Remgro Limited

2013 INTEGRATED ANNUAL REPORT

View this report online at www.remgro.com

SALIENT FEATURES

HEADLINE EARNINGS PER SHARE
EXCLUDING MEDICLINIC REFINANCING COST

+11.6%

ORDINARY DIVIDEND PER SHARE

+10.2%

INTRINSIC NET ASSET VALUE PER SHARE

+34.2%

FINANCIAL

	Year ended 30 June 2013	Year ended 30 June 2012	% change
Headline earnings	**R4 387m**	R5 113m	*(14.2)*
– per share	**854.3c**	994.6c	*(14.1)*
Headline earnings, excluding Mediclinic refinancing cost	**R5 699m**	R5 113m	*11.5*
– per share	**1 109.8c**	994.6c	*11.6*
Dividends per share			
Ordinary	**346.00c**	314.00c	*10.2*
– Interim	**145.00c**	126.00c	*15.1*
– Final	**201.00c**	188.00c	*6.9*
Intrinsic net asset value per share	**R204.83**	R152.61	*34.2*
Remgro share price at 30 June	**R189.95**	R131.49	*44.5*
Percentage discount to intrinsic net asset value	**7.3%**	13.8%	*(47.1)*

NON-FINANCIAL

	2013	2012
Spent on corporate social investment (CSI) (R million)		
– At the centre	**14**	12
– Share of CSI spend of investee companies	**56**	46
BBBEE scorecard contributor level	**5**	5
Ranking in carbon disclosure project	**Joint 4th** *(Carbon Disclosure Leadership Index)*	Unaudited
Inclusion in JSE SRI Index	**Yes**	Yes

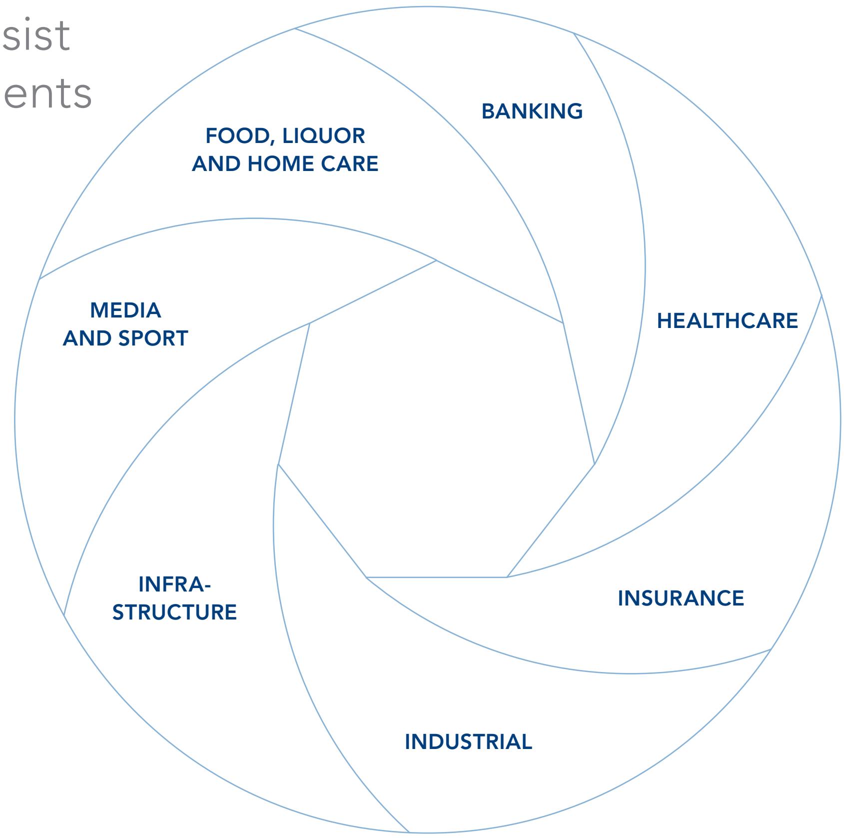
REMGRO LIMITED* IS AN INVESTMENT HOLDING COMPANY

* Remgro or the Company

OUR BUSINESS

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 interests consist mainly of investments in the following industries:



GROUP STRUCTURE

AT 30 JUNE 2013

REMGRO LIMITED (PRINCIPAL INVESTMENTS)

FOOD, LIQUOR AND HOME CARE

Unilever South Africa	25.8%
Distell	33.4%
RCL Foods (previously Rainbow Chicken)	75.9%
TSB	100%

BANKING

RMBH	27.9%
FirstRand	4.0%

HEALTHCARE

Mediclinic	44.3%

INSURANCE

RMI Holdings	30.3%

INDUSTRIAL

Air Products South Africa	50.0%
Kagiso Tiso Holdings	34.7%
Total South Africa	24.9%
PGSI	28.5%
Wispeco	100%

INFRASTRUCTURE

Grindrod	25.0%
CIV group	43.8%
SEACOM	25.0%

MEDIA AND SPORT

Sabido	31.9%
Premier Team Holdings	50.0%
Stellenbosch Academy of Sport	100%

OTHER INVESTMENTS

Business Partners	42.5%

TREASURY AND MANAGEMENT SERVICES

Remgro Finance Corporation	100%
Remgro Management Services	100%
Remgro International – Jersey	100%

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

COMPANY HISTORY

1940s	Remgro's 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 Limited 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 that included brands such as Cartier, Dunhill and Mont Blanc which then also acquired a share 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 $33^1/_3$% and $66^2/_3$% respectively. Following the above restructuring, Rembrandt became a pure investment holding company.
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. At 30 June 2013, the value of the dividend referred to above amounted to R104.6 billion.
2009	During November 2009, Remgro and VenFin merged again, adding media and technology interests to the Group's investments.

REMGRO'S APPROACH TO REPORTING

The 2013 Integrated Annual Report provides a 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 is to provide a 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, our shareholders and other stakeholders, we also report on matters such as:

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

The information provided thus aims to provide our stakeholders with a good understanding of the financial, social, environmental and economic impacts of the Group to enable them to evaluate the ability of Remgro to create and sustain value for our stakeholders.

This Integrated Annual Report was prepared in accordance with International Financial Reporting Standards, the Listings Requirements of the JSE Limited, as well as the Companies Act (No. 71 of 2008), as amended, where relevant. Reporting on sustainable development was done based on the principles and recommendations regarding integrated sustainability reporting as contained in the King Report on Governance for South Africa 2009 (King III) as well as the Sustainability Reporting Guidelines developed by the Global Reporting Initiative™ (GRI). The recommendations contained in the discussion papers and latest consultation draft on integrated reporting issued by the Integrated Reporting Committee of South Africa and the International Integrated Reporting Committee were also noted and applied wherever possible.

Remgro has applied the majority of the principles contained in King III – a summary of all King III principles that were not applied is presented in the Corporate Governance Report on page 56. An index on the application of all King III principles is published on the Company's website at www.remgro.com.

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 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 operating subsidiaries, i.e. RCL Foods Limited (RCL Foods) (previously Rainbow Chicken Limited), TSB Sugar Holdings Proprietary Limited (TSB) and Wispeco Holdings Limited (Wispeco). As RCL Foods (a 76% 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 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 4.1% 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.

OWNERSHIP STRUCTURE

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

ORDINARY SHARES OF NO PAR VALUE	B ORDINARY SHARES OF NO PAR VALUE
Listed on the JSE	Unlisted
Each ordinary share has one vote	Each B ordinary share has ten votes
	All of the unlisted B ordinary shares are held by Rembrandt Trust Proprietary Limited (Rembrandt Trust), a company incorporated in South Africa which is the holding vehicle for Rupert family interests in Remgro. As at 30 June 2013, the unlisted B ordinary shares were entitled to 42.64% (2012: 42.58%) of the total votes of shareholders of the Company.

An analysis of major shareholders appears on pages 174 and 175.

EXTERNAL AUDIT AND ASSURANCE

The consolidated annual financial statements were audited by the independent external auditors, Pricewaterhouse-Coopers Inc., in accordance with International Standards on Auditing. The report of the external auditors in respect of the annual financial statements is included on page 115 of the Integrated Annual Report.

Various other voluntary external accreditation, certification and assurance initiatives are followed in the Group, complementing the combined assurance model as covered throughout the Integrated Annual Report. We believe that this adds to the quality and reliability of the information presented. Refer to the Sustainable Development Report on page 72 for further details.

SIGNIFICANT EVENTS DURING REPORTING PERIOD

No significant events occurred during the reporting period or after the end of the reporting period, which may have a material impact on the size, structure or ownership of the Group. Refer to the Chief Executive Officer's Report on page 23 for a summary of the most significant investment activities during the year under review.

