578	–
Wispeco	(4)	1 119	45	35	481	98
Other industrial interests		–	(14)	(13)	486	29
Media interests						
Sabido	(3)	–	116	116	898	–
MARC	(1)	–	(14)	(17)	169	–
Other media interests		–	(82)	(68)	16	–
Mining interests						
Implats		–	112	112	4 862	–
Technology interests						
CIV group***	(3)	–	91	89	1 027	–
Tracker	(6)	–	57	23	587	–
SEACOM	(1)	–	(51)	(30)	577	–
Other technology interests		–	14	15	255	–
Other investments		–	28	25	944	–
Central treasury – cash at the centre	(4)	–	89	76	5 852	–
Other net corporate assets	(4)	–	(162)	(137)	1 179	718
		14 955	5 555	4 049	56 022	3 692
Elimination of loans to/from subsidiary companies					(35)	(35)
Consolidated					55 987	3 657

* *During the period under review the financial year-end of the Company was changed from 31 March to 30 June. As additional information to shareholders Remgro prepared an analysis of headline earnings for the twelve months to 30 June 2011. This will enable shareholders to make a meaningful comparison when Remgro publishes its results for the twelve months to 30 June 2012 during September 2012.*

** *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*

*** *Includes the investments in CIV Fibre Network Solutions (Pty) Limited, CIE Telecommunications Limited, CIV Power Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.*

**** *Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R1 960 million, are located in foreign countries.*

Financial period accounted for the fifteen months ended 30 June 2011:

(1) *Eighteen months to 30 June 2011*
(2) *Four months to 30 June 2011*
(3) *Twelve months to 31 March 2011*
(4) *Fifteen months to 30 June 2011*
(5) *Four months to 31 July 2010*
(6) *Twelve months to 31 December 2010*

INFORMATION ON SEGMENTS FOR THE TWELVE MONTHS ENDED 31 MARCH 2010

		Twelve months ended 31 March 2010		31 March 2010	
R million		Revenue	Headline earnings	Assets	Liabilities
Financial services					
RMBH	(1)	–	720	6 400	–
FirstRand	(1)	–	635	6 026	–
Industrial interests					
Mediclinic	(2)	–	460	3 111	–
Unilever SA Holdings	(2)	–	279	3 109	–
Distell Group*	(1)	–	281	1 798	–
Rainbow Chicken	(2)	6 953	259	4 419	1 756
Tsb Sugar	(2)	4 149	227	2 857	1 425
Air Products South Africa	(2)	–	115	536	–
Nampak	(2)	–	73	1 205	–
Kagiso Trust Investments	(1)	–	128	1 213	–
Total South Africa	(1)	–	42	631	–
PGSI	(1)	–	83	533	–
Wispeco	(2)	747	63	533	175
Other industrial interests		–	(28)	343	16
Media interests					
Sabido	(3)	–	11	837	–
MARC	(4)	–	5	187	–
Other media interests		–	1	50	–
Mining interests					
Implats		–	85	5 711	–
Trans Hex Group	(5)	–	11	65	–
Technology interests					
CIV group**	(3)	–	7	378	–
Tracker	(4)	–	–	574	–
SEACOM	(4)	–	–	721	–
Other technology interests		–	6	385	–
Other investments		–	(64)	573	–
Central treasury – cash at the centre	(2)	–	57	4 662	–
Other net corporate assets	(2)	–	(101)	1 419	821
		11 849	3 355	48 276	4 193
Elimination of loans to/from subsidiary companies				(218)	(218)
Consolidated				48 058	3 975

* *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*

** *Includes the investments in CIV Fibre Network Solutions (Pty) Limited, CIE Telecommunications Limited, CIV Power Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.*

*** *Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R1 943 million, are located in foreign countries.*

Financial period accounted for:

(1) *Twelve months to 31 December 2009*
(2) *Twelve months to 31 March 2010*
(3) *Three months to 31 March 2010*
(4) *No equity income accounted for the period ended 31 March 2010*
(5) *Eight months to 30 November 2009*

SHAREHOLDERS' INFORMATION

STATISTICS AT 30 JUNE 2011

	30 June 2011 %	30 June 2011 Number of shares	31 March 2010 %	31 March 2010 Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Commissioner	**18.12**	**87 170 880**	12.53	60 268 519
Other	**81.88**	**393 935 490**	87.47	420 837 851
	100.00	**481 106 370**	100.00	481 106 370
B ordinary shares				
Rembrandt Trust (Pty) Limited	**100.00**	**35 506 352**	100.00	35 506 352
Total		**516 612 722**		516 612 722

No other shareholder held a beneficial interest of more than 5% in the ordinary shares in your Company on 30 June 2011.