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.

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 indirect impacts on 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 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 is dependent upon a proper understanding of the businesses of the investee companies and also on 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. The assessment of new senior appointments and succession planning is thus pivotal to the success of the Company.
Increased country risk due to labour unrest, the increasing current account and budget deficits and the resultant threat of lower sovereign credit ratings.	The boards of investee companies are increasingly directing focus to addressing pressing issues such as, inter alia, foreign currency risk, labour instability, legislation and regulatory aspects, increased crime, etc., by means of strategic and/or control processes.

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 material effect on Remgro's results.

A strong statement of financial position enables Remgro to make new investments or to increase its stake in well-performing investments, or fund growth opportunities by means of shareholder loans.

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 operating subsidiaries, i.e. RCL Foods (listed), as well as TSB 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 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 strategic, 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 is an important investment criterion. 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.

REMGRO'S INVESTMENT STRATEGY

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

Aim to acquire significant influence and board representation

Preference for unlisted investments

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

Focus on Southern African investments, particularly sub-Saharan Africa

Will consider foreign investments on an opportunistic basis

Future sector focus:

- Food, liquor and home care
- Healthcare
- Infrastructure
- Media

INVESTMENT CRITERIA

(INTER ALIA)

Prevailing culture and ethics of the Board and management team

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

Environmental footprint of the enterprise

Viability of products and their life cycles

Social responsibility awareness 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 are 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 their 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. RCL Foods, TSB and Wispeco;
- Equity accounted results of its investments in associates and joint ventures, e.g. FirstRand, RMBH, RMI and Mediclinic, the four 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 (distributed to shareholders during the previous financial year) and Caxton;
- Interest received on cash on hand;
- 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.

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 cash on hand;
- Profit/loss 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 foreign cash.

The net result of the above approximates 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 28. Also refer to page 32 for a detailed analysis of "cash movement at the centre" for the year 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 Executive Officer's Report on page 23 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.

CONSOLIDATED INCOME STATEMENTS

R million	Year ended 30 June 2013	Year ended 30 June 2012	Fifteen months ended 30 June 2011	2010	Year ended 31 March 2009	2008
Profit before taking into account the following	**473**	1 169	989	1 044	1 218	1 578
Non-recurring and capital items and impairments	**(110)**	4 126	2 327	(188)	40 345	1 684
Consolidated profit before tax	**363**	5 295	3 316	856	41 563	3 262
Taxation	**(249)**	(462)	(480)	(309)	(945)	(419)
Consolidated profit after tax	**114**	4 833	2 836	547	40 618	2 843
Share in after-tax profit of associated companies and joint ventures	**4 313**	4 532	8 112	2 619	4 806	7 210
Net profit after tax	**4 427**	9 365	10 948	3 166	45 424	10 053
Non-controlling interest	**11**	(81)	(107)	(106)	(94)	(160)
Attributable net profit for the period	**4 438**	9 284	10 841	3 060	45 330	9 893
Headline earnings	**4 387**	5 113	5 555	3 355	4 660	7 991
Headline earnings per share (cents)	**854.3**	994.6	1 082.4	690.1	987.7	1 692.8
Headline earnings per share from continuing operations (cents)[#]	**854.3**	994.6	1 082.4	690.1	671.5	964.1
Earnings per share (cents)	**864.2**	1 805.9	2 112.4	629.4	9 607.9	2 095.7
Dividends per share (cents)						
– Ordinary	**346**	314	314	209	190	510

[#] *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 is also presented for continuing operations which excludes the equity accounted income of BAT.*

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

R million	30 June 2013	30 June 2012	30 June 2011	2010	31 March 2009	2008
Property, plant and equipment, biological agricultural assets and investment properties	**5 503**	3 621	3 270	3 241	2 866	2 668
Investments – Associated companies	**45 678**	38 321	34 920	28 052	23 795	43 175
Other non-current assets	**8 965**	2 358	6 933	7 295	5 430	9 132
Current assets	**12 613**	13 727	10 864	9 470	10 025	6 852
Total assets	**72 759**	58 027	55 987	48 058	42 116	61 827
Total equity	**61 065**	54 253	52 330	44 083	38 787	57 875
Non-current liabilities	**7 701**	981	1 481	1 517	1 172	1 872
Current liabilities	**3 993**	2 793	2 176	2 458	2 157	2 080
Total equity and liabilities	**72 759**	58 027	55 987	48 058	42 116	61 827
Net asset value per share (Rand)						
(attributable to equity holders)						
– at book value	**115.18**	103.93	100.37	84.38	80.75	121.11
– at intrinsic value	**204.83**	152.61	135.97	121.64	99.15	253.67

CONSOLIDATED STATEMENTS OF CASH FLOWS

R million	Year ended 30 June 2013	Year ended 30 June 2012	Fifteen months ended 30 June 2011	2010	Year ended 31 March 2009	2008
Cash generated from/(utilised by) operations	**1 420**	1 313	52	(273)	883	1 232
Cash flow generated from returns on investments	**3 155**	3 372	2 733	1 531	1 642	3 801
Taxation paid	**(235)**	(431)	(407)	(144)	(280)	(497)
Cash available from operating activities	**4 340**	4 254	2 378	1 114	2 245	4 536
Dividends paid	**(1 743)**	(1 819)	(1 220)	(1 006)	(2 120)	(2 252)
Cash flow from operating activities	**2 597**	2 435	1 158	108	125	2 284
Net investing activities	**(4 558)**	(495)	(671)	(1 381)	1 053	(3 438)
Net financing activities	**(236)**	139	87	(5)	10	84
Net increase/(decrease) in cash and cash equivalents	**(2 197)**	2 079	574	(1 278)	1 188	(1 070)

SHARE STATISTICS

	Year ended 30 June 2013	Year ended 30 June 2012	Fifteen months ended 30 June 2011	2010	Year ended 31 March 2009	2008
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)	**478 020**	478 584	477 703	450 647	436 292	436 547
Market capitalisation at end of period (R million) – Ordinary shares only	**91 386**	63 261	53 691	47 148	29 665	87 973
Price (cents per share)						
– Last day of period	**18 995**	13 149	11 160	9 800	6 750	19 593
– Highest	**20 107**	13 649	11 539	10 250	21 401	20 700
– Lowest	**13 168**	10 050	9 100	6 899	6 100	17 200
Number of shares traded ('000)	**254 250**	231 837	311 457	310 748	416 657	289 937
Value of shares traded (R million)	**41 975**	28 131	32 652	26 117	56 990	53 841
Shares traded/weighted number of ordinary shares (%)	**53.2**	48.4	65.2	69.0	95.5	66.4
Number of transactions	**436 606**	351 209	431 614	284 637	300 257	201 515

DIRECTORATE AND MEMBERS OF COMMITTEES

NON-EXECUTIVE DIRECTORS

J P RUPERT (63)

APPOINTED: 18 August 2000
CHAIRMAN

Directorships: Compagnie Financière Richemont SA (Executive Chairman), Reinet Investments Manager SA (Chairman). He studied economics and company law at the Stellenbosch University 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 Limited in 1979. In 1985 he joined the Rembrandt Group. He holds honorary doctorates in Law, Economics and Commerce, is the Chancellor of the Stellenbosch University and Chairman of the Peace Parks Foundation.

E DE LA H HERTZOG (63)

APPOINTED: 18 August 2000
DEPUTY CHAIRMAN

Directorships: Non-executive Chairman of Mediclinic International Limited. Dr Hertzog also serves on the board of Distell Group 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.

J MALHERBE (57)

APPOINTED: 11 October 2006

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

G T FERREIRA (65)

APPOINTED: 4 November 2009
LEAD INDEPENDENT DIRECTOR

Directorships: Currently the Chairman of RMB Holdings Limited and RMI Holdings Limited. He has been involved in the financial services sector since graduating with commerce degrees from the Stellenbosch University. Previous Chairmanships include AIG (SA) Proprietary 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 (63)

APPOINTED: 28 November 2001

Directorships: Non-executive Director of FirstRand Limited, FirstRand Bank 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 Limited 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 (58)

APPOINTED: 4 November 2009

Directorships: Previously 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 Clover Industries Limited, Eqstra Holdings Limited, MTN Group Limited, RCL Foods 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 (56)

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 Annuity Properties Limited, 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.

DIRECTORATE AND MEMBERS OF COMMITTEES

M M MOROBE (56)

APPOINTED: 18 June 2007

Directorships: Until recently Mr Morobe served as CEO of Kagiso Media Limited, and from this year onward he will be assuming the new role of Chairman of the Programme for Improved Learner Outcomes (PILO). Mr Morobe is a well-known figure from South Africa's anti-apartheid movement. Since his release from Robben Island in 1982, he has continued to involve himself with various social causes, mainly relating to youth development, environment and conservation. He serves on the boards of directors of WWF-SA, Food and Trees for Africa (Chairman) and the Steve Biko Foundation.