	30 June 2011	31 March 2010	31 March 2009	31 March 2008
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	**43 859**	42 794	41 686	41 832
Percentage of shareholders	**99.94**	99.92	99.93	99.94
Number of shares	**464 666 249**	464 176 248	430 447 901	433 151 212
Percentage of shares issued	**96.58**	96.48	97.94	96.47
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	**29**	36	28	27
Percentage of shareholders	**0.06**	0.08	0.07	0.06
Number of shares	**16 440 121**	16 930 122	9 031 850	15 852 394
Percentage of shares issued	**3.42**	3.52	2.06	3.53
Number of shareholders	**43 888**	42 830	41 714	41 859

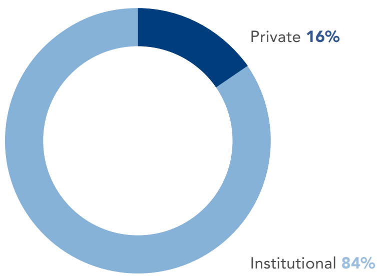
STATISTICS AT 30 JUNE 2011

	30 June	31 March		
	2011	2010	2009	2008
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of 1 cent each	**481 106 370**	481 106 370	439 479 751	449 003 606
Issued at the beginning of the period	**481 106 370**	439 479 751	449 003 606	448 802 207
Issued during the period	**–**	41 626 619	–	201 399
Cancelled during the period	**–**	–	(9 523 855)	–
– 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	**516 612 722**	516 612 722	474 986 103	484 509 958
Number of shares held in treasury	**(2 918 266)**	(3 424 044)	(3 500 000)	(11 972 555)
Ordinary shares repurchased and held in treasury	**(2 918 266)**	(3 424 044)	(3 500 000)	(8 554 019)
Ordinary shares purchased by The Remgro Share Trust and accounted for as treasury shares	**–**	–	–	(3 418 536)
	513 694 456	513 188 678	471 486 103	472 537 403
Weighted number of shares	**513 209 003**	486 152 822	471 798 001	472 052 993

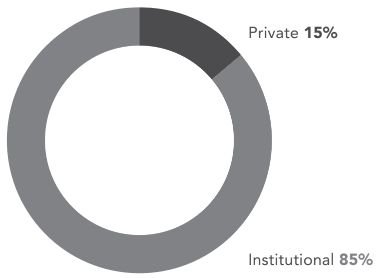
ADDITIONAL INFORMATION

Institutional and private shareholding in Remgro Limited ordinary shares

2011

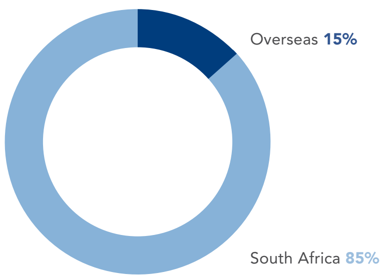


2010

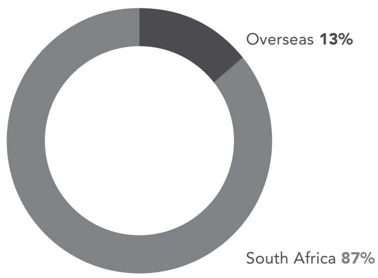


Overseas and local shareholding in Remgro Limited ordinary shares

2011



2010



INTERESTS OF THE DIRECTORS IN THE ISSUED CAPITAL OF THE COMPANY

Ordinary shares

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2011				
P E Beyers		**174 130**		**174 130**
W E Bührmann	**256 200**			**256 200**
J W Dreyer		**191 130**	**2 776**	**193 906**
J J Durand		**381 462**	**940**	**382 402**
G T Ferreira	**158 625**		**560 000**	**718 625**
P K Harris		**169 118**		**169 118**
E de la H Hertzog	**264 764**	**1 928 942**	**129 984**	**2 323 690**
J Malherbe	**26 826**		**1 049 101**	**1 075 927**
J A Preller	**122 919**			**122 919**
F Robertson		**5 000**		**5 000**
J P Rupert			**6 867 150**	**6 867 150**
M H Visser	**234 164**	**994 124**		**1 228 288**
H Wessels			**4 500**	**4 500**
	1 063 498	**3 843 906**	**8 614 451**	**13 521 855**

On 31 January 2011 when Mr T van Wyk retired as an executive director he held 131 640 ordinary shares in Remgro Limited and his associate held 100 ordinary shares in Remgro Limited.