F ROBERTSON (58)

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 Proprietary 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 (68)

APPOINTED: 22 August 2008

Directorships: Mr Wessels is a director of Keeromstraat 30 Investments Limited, Naspers Investments Limited, Trencor Limited, Peace Parks Foundation and WWF-SA. 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.

EXECUTIVE DIRECTORS

J J DURAND (46)
CHIEF EXECUTIVE OFFICER

BAcc (Hons), MPhil (Oxon), CA(SA)
Years of service with the Group: 17

Directorships: Discovery Holdings Limited, Distell Group Limited, FirstRand Limited, FirstRand Bank Limited, Grindrod Limited, Mediclinic International Limited, RCL Foods Limited, RMI Holdings Limited and Unilever South Africa Holdings Proprietary Limited.

W E BÜHRMANN (58)
INVESTMENTS

BComm, CTA, CA(SA)
Years of service with the Group: 26

Directorships: Currently a director of Invenfin Proprietary Limited and Pembani Remgro Infrastructure Managers Proprietary Limited.

L CROUSE (60)
CHIEF FINANCIAL OFFICER

BComm, CTA, CA(SA)
Years of service with the Group: 5

Directorships: CIV Fibre Network Solutions Proprietary Limited, Dark Fibre Africa Proprietary Limited, FirstRand Limited, FirstRand Bank Limited, MMI Holdings Limited, RMB Holdings Limited, RMI Holdings Limited and Total South Africa Proprietary Limited.

J W DREYER (62)
INVESTMENTS

BComm, LLB, H Dip Co Law, H Dip Tax
Years of service with the Group: 13

Directorships: Air Products South Africa Proprietary Limited, Business Partners Limited, Kagiso Tiso Holdings Proprietary Limited (RF), RMB Holdings Limited, RMI Holdings Limited, TSB Sugar Holdings Proprietary Limited and Wispeco Holdings Proprietary Limited.

MEMBERS OF COMMITTEES

AUDIT AND RISK COMMITTEE
H Wessels (Chairman) – originally appointed 22 August 2008
N P Mageza – originally appointed 30 November 2009
P J Moleketi – originally appointed 30 November 2009
F Robertson – originally appointed 20 June 2001

INVESTMENT COMMITTEE
J P Rupert (Chairman); L Crouse; J J Durand;
G T Ferreira; P K Harris; J Malherbe

MANAGEMENT BOARD
J J Durand (Chairman); W E Bührmann; L Crouse;
J W Dreyer; P J Uys; N J Williams

REMUNERATION AND NOMINATION COMMITTEE
J P Rupert (Chairman); G T Ferreira; P K Harris; F Robertson

SOCIAL AND ETHICS COMMITTEE
H Wessels (Chairman); P J Uys; N J Williams

EXECUTIVE MANAGEMENT STRUCTURE

HOW REMGRO IS MANAGED

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 2013 the Management Board comprised six members, being all four executive directors as well as Messrs Neville Williams and Pieter Uys.

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

DATES OF IMPORTANCE TO SHAREHOLDERS AND COMPANY INFORMATION

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	30 June
Annual General Meeting	Tuesday, 3 December 2013

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 No. 26

Ordinary dividend per share	201 cents
Last day to trade in order to participate in the dividend	Friday, 8 November 2013
Shares trade ex dividend	Monday, 11 November 2013
Record date	Friday, 15 November 2013
Payment date	Monday, 18 November 2013

COMPANY INFORMATION

Company Secretary
M Lubbe

Business address and registered office
Millennia Park
16 Stellentia Avenue
Stellenbosch
7600

PO Box 456
Stellenbosch
7599

Transfer Secretaries
Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107

Auditors
PricewaterhouseCoopers Inc.
Stellenbosch

Listing
JSE Limited
Sector: Industrials – Diversified Industrials

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

Website
www.remgro.com

CHAIRMAN'S REPORT

JOHANN RUPERT :: CHAIRMAN

- The intrinsic net asset value per share increased by **34.2%** compared to June 2012

ECONOMIC OVERVIEW

The outlook for the South African economy has worsened since the start of 2013. Weaker than expected GDP growth in the first quarter 2013, renewed domestic labour issues and new global concerns have clouded the prospects for the second half of 2013 and 2014.

Although the US central bank (Fed) surprisingly decided to keep the quantum of its monthly asset purchases unchanged at $85 billion in September, financial markets are likely to remain nervous about the potential for less aggressive US monetary stimulus later in 2013. The policy uncertainty has resulted in sharply higher US government bond yields and diluted the relative attractiveness of higher yielding emerging market debt. This environment is of particular concern to countries with significant external funding requirements, including South Africa with a current account deficit of more than 6% of GDP. Foreign buying of SA debt instruments has to a large extent financed the current account deficit in recent years

An improved domestic export performance is required to narrow the current account shortfall. However, with Chinese GDP growth easing to 7.5% year on year in the second quarter of 2013, export growth is expected to remain subdued. On a more positive note, recent data suggests that a further Chinese growth moderation is unlikely. Recent data from the eurozone has also been encouraging, but the region remains fragile and vulnerable to a relapse. After six consecutive quarters of contraction, the eurozone exited recession in the second quarter of 2013. In the US, recent employment and consumer spending data has also been more upbeat. However, the US economy continues to face numerous challenges, including excessive public debt levels. Short-term prospects have improved for the Japanese economy, which is largely a function of aggressive monetary and fiscal stimulus measures.

South Africa's large current account deficit has been an important contributing factor to the weaker rand exchange rate. After weakening sharply in the second half of 2012, the rand exchange rate lost further ground against major currencies in the first half of 2013. The rand temporarily weakened to close to R10.40/$ in the second quarter of 2013. The currency briefly strengthened towards R9.50/$ after the Fed decided to delay the reduction of its asset purchase programme. However, going forward, the end of the US monetary easing cycle should be negative for the rand. The possibility of subdued commodity prices through the fourth quarter 2014 is another negative for the currency. Finally, the uneasy domestic labour environment suggests that the rand is likely to remain under pressure for some time.

Consumer inflation is set to be higher than previously thought. This is especially the case for 2014 as the adverse price impact from the weaker rand is likely to be more persistent. CPI breached the SA Reserve Bank's (SARB) 6% inflation target in July and August, but this should be temporary. However, consumer price inflation is forecast to remain elevated between 5.5% and 6% through 2014. While the risks to inflation lie on the upside, at this stage independent business surveys reveal that the corporate sector is reluctant to pass on higher input costs to the consumer. This is indicative of soft domestic demand conditions.

The real growth in gross domestic expenditure (GDE) moderated to 2.6% year on year in the first half of 2013 from 3.8% in the second half of 2012. Subdued business and consumer confidence suggests that private sector fixed investment and employment growth will remain weak in the foreseeable future. Consumer spending has been the mainstay of the GDP growth recovery since the 2008/09 recession. More recent trends have been less positive as real disposable income growth moderated amid higher inflation and a difficult job market. Certain categories of spending were also supported by very strong growth in unsecured credit. These growth rates are unsustainable due to a growing proportion of consumers falling behind on debt repayments.

The combination of upside inflation pressures and downside risks to GDP growth highlights the difficult balancing act that the SARB has to perform. In all likelihood, the policy interest rate will remain unchanged for the next 12 months. However, the interest rate risks have shifted from the possibility of another rate cut to an earlier than expected increase.

Against this backdrop, the South African economy is set for pedestrian real GDP growth in 2013 and 2014.

FINANCIAL PERFORMANCE AND INVESTMENT ACTIVITIES

For the year under review headline earnings per share decreased by 14.1% from 994.6 cents in 2012 to 854.3 cents. It should be noted that the results for the year were materially influenced by the once-off charges relating to the refinancing by Mediclinic of its Swiss and South African debt during October 2012. Remgro's share of these once-off items amounted to a loss of R1 312 million. In order to enable shareholders to make a meaningful comparison with the results of the prior period, headline earnings and headline earnings per share are also presented by excluding Remgro's share of the Mediclinic refinancing costs.

On a comparable basis, headline earnings per share increased by 11.6% from 994.6 cents in 2012 to 1 109.8 cents for the year under review.

Remgro's intrinsic net asset value per share increased by 34.2% from R152.61 at 30 June 2012 to R204.83 at 30 June 2013. The biggest contributor to this increase was Mediclinic, whose share price increased by 83.3% from R37.45 per share to R68.66 per share since 30 June 2012. As at 30 June 2013, 27% of Remgro's intrinsic net asset value was represented by unlisted investments.

During the year under review new investments amounting to R7.4 billion were made. The most significant of these investments were the rights offers undertaken by RCL Foods and Mediclinic in terms of which Remgro invested R3.1 billion and R2.2 billion respectively. A portion of its rights offer proceeds were utilised by RCL Foods to, inter alia, acquire an effective 64.2% interest in Foodcorp early in May 2013. This acquisition will help to diversify RCL Foods' earnings stream into different products and markets as Foodcorp brings a strong portfolio of brands into the RCL Foods stable.

MANAGEMENT CHANGES AT INVESTEE COMPANIES

On 29 July 2013 it was announced that Mr Richard M Rushton was appointed as the new managing director of the Distell Group as from 1 November 2013. Mr Rushton will succeed Mr Jan Scannell who will retire at the end of December 2013. We wish to extend our appreciation to Mr Scannell for his contribution to the Group over more than 34 years and would like to welcome Mr Rushton and wish him success for the future.

Unilever South Africa also appointed a new chief executive officer. With effect from 1 October 2013 Mr Peter Cowan, who is currently based in the Philippines, will replace Mr Marijn van Tiggelen as chief executive officer. We acknowledge the work that Mr van Tiggelen has done in strengthening the Unilever South Africa business and would like to wish Mr Cowan success in his new position.

ACKNOWLEDGEMENTS

Mr P E Beyers has retired as a non-executive director from the Board of Remgro with effect from 31 January 2013. As from the same date Mrs M A Ramphele resigned as an independent non-executive director from the Board of Remgro, while Mrs J A Preller retired as an executive director from the Board with effect from 31 March 2013.

The Board wishes to thank these directors for their valuable contribution over many years.

We extend our sincere appreciation to all who contributed to the performance of the Group over the past year; 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.

Johann Rupert
Chairman

Stellenbosch
18 September 2013

CHIEF EXECUTIVE OFFICER'S REPORT

JANNIE DURAND :: CHIEF EXECUTIVE OFFICER

- Outperformance of JSE all share index over past year
- Annual internal rate of return of 31.9**%** over period since the unbundling of the investment in BAT in November 2008
- Investments of **R7.4 billion** made during year under review

INTRODUCTION

Remgro's intrinsic net asset value is the best indicator of the value added for our shareholders. Over the year under review the intrinsic net asset value per share has increased by 34.2% from R152.61 at 30 June 2012 to R204.83 at 30 June 2013. Over the same period the JSE all share index has increased by 17.4% while Remgro's share price grew by 44.5%. Refer to the tables on page 25 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 net asset value, especially relating to the valuation of our unlisted investments. A summary of our investing activities during the year under review is also provided.

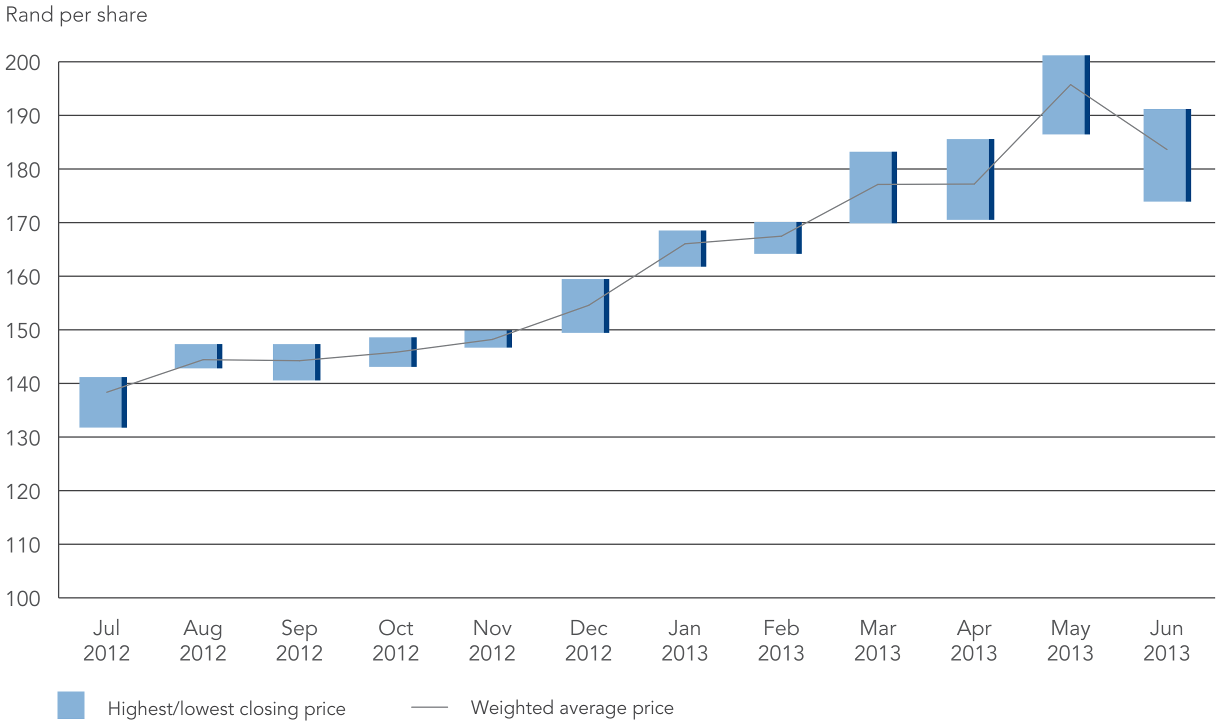
INTRINSIC NET ASSET VALUE

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, consist mainly of monetary items (included at book value) and property (included at fair 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

REMGRO SHARE PRICE



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 net asset value was used.

CIV group
The discounted cash flow method was used.

Kagiso Tiso Holdings
The annual external valuation performed was used.

PGSI
The discounted cash flow method was used.

PRIF
The annual external valuation performed was used.

Sabido
A historical price-earnings ratio was used.

SEACOM
The discounted cash flow method was used.

Total South Africa
A historical price-earnings ratio was used.

TSB
The discounted cash flow method was used.

Unilever South Africa
The discounted cash flow method was used.

Wispeco
The discounted cash flow method was used.

Refer to the table on page 27 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.

	30 June 2013	30 June 2012	30 June 2011	31 March 2010	31 March 2009	28 Oct 2008*	31 March 2008
Intrinsic net asset value – Rand per share	**204.83**	152.61	135.97	121.64	99.15	84.34	253.67
JSE – All share index	**39 578**	33 708	31 865	28 748	20 364	18 549	29 588
– Fin & Ind 30 index	**48 801**	35 943	30 834	26 592	18 080	18 649	23 868
– Financial 15 index	**11 176**	9 618	8 128	8 061	5 438	5 527	7 424
– Resource 10 index	**42 428**	47 234	53 933	51 854	38 767	30 617	64 543
Remgro share price (Rand)	**189.95**	131.49	111.60	98.00	67.50	61.00	195.93

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

Relative performance	**Year 30 June 2013 (% year on year)**	**Period from 28 October 2008 to 30 June 2013 (% comp per annum)**
Intrinsic net asset value	**34.2**	**20.9**
JSE – All share index	**17.4**	**17.6**
– Fin & Ind 30 index	**35.8**	**22.9**
– Financial 15 index	**16.2**	**16.3**
– Resource 10 index	**(10.2)**	**7.2**
Remgro share price	**44.5**	**27.5**

The following table compares Remgro's 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 2013 (% comp per annum)
JSE – All share index	**20.9**
– Fin & Ind 30 index	**26.5**
– Financial 15 index	**21.0**
– Resource 10 index	**9.8**
Remgro share	**31.9**

INVESTMENT ACTIVITIES

During October 2012 Remgro participated in Mediclinic's rights offer in terms of which R5.0 billion was raised. In terms of the rights offer, which Remgro agreed to underwrite, a further R2.2 billion was invested in Mediclinic. As the rights offer was oversubscribed, no additional shares were acquired in terms of the underwriting agreement.

During May 2013 RCL Foods acquired an effective 64.2% interest in New Foodcorp Holdings Proprietary Limited for a total consideration of R1 026 million. This was followed by the acquisition of a 49% shareholding by RCL Foods in Zam Chick Limited, the broiler operation of Zambeef Products Plc of Zambia, for $14.25 million. RCL Foods funded the purchase consideration of both acquisitions referred to above out of a portion of the proceeds of the R3.9 billion rights offer that was completed early in March 2013. Together with the shares acquired as underwriter of the rights offer, Remgro invested a further R3.1 billion in RCL Foods, thereby increasing its effective interest to 75.9% (2012: 73.4%).