Directors	Direct beneficial	Indirect beneficial	Associates	Total
31 March 2010				
P E Beyers	52 524	174 130		226 654
W E Bührmann	256 200			256 200
J W Dreyer		191 130	2 776	193 906
J J Durand		311 462	780	312 242
G T Ferreira	30 000	128 625	560 000	718 625
P K Harris		169 118		169 118
E de la H Hertzog	264 764	1 928 942	129 984	2 323 690
J Malherbe	26 826		1 049 101	1 075 927
J A Preller	111 059			111 059
F Robertson		7 000		7 000
J P Rupert			6 867 150	6 867 150
T van Wyk	131 640		100	131 740
M H Visser	114 164	994 124		1 108 288
H Wessels			4 500	4 500
	987 177	3 904 531	8 614 391	13 506 099

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 interests of directors remained unchanged.

NOTICE TO SHAREHOLDERS

The 2011 Annual General Meeting of Remgro Limited ("the Company") will be held on Thursday, 24 November 2011, at 10:00 in the Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130, to, if approved, pass the following ordinary and special resolutions with or without modification:

1. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

Ordinary Resolution Number 1

Resolved that the audited annual financial statements, including the directors' report, auditor's report and the report by the Audit and Risk Committee, of the Company and the Group for the financial period ended 30 June 2011 be accepted and approved.

2. REAPPOINTMENT OF AUDITOR

Ordinary Resolution Number 2

Resolved that the reappointment of PricewaterhouseCoopers Inc., who is independent from the Company, as the Company's auditor, as nominated by the Company's Audit and Risk Committee, be approved and to note that the individual registered auditor who will perform the function of auditor during the financial year ending 30 June 2012 is Mr C J Matthee.

3. ELECTION OF DIRECTOR

Ordinary Resolution Number 3

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

4. ELECTION OF DIRECTOR

Ordinary Resolution Number 4

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

5. ELECTION OF DIRECTOR

Ordinary Resolution Number 5

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

6. ELECTION OF DIRECTOR

Ordinary Resolution Number 6

Resolved that Dr E de la H Hertzog who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

7. ELECTION OF DIRECTOR

Ordinary Resolution Number 7

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

8. ELECTION OF DIRECTOR

Ordinary Resolution Number 8

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

Biographical details of all directors of the Company are set out on pages 19 to 21 of the Annual Report.

9. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 9

Resolved that Mr N P Mageza, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2012.

10. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 10

Resolved that Mr P J Moleketi, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2012.

11. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 11

Resolved that Mr F Robertson, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2012.

12. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 12

Resolved that Mr H Wessels, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2012.

13. APPROVAL OF DIRECTORS' REMUNERATION

Special Resolution Number 1

Resolved that directors' fees for services rendered as directors for the financial year ending 30 June 2012 be determined on the following basis:

Type of fee	Proposed fee for the year ending 30 June 2012 R
Board member	199 000
Chairman of the Audit and Risk Committee	133 750
Member of the Audit and Risk Committee	67 400
Member of the Remuneration and Nomination Committee	33 200

Reason for and effect of Special Resolution Number 1

The reason for and the effect of Special Resolution Number 1 is to approve the remuneration payable by the Company to its directors for their services as directors of the Company for the financial year ending 30 June 2012.

14. AUTHORITY TO REPURCHASE SHARES

Special Resolution Number 2

Resolved that the Board of Directors of the Company be hereby authorised, by way of a renewable general authority in terms of the provisions of the Listings Requirements of the exchange operated by the JSE Limited ("JSE") ("Listings Requirements") and as permitted in terms of the Articles of Association of the Company, 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, upon such terms and conditions as the Board of Directors of the Company may from time to time determine, provided that:

- this general authority shall be valid until the Company's next Annual General Meeting or for 15 months from the date of passing of this resolution, whichever period is shorter;
- the ordinary shares be purchased through the order book of the trading system of the JSE and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty, provided that if the Company purchases its own ordinary shares from any wholly owned subsidiary of the Company for the purposes of cancelling such treasury shares pursuant to this general authority, the above provisions will not be applicable to such purchase transaction;
- an announcement complying with paragraph 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 when the general authority was given ("the initial number") and (ii) for each 3% in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries;
- the 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 ordinary share capital, provided that the acquisition of ordinary shares as treasury shares by a subsidiary of the Company shall not be effected to the extent that in aggregate more than 10% of the number of issued ordinary shares of the Company at the relevant times are held by or for the benefit of the subsidiaries of the Company taken together;
- 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;

- subject to the exceptions contained in the Listings Requirements, the Company and the Group will not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
- prior to the repurchase, a resolution has been passed by the Board of Directors of the Company confirming that the Board has authorised the repurchase, that the Company satisfies the solvency and liquidity test contemplated in the Companies Act (No. 71 of 2008), as amended ("Companies Act"), and that since the test was done there have been no material changes to the financial position of the Group; and
- such repurchases will be subject to the applicable provisions of the Companies Act, the Company's Articles of Association, the Listings Requirements and the Exchange Control Regulations 1961

It is the intention of the Board of Directors to use this general authority should prevailing circumstances (including the tax dispensation and market conditions) warrant it in their opinion.