In addition to the above Remgro also invested R500 million in the Pembani Remgro Infrastructure Fund (PRIF). PRIF is a joint initiative between Remgro and Mr Phuthuma Nhleko and focuses on investments in infrastructure companies and projects (and related industries) across the African continent. We also increased our investments in KTH (R486 million), the CIV group of companies (R157 million), Grindrod (R136 million) and Business Partners (R120 million).

On the international front, we also invested a further R449 million in the Milestone Capital Funds.

The following table represents the cash effects of Remgro's investing activities for the year to 30 June 2013. These activities exclude the investing activities of Remgro's three operating subsidiaries, i.e. RCL Foods Limited, TSB Sugar Holdings Proprietary Limited and Wispeco Holdings Limited.

Jannie Durand
Chief Executive Officer

Stellenbosch
18 September 2013

Investments made and loans granted	R million
Existing investee companies	
RCL Foods	**3 111**
Mediclinic	**2 170**
KTH	**486**
Milestone Capital Funds (offshore)	**449**
Premier Team Holdings	**197**
CIV group	**157**
Grindrod	**136**
Business Partners	**120**
Kagiso Infrastructure Empowerment Fund	**31**
Other	**81**
New investee company	
PRIF	**500**
	7 438

Investments sold and loans repaid	R million
TSB	**76**
Britehouse	**40**
Other	**20**
	136

INVESTMENT COMMITMENTS

The table below summarises the investment commitments of Remgro as at 30 June 2013.

Investment commitments	R million
Milestone China Funds (offshore)	**804**
Kagiso Infrastructure Empowerment Fund	**71**
Premier Team Holdings	**55**
Other	**50**
	980

INTRINSIC NET ASSET VALUE

	30 June 2013		30 June 2012	
	Book value R million	Intrinsic value R million	Book value R million	Intrinsic value R million
Food, liquor and home care				
Unilever South Africa	3 064	8 676	3 051	7 026
Distell[(1)]	2 547	8 073	2 258	5 935
RCL Foods	5 129	6 759	2 139	3 140
TSB	1 877	3 964	1 910	3 372
Banking				
RMBH	10 415	15 541	9 438	13 758
FirstRand	3 645	6 359	3 258	5 801
Healthcare				
Mediclinic	7 743	24 640	4 622	10 601
Insurance				
RMI Holdings	5 645	11 331	5 530	7 810
Industrial				
Air Products South Africa	691	3 126	642	2 774
KTH	2 475	2 425	1 765	1 667
Total South Africa	1 192	1 275	941	1 217
PGSI	568	571	581	585
Wispeco	458	414	409	350
Infrastructure				
Grindrod	2 868	3 103	2 315	1 871
CIV group[(2)]	1 650	2 305	1 428	1 550
SEACOM	617	1 069	586	926
Other infrastructure interests	776	776	200	200
Media and sport				
Sabido	929	2 279	845	1 768
Other media and sport interests	608	605	330	330
Other investments	2 203	2 204	1 707	1 329
Central treasury – cash at the centre[(3)]	2 733	2 733	8 327	8 327
Other net corporate assets	1 277	1 516	1 172	1 476
Net asset value (NAV)	59 110	109 744	53 454	81 813
Potential CGT liability[(4)]		(4 628)		(3 319)
NAV after tax	59 110	105 116	53 454	78 494
Issued shares after deduction of shares repurchased (million)	513.2	513.2	514.3	514.3
NAV after tax per share (Rand)	115.18	204.83	103.93	152.61

(1) *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*
(2) *Includes the investments in CIV Fibre Network Solutions Proprietary Limited, CIE Telecommunications Proprietary Limited, CIV Power Proprietary Limited, Central Lake Trading No. 77 Proprietary Limited and Dark Fibre Africa Proprietary Limited.*
(3) *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods, TSB and Wispeco).*
(4) *The potential capital gains tax (CGT) liability 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" is included in "other net corporate assets" above.*
(5) *For purposes of determining the intrinsic net asset value, the unlisted investments are shown at directors' valuation and the listed investments are shown at stock exchange prices.*
(6) *Intrinsic net asset values have not been audited.*

CHIEF FINANCIAL OFFICER'S REPORT

LEON CROUSE :: CHIEF FINANCIAL OFFICER

- Increase in comparable headline earnings per share of **11.6%**
- Increase in ordinary dividend per share of **10.2%**
- Available cash at the centre amounting to **R2 733 million**

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 net asset value" and "cash at the centre" to evaluate the performance of the Group on a continuous basis and hence these concepts are used throughout the Integrated Annual Report to provide shareholders with a better understanding of our results.

COMPARISON WITH PRIOR YEAR

During October 2012 Mediclinic International Limited (Mediclinic) incurred material once-off charges relating to the comprehensive refinancing of its Swiss and South African debt. These once-off items included the following:

- the derecognition of the mark-to-market liability relating to the Swiss interest rate swap of R3 531 million (R3 311 million after tax);
- accelerated amortisation charges of capitalised financing expenses of R163 million (R129 million after tax);
- loan breakage charges of R54 million (R39 million after tax) relating to existing South African debt;
- Swiss stamp duty of R41 million (R41 million after tax); and
- a realised gain of R574 million (R574 million after tax) on foreign exchange contracts.

Remgro's share of these once-off items amounted to a loss of R1 312 million.

Due to the materiality of the amounts involved, headline earnings and headline earnings per share are also presented by excluding Remgro's share of Mediclinic's refinancing costs referred to above.

SALIENT FEATURES

	Year ended 30 June 2013	Year ended 30 June 2012	% change
Headline earnings (R million)	**4 387**	5 113	*(14.2)*
– per share (cents)	**854.3**	994.6	*(14.1)*
Headline earnings, excluding Mediclinic refinancing cost (R million)	**5 699**	5 113	*11.5*
– per share (cents)	**1 109.8**	994.6	*11.6*
Earnings (R million)	**4 438**	9 284	*(52.2)*
– per share (cents)	**864.2**	1 805.9	*(52.1)*
Dividends per share (cents)			
Ordinary	**346.00**	314.00	*10.2*
– Interim	**145.00**	126.00	*15.1*
– Final	**201.00**	188.00	*6.9*
Intrinsic net asset value per share (Rand)	**204.83**	152.61	*34.2*

REPORTING PLATFORMS

During the year under review the platforms under which the results of investee companies are being reported, were changed. This change aligns public reporting with internal reporting to the Remgro Board. Comparative figures have been presented accordingly.

Previously investee companies were classified under the following reporting platforms – Financial services, Industrial interests, Media interests, Mining interests, Technology interests, Other investments, as well as Central treasury and Other net corporate assets. As from 30 June 2013 investee companies will be reported under the following reporting platforms – Food, liquor and home care, Banking, Healthcare, Insurance, Industrial, Infrastructure, Media and sport, Other investments, as well as Central treasury and Other net corporate assets.

HEADLINE EARNINGS

Headline earnings for the year to 30 June 2013 amounted to R4 387 million compared to R5 113 million for the year to 30 June 2012, representing a decrease of 14.2%. Headline earnings per share decreased by 14.1% from 994.6 cents to 854.3 cents.

However, excluding the effect of the once-off items relating to Mediclinic's refinancing transaction referred to earlier, headline earnings increased by 11.5% from R5 113 million to R5 699 million, whereas headline earnings per share increased by 11.6% from 994.6 cents to 1 109.8 cents.

Food, liquor and home care

The contribution from food, liquor and home care to Remgro's headline earnings amounted to R1 120 million (2012: R1 240 million), representing a decrease of 9.7%. This decrease is mainly the result of a lower contribution from RCL Foods (previously Rainbow Chicken), which contributed R20 million to headline earnings (2012: R197 million). Cheap competitive chicken imports and high input costs are continuing to impact RCL Foods' results negatively. For the two months since acquisition, Foodcorp's contribution to RCL Foods' operating profit amounted to R99 million. Foodcorp's earnings for the two months were, however, materially affected by a R71 million adjustment to the value of its euro-denominated debt resulting from the weakening of the rand from 1 May to 30 June. Unilever's contribution to headline earnings increased by 16.1% to R426 million (2012: R367 million). This increase is mainly due to an increase in sales volume, as well as improved margins. Distell's contribution to Remgro's headline earnings, which includes the investments in Capevin Holdings and Capevin Investments, amounted to R363 million (2012: R324 million). Distell's improved financial results reflect satisfactory revenue growth as well as the positive influence of a weaker rand. TSB's contribution to headline earnings amounted to R311 million (2012: R352 million).

Banking

The contribution from the banking division amounted to R2 052 million (2012: R1 770 million), representing an increase of 15.9%. It should be noted that Remgro's interest in RMBH reduced since December 2011 due to Remgro facilitating

CONTRIBUTION TO HEADLINE EARNINGS

	Year ended 30 June 2013 R million	% change	Year ended 30 June 2012 R million
Food, liquor and home care	**1 120**	*(9.7)*	1 240
Banking	**2 052**	*15.9*	1 770
Healthcare	**(385)**	*(178.4)*	491
Insurance	**666**	*(13.3)*	768
Industrial	**661**	*49.2*	443
Infrastructure	**196**	*36.1*	144
Media and sport	**119**	*28.0*	93
Mining	**–**	*(100.0)*	148
Other investments	**57**	*235.3*	17
Central treasury	**3**	*(97.9)*	140
Other net corporate costs	**(102)**	*27.7*	(141)
Headline earnings	**4 387**	*(14.2)*	5 113
Mediclinic refinancing cost	**1 312**	–	–
Headline earnings, excluding Mediclinic refinancing cost	**5 699**	*11.5*	5 113

Refer to the composition of headline earnings on page 35 for further information.

the RMBH empowerment transaction by selling a portion of its interest to Royal Bafokeng. Both FirstRand and RMBH reported good headline earnings growth of 19.6% and 20.3% respectively, mainly due to strong operational performances in FNB, WesBank and RMB.

Healthcare

Mediclinic's contribution to Remgro's headline earnings amounted to a loss of R385 million (2012: R491 million profit). This decrease in profit was mainly due to the effect of the once-off items relating to Mediclinic's refinancing transaction referred to earlier. Excluding these once-off items, Mediclinic's contribution to Remgro's headline earnings would have increased by 88.8% to R927 million.

Insurance

RMI Holdings is the only investment being reported under insurance interests. During December 2011 Remgro also sold a portion of its interest in RMI Holdings to Royal Bafokeng. RMI Holdings reported a decline of 8.7% in headline earnings, with 21.5% and 3.2% lower earnings in OUTsurance and Discovery respectively, partly offset with good earnings growth by MMI Holdings (14.2%).

Industrial

Total South Africa's contribution to Remgro's headline earnings amounted to R258 million (2012: R124 million). Total South Africa reported substantial favourable stock revaluations during the year under review, compared to negative stock revaluations in the comparative period. Remgro's share of the results of KTH amounted to R149 million (2012: R93 million). This increase in KTH's contribution is mainly attributable to Remgro's higher interest in KTH, as well as the once-off initial recognition of deferred income tax in the previous year on its investments accounted for at fair value through profit and loss, resulting in a lower earnings base in the comparative period. Air Products' and Wispeco's contribution to headline earnings amounted to R180 million and R64 million respectively (2012: R181 million and R44 million), while PGSI contributed R10 million to Remgro's headline earnings (2012: R1 million).

Infrastructure

Grindrod's contribution to Remgro's headline earnings amounted to R144 million (2012: R88 million for the eight months since acquisition). For the year under review, the CIV group contributed R59 million to headline earnings (2012: R85 million). SEACOM reported a headline loss of R3 million for the year under review (2012: R109 million loss), with Remgro's share of this loss being less than R1 million (2012: R27 million).

Media and sport

Media and sport interests primarily consist of the interests in Sabido and Premier Team Holdings (PTH). Sabido's contribution to Remgro's headline earnings amounted to R148 million (2012: R129 million), while PTH's contribution to headline earnings amounted to a loss of R39 million (2012: R35 million loss).

Mining

Until the unbundling of Implats to Remgro shareholders during June 2012, Implats was the only remaining investment being reported under mining interests. Dividends received from Implats during the comparative year amounted to R148 million.

Other investments

The contribution from other investments to headline earnings amounted to R57 million (2012: R17 million), of which Business Partners' contribution was R32 million (2012: R12 million).

Central treasury and other net corporate costs

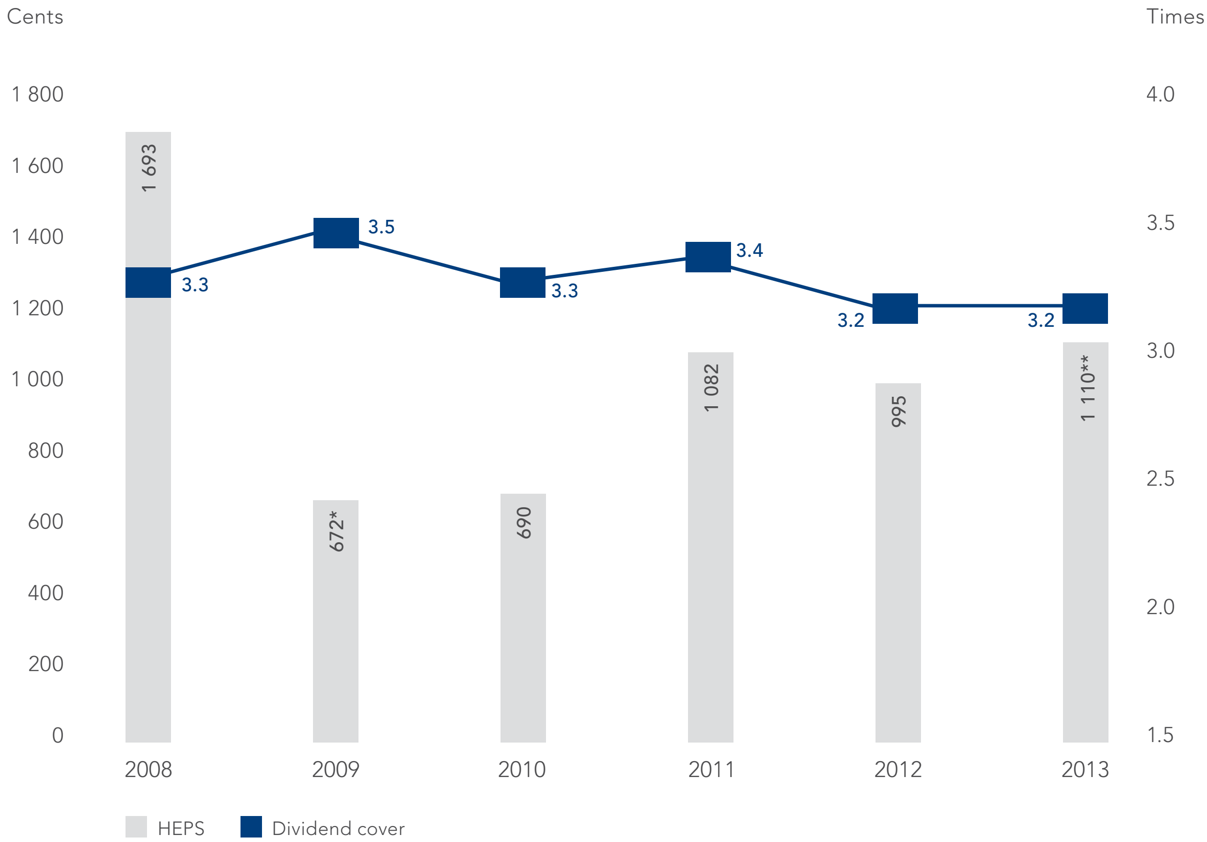
The contribution from the central treasury division amounted to R3 million (2012: R140 million). This decrease mainly resulted from foreign exchange losses of R98 million on the hedging of the repatriation of a portion of Remgro's offshore cash balances in anticipation of the RCL Foods rights offer early in March 2013. Other net corporate costs amounted to R102 million (2012: R141 million). This decrease is mainly the result of the net after-tax underwriting fee of R46 million received on the Mediclinic rights offer.

TOTAL EARNINGS

Total earnings decreased by 52.2% to R4 438 million (2012: R9 284 million), mainly as a result of capital gains amounting to R4 047 million realised on the disposal of RMBH shares and RMI shares to Royal Bafokeng, the disposal of Tracker and the unbundling of the investment in Implats in the comparative year, combined with the Mediclinic once-off refinancing losses in the year under review.