The Company's directors undertake that they will not implement any such repurchases while this general authority is valid, unless –

- the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the general repurchase;
- the assets of the Company and the Group will exceed their liabilities for a period of 12 months after the date of the general repurchase. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the Company's latest audited annual group financial statements;
- the Company and the Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the general repurchase;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase; 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 2

The reason for and the effect of Special Resolution Number 2 is to grant the Company's Board of Directors a general authority to approve the Company's repurchase of its own ordinary shares and to permit a subsidiary of the Company to purchase ordinary shares in the Company.

For the purposes of considering Special Resolution Number 2 and in compliance with paragraph 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 19 to 21);
- Major shareholders (page 200);
- No material changes;
- Directors' interests in securities (page 202);
- Share capital of the Company (pages 174 and 200).

The directors, whose names are set out on pages 19 to 21 of the Annual Report, collectively and individually accept full responsibility for the accuracy of the information contained in this Special Resolution Number 2 and certify, 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 the Company and the Group's financial position over the last 12-month period.

15. AUTHORITY TO ENTER INTO DERIVATIVE TRANSACTIONS

Special Resolution Number 3

Resolved that, subject to the passing of Special Resolution Number 2, the Board of Directors of the Company be authorised, by way of a general renewable authority, to enter into derivative transactions which will or may lead to the Company being required to purchase its own shares, subject to the provisions of the Companies Act and the Listings Requirements (in particular the limitations contained in paragraph 5.84(a) of the Listings Requirements).

Reason for and effect of Special Resolution Number 3

The reason for and the effect of Special Resolution Number 3 is to grant the Company's Board of Directors a general authority to, subject to the provisions of the Companies Act and the Listings Requirements, enter into derivative transactions which will or may lead to the Company being required to purchase its own shares.

16. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES AND CORPORATIONS

Special Resolution Number 4

Resolved that, the Board of Directors of the Company be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this Special Resolution Number 4), to authorise the Company to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the Board may deem fit to any related or inter-related company or corporation of the Company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the Board of Directors may determine.

The main purpose for this authority is to grant the Board of Directors the authority to authorise the Company to provide inter-group loans and other financial assistance for purposes of funding the activities of the Group. The Board undertakes that –

- it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that –
  – immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
  – the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- written notice of any such resolution by the Board shall be given to all shareholders of the Company and any trade union representing its employees –
  – within 10 business days after the Board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 0.1% of the Company's net worth at the time of the resolution; or
  – within 30 business days after the end of the financial year, in any other case.

Reason for and effect of Special Resolution Number 4

The reason for and the effect of Special Resolution Number 4 is to provide a general authority to the Board of Directors of the Company for the Company to grant direct or indirect financial assistance to any company or corporation forming part of the Group, including in the form of loans or the guaranteeing of their debts.

And to transact any other business that may be transacted at an Annual General Meeting.

Additional information and explanatory notes in respect of Ordinary Resolutions Numbers 1 to 12 and Special Resolutions Numbers 1 to 4 are set out in the explanatory notes to this notice attached hereto.

RECORD DATES

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to receive notice of the Annual General Meeting is Monday, 17 October 2011.

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 18 November 2011, and the last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 11 November 2011.

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary Resolutions Numbers 1 to 12 contained in this notice of Annual General Meeting require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Articles of Association of the Company and the Listings Requirements.

Special Resolutions Numbers 1 to 4 contained in this notice of Annual General Meeting require the approval by at least 75% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Articles of Association of the Company and the Listings Requirements.

Equity securities held by a share trust or scheme will not have their votes taken into account for the purposes of resolutions passed in terms of the Listings Requirements. Shares held as treasury shares may also not vote.

ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the Annual General Meeting and are entitled to appoint a proxy or proxies (for which purpose a form of proxy is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a shareholder of the Company. Proxy forms must be lodged with the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited, 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 Tuesday, 22 November 2011, at 10:00 (South African time).

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

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder 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 shareholder bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Shareholders who have dematerialised their shares, other than those shareholders 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; or
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

PROOF OF IDENTIFICATION REQUIRED

In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the Annual General Meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the Annual General Meeting. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the Annual General Meeting as sufficient identification.