DIVIDEND COVER

HEPS: HEADLINE EARNINGS PER SHARE



* HEPS from continuing operations (post the unbundling of British American Tobacco Plc during November 2008)
** HEPS, excluding Mediclinic refinancing cost

CASH AT THE CENTRE AND FOREIGN EXCHANGE RATES

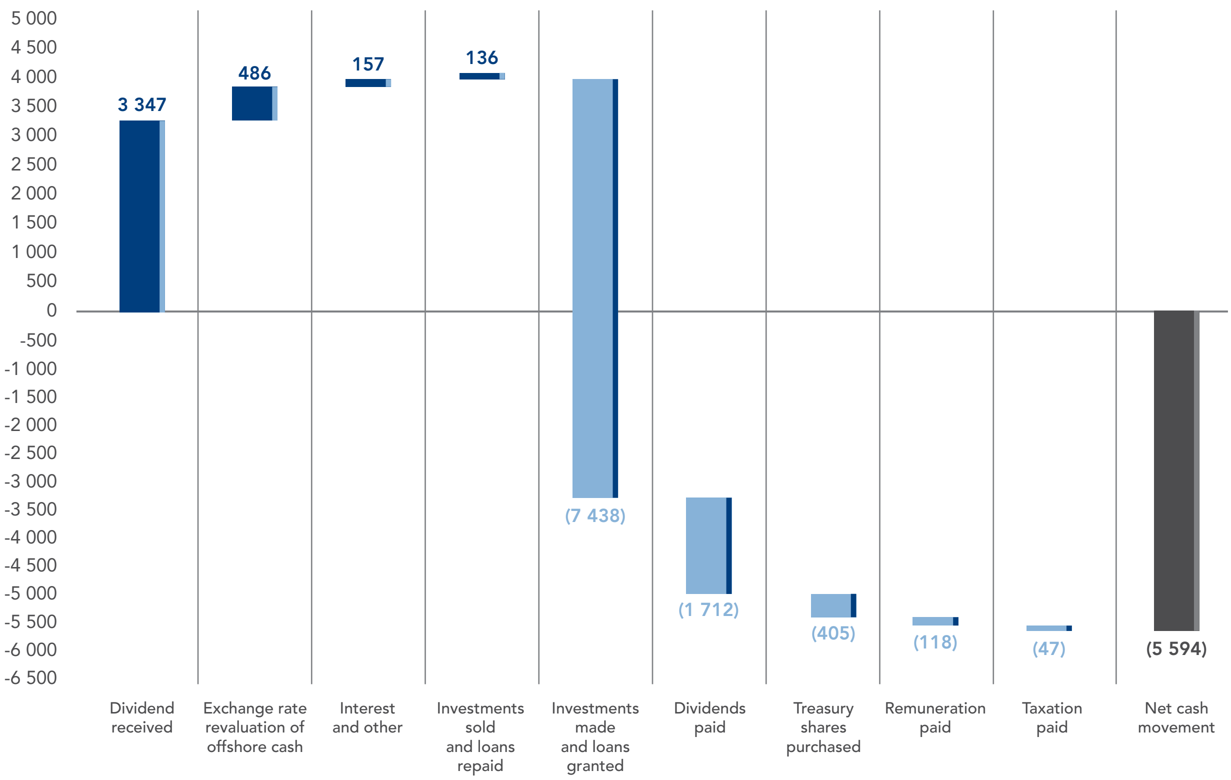
	30 June 2013			30 June 2012
	Currency value million	**Exchange rate**	**R million**	R million
USA dollar	**85.2**	**9.8696**	**841**	3 021
Euro	**26.5**	**12.8450**	**341**	666
British pound	**0.9**	**15.0185**	**14**	278
Swiss franc	**3.3**	**10.6383**	**35**	308
SA rand			**1 502**	4 054
			2 733	8 327

On 30 June 2013 Remgro's cash at the centre amounted to R2 733 million (2012: R8 327 million), of which 46% was invested offshore (2012: 52%). The cash is held in different currencies of which approximately 55% was held in SA rand, 31% in USA dollar, 12% in euro and 2% in Swiss franc and British pound.

Remgro's offshore cash is managed through a strategy whereby the exposure to different currencies is limited to certain maximum levels. During the year under review it was decided to repatriate a portion of the offshore funds in order to enable Remgro to participate in the RCL Foods rights offer referred to earlier. This utilisation of the offshore cash has resulted in the realisation of the majority of the cumulative foreign currency losses that were previously accounted for in equity. These losses amounting to R147 million were reclassified to the income statement but were accounted for outside of headline earnings.

As at 30 June 2013 the majority of Remgro's remaining offshore cash is already committed towards the expansion of existing offshore investments.

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



Closing exchange rates	30 June 2013	30 June 2012	*Movement %*
USD/ZAR	**9.8696**	8.1393	*(21.3)*
EUR/ZAR	**12.8450**	10.3347	*(24.3)*
GBP/ZAR	**15.0185**	12.7996	*(17.3)*
CHF/ZAR	**10.6383**	8.6059	*(23.6)*

Average exchange rates	Year ended 30 June 2013	Year ended 30 June 2012	*Movement %*
USD/ZAR	**8.8367**	7.7750	*(13.7)*
EUR/ZAR	**11.4383**	10.3821	*(10.2)*
GBP/ZAR	**13.8510**	12.3009	*(12.6)*
CHF/ZAR	**9.4002**	8.6659	*(8.5)*

CONTINGENT LIABILITIES

As at 30 June 2012 Remgro had three material unresolved disputes with the South African Revenue Service totalling R2 073 million. Two of these disputes, totalling R1 337 million, related to a potential secondary tax on companies (STC) liability involving previous cancellations of treasury shares, while the third matter amounting to R736 million, related to the disposal of investments.

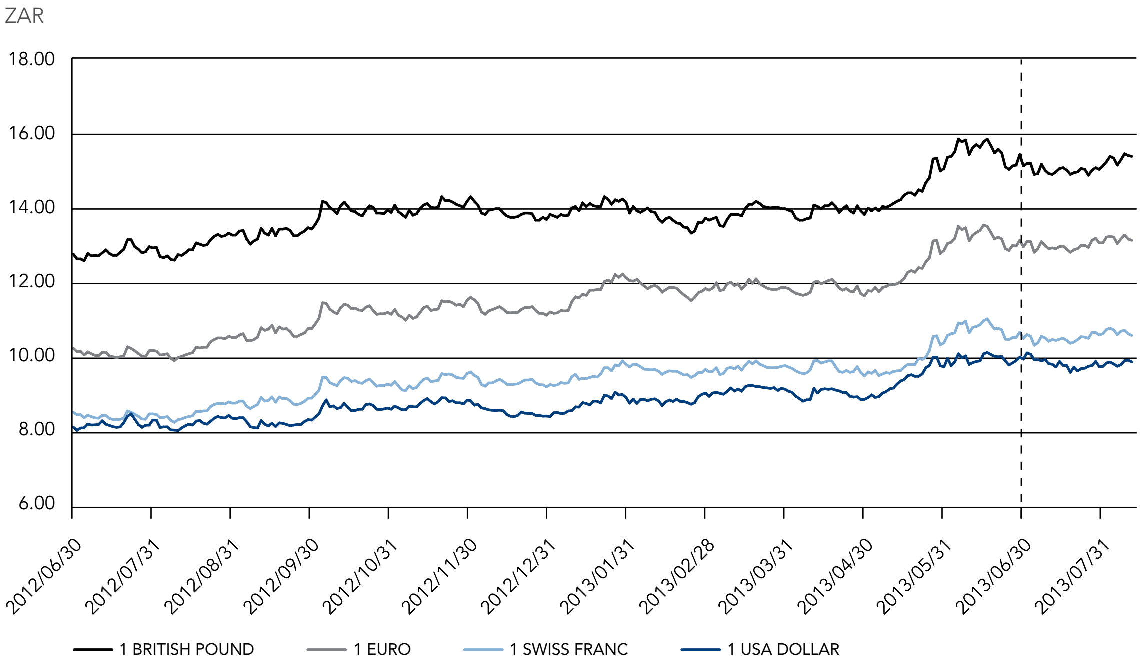
During the year under review all three disputes have been resolved in Remgro's favour.

DIVIDENDS

The final dividend per share was determined at 201 cents (2012: 188 cents). Total ordinary dividends per share in respect of the year to 30 June 2013 therefore amounted to 346 cents (2012: 314 cents).

The dividend is covered 3.2 times by headline earnings (excluding Mediclinic refinancing cost) against 3.2 times the previous year.

ZAR VS FOREIGN CURRENCIES REMGRO HOLDS



STC AND DIVIDEND TAX

With effect from 1 April 2012, STC was replaced with a dividend tax. In terms of the new legislation, companies will be allowed to apply their available STC credits against future dividends declared for a period of three years from the effective date of dividend tax. As at 30 June 2013 Remgro's available STC credits amounted to R3 668 million which can be offset against future dividend tax obligations of shareholders. R1 038 million of the STC credits will be utilised for the final dividend of 201 cents per share declared on 18 September 2013.

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 dividend tax percentage is applied.

INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share at 30 June 2013 was R204.83 compared to R152.61 on 30 June 2012. Refer to the Chief Executive Officer's Report on page 23 for a detailed discussion regarding Remgro's intrinsic net asset 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 years presented, with the exception of the implementation of the amendments to *IAS 1: Presentation of Financial Statements*. The adoption of the amended accounting standard only affected disclosure and had no impact on the results of either the current or prior years.