By order of the Board of Directors.

M Lubbe
Secretary

Stellenbosch
20 September 2011

EXPLANATORY NOTES TO THE NOTICE

TO SHAREHOLDERS

ORDINARY RESOLUTIONS

Ordinary Resolution Number 1

Approval of annual financial statements

In terms of the provisions of section 30(3)(d) of the Companies Act (No. 71 of 2008), as amended ("Companies Act"), the Company's annual financial statements and Group annual financial statements have to be presented to the shareholders at the Annual General Meeting for consideration.

Ordinary Resolution Number 2

Reappointment of auditor

In terms of the provisions of section 90(1) of the Companies Act, a company shall at every annual general meeting appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting of the Company.

Ordinary Resolutions Numbers 3 – 8

Election of directors

In terms of the provisions of article 31 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 the directors of the Company are set out on pages 19 to 21 of the Annual Report.

Ordinary Resolutions Numbers 9 – 12

Appointment of Audit and Risk Committee

In terms of the provisions of section 94(2) of the Companies Act, a company shall at every annual general meeting elect an Audit Committee comprising at least three members. A brief CV of each of the independent non-executive directors proposed to be appointed to the Audit and Risk Committee appear on pages 19 to 21 of the Annual Report. As is evident from the CVs of these directors, all of them have academic qualifications or experience in one or more of the following areas, i.e. economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resources.

SPECIAL RESOLUTIONS

Special Resolution Number 1

Approval of directors' remuneration

In terms of the provisions of section 66(9) of the Companies Act, remuneration may only be paid to the directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years.

Special Resolution Number 2

General authority to repurchase shares

The annual renewal of this authority is required in terms of the provisions of the Listings Requirements of the exchange operated by the JSE Limited ("Listings Requirements"). The existing authority to the directors is due to expire at the forthcoming annual general meeting, unless renewed.

Special Resolution Number 3

General authority to enter into derivative transactions

The general authority is given to the directors to enable them, subject to the provisions of the Listings Requirements, to enter into derivative transactions, which may or will lead to the Company being required to purchase its own shares.

Special Resolution Number 4

General authority to provide financial assistance to related and inter-related companies

The general authority is given to the directors to enable them, subject to the provisions of section 45 of the Companies Act, to authorise the Company to provide financial assistance to related and inter-related companies and corporations of the Company.

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 SHAREHOLDERS WHO HAVE NOT YET DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES; AND**
2. **REGISTERED SHAREHOLDERS WHO HAVE ALREADY DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES AND ARE REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S UNCERTIFICATED SECURITIES REGISTER. ***

* See explanatory note 3 overleaf.

For completion by the aforesaid registered shareholders who hold ordinary shares of the Company ("shareholder") and who are unable to attend the 2011 Annual General Meeting of the Company to be held on Thursday, 24 November 2011, at 10:00 in the Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130 ("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. Reappointment of auditor			
3. Election of director – Mr P E Beyers			
4. Election of director – Mr W E Bührmann			
5. Election of director – Mr L Crouse			
6. Election of director – Dr E de la H Hertzog			
7. Election of director – Mr P K Harris			
8. Election of director – Mr M M Morobe			
9. Appointment of member of Audit and Risk Committee – Mr N P Mageza			
10. Appointment of member of Audit and Risk Committee – Mr P J Moleketi			
11. Appointment of member of Audit and Risk Committee – Mr F Robertson			
12. Appointment of member of Audit and Risk Committee – Mr H Wessels			
Special resolutions			
13. Approval of directors' remuneration			
14. Authority to repurchase shares			
15. Authority to enter into derivative transactions			
16. General authority to provide financial assistance to related and inter-related companies and corporations			

Signed at ______________________________ on ______________________________ 2011

Signature/s ____

Assisted by ____
(where applicable)

Please read the notes and instructions overleaf.

NOTES

1. A shareholder 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 shareholder of the Company.

2. Every shareholder 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 shareholder holds. In the event of a poll, every shareholder 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 shareholder bears to the aggregate amount of the nominal value of all the shares issued by the Company.

3. Shareholders registered in their own name are shareholders 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 uncertificated securities register **in their own names**.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder'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 shareholder. Should this space/s 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 shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that shareholder wishes to exercise, 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 shareholder's exercisable votes. A shareholder 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 shareholder 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 (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 Tuesday, 22 November 2011, at 10:00 (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 shareholder 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 shareholder wish to do so.

7. The appointment of a proxy in terms of this form of proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company.

8. 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.

9. 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 shareholder wishes to vote.