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) Enterprise Risk Management – Integrated 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 64, as well as in note 31 to the annual financial statements on page 163.

Leon Crouse
Chief Financial Officer

Stellenbosch
18 September 2013

COMPOSITION OF HEADLINE EARNINGS

	Year ended 30 June 2013 R million	Year ended 30 June 2012 R million
Food, liquor and home care		
Unilever South Africa	**426**	367
Distell[(1)]	**363**	324
RCL Foods	**20**	197
TSB	**311**	352
Banking		
RMBH	**1 444**	1 261
FirstRand	**608**	509
Healthcare		
Mediclinic	**(385)**	491
Insurance		
RMI Holdings	**666**	768
Industrial		
Air Products South Africa	**180**	181
KTH	**149**	93
Total South Africa	**258**	124
PGSI	**10**	1
Wispeco	**64**	44
Infrastructure		
Grindrod	**144**	88
CIV group[(2)]	**59**	85
SEACOM	**–**	(27)
Other infrastructure interests	**(7)**	(2)
Media and sport		
Sabido	**148**	129
Other media and sport interests	**(29)**	(36)
Mining		
Implats	**–**	148
Other investments	**57**	17
Central treasury	**3**	140
Other net corporate costs	**(102)**	(141)
Headline earnings	**4 387**	5 113
Weighted number of shares (million)	**513.5**	514.1
Headline earnings per share (cents)	**854.3**	994.6

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

FOOD, LIQUOR AND HOME CARE

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2013 R million	30 June 2012 R million
Unilever	**426**	367
Distell	**363**	324
RCL Foods	**20**	197
TSB	**311**	352
	1 120	1 240

25.8%
effective interest

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, Sunlight, Omo, Surf, Vaseline* and *Lux*.

Equity valuation at 30 June 2013

R33 692 million

Chief Executive Officer

M van Tiggelen

Unlisted

Remgro nominated directors

J J Durand, J J du Toit

Website

www.unilever.co.za

UNILEVER SOUTH AFRICA HOLDINGS PROPRIETARY LIMITED (UNILEVER SOUTH AFRICA)

Unilever South Africa has a December year-end and therefore its results for the twelve months ended 30 June 2013 have been included in Remgro's results for the year under review.

Unilever South Africa's contribution to Remgro's headline earnings for the year under review increased by 16% to R426 million (2012: R367 million), mainly due to turnover growth and improved margins. Included in Remgro's share of Unilever's earnings are restructuring costs amounting to R61 million (2012: R17 million), increasing as a result of dual running and transition costs incurred on the commissioning of a new Savoury factory as well as streamlining its Home Care and Personal Care factories in order to drive cost efficiencies. Despite the increase in headline earnings for the twelve months to 30 June 2013, Unilever South Africa's headline earnings for its six months to 30 June 2013 declined slightly to R576 million (six months to 30 June 2012: R579 million).

Unilever South Africa's turnover for the twelve months to 30 June 2013 increased by 10% to R16 010 million (2012: R14 572 million), primarily driven by increased volumes in the Home Care, Beauty, Ice Cream and Savoury & Dressings categories coupled with the recovery of price increases in commodities and new innovations. The acquisition of brands such as *Mentadent P* and *Close Up* also had a positive contribution to the increase in turnover.

Unilever South Africa's net profit for the twelve months to 30 June 2013 increased by 3% to R1 784 million (2012: R1 739 million). The net profit includes profit on the disposal of brands amounting to R156 million, relating to *Mrs Ball's* (2012: R267 million, relating to *Sanex* and *Status*).

33.4%
total effective interest

Profile

Distell produces and markets fine wines, spirits and flavoured alcoholic beverages in South Africa and internationally.

Market capitalisation at 30 June 2013

R24 790 million

Managing Director

J J Scannell

Listed on the JSE Limited

Remgro nominated directors

J J Durand, L C Verwey

Website

www.distell.co.za

DISTELL GROUP LIMITED (DISTELL)

Distell has a June year-end and therefore its results for the twelve months ended 30 June 2013 have been included in Remgro's results for the year under review. Distell's contribution to Remgro's headline earnings for the year under review, which includes Remgro's indirect interest in Distell held through Capevin Holdings Limited, increased by 12% to R363 million (2012: R324 million).

Distell reported for its year ended 30 June 2013 that turnover grew by 12% to R15.9 billion (2012: R14.2 billion) on a sales volume increase of 7.2%. Sales volume in the South African market increased by 6.1%, whilst revenue increased by 8.6%. International sales volumes and revenue, including Africa, increased by 10.2% and 23.1% respectively, benefiting from a weaker rand. Sub-Saharan African markets, excluding South Africa, contributed 55.6% to international revenue.

Distell's headline earnings for its year ended 30 June 2013 increased by 12% from R970 million to R1 086 million, reflecting satisfying revenue growth and the positive impact of a weaker rand. The benefits from improved operational efficiencies, the normalisation of certain raw material input costs and foreign currency conversion gains have partially offset higher excise duties and marketing expenses, as well as once-off costs related to the acquisitions of Burn Stewart Distillers Limited and a controlling interest in Distell (Hong Kong) Limited.

75.9%
effective interest

Profile

RCL Foods is a holding company with interests in diversified food businesses, which include Rainbow Chicken, Foodcorp and Zam Chick, as well as integrated logistics operations through Vector Logistics.

Market capitalisation at 30 June 2013

R9 694 million

Chief Executive Officer

M Dally

Listed on the JSE Limited

Remgro nominated directors

H J Carse, J J Durand, P R Louw

Website

www.rainbowchicken.co.za

RCL FOODS LIMITED (RCL FOODS)

RCL Foods, formerly known as Rainbow Chicken Limited, acquired a controlling interest in New Foodcorp Holdings Proprietary Limited (Foodcorp) with effect from 1 May 2013. Due to the inclusion of two months of Foodcorp's results during the year under review, the results of RCL Foods are not directly comparable to those of the previous year.

For the year ended 30 June 2013, the headline earnings of RCL Foods amounted to R28 million (2012: R267 million). The decrease is mainly due to the continued difficult trading conditions in the poultry industry as cheaper chicken imports have reached record levels, consumers remain under pressure and feed raw material costs continued to escalate. Other factors that contributed to this decrease are once-off acquisition costs relating to the Foodcorp transaction and Foodcorp's funding costs.

RCL Foods' total revenue for the year under review increased by 29% to R10 109 million (2012: R7 855 million), with Foodcorp's contribution to revenue amounting to R1 218 million for the two months since acquisition. Revenue from the chicken business increased by 13% to R8 144 million (2012: R7 197 million), but its contribution to operating profit decreased to a loss of R4 million (2012: operating profit of R246 million) as individually quick frozen products have sold below cost for most of the financial year. Vector, RCL Foods' logistics operations, has also been impacted by weak consumer demand and depressed economic conditions, resulting in a decline of 15% in operating profit to R143 million (2012: R169 million).

RCL Foods also acquired a 49% shareholding in Zam Chick, which entails broiler operations in Zambia, enhancing its strategic focus of building a diversified food business of scale in sub-Saharan Africa with compelling brands that meet consumer and customer needs.

100%
effective interest

Profile

TSB is involved in cane growing and the production, transport and marketing of sugar and animal feed.

Equity valuation at 30 June 2013

R3 964 million

Chief Executive Officer

J du Plessis

Unlisted

Remgro nominated directors

J W Dreyer, J J du Toit, P J Uys

Website

www.tsb.co.za

TSB SUGAR HOLDINGS PROPRIETARY LIMITED (TSB)

TSB's contribution to Remgro's headline earnings for the year under review amounted to R311 million (2012: R352 million). This decrease was mainly due to the negative impact of lower sugar production, lower sales volumes and lower than anticipated margins. TSB's performance was satisfactory considering the difficult market conditions.

Turnover for the year under review increased by 9% to R5 022 million (2012: R4 621 million). The increase was mainly attributable to higher sugar prices and an increase in export volumes.

TSB's raw sugar production for the season (April 2012 to March 2013) decreased by 8.9% to 560 244 tons (2011/2012 season: 615 046 tons) while the South African sugar industry's total production for the same period increased by 7.1% post the drought in KwaZulu-Natal. This resulted in TSB's production share decreasing from 33.7% in the 2011/2012 season to 28.7% in the 2012/2013 season. The decrease in TSB's production was mainly attributed to the countrywide transport strike and higher than normal rainfall during the crushing season. During the first three months of the new season (April 2013 to June 2013) TSB produced 246 282 tons of sugar compared to 233 684 tons in the comparative period of the previous year. This was due to favourable climatic conditions and good factory performances.

The contribution of the Molatek animal feeds division to TSB's operating profit increased to 25.2% (2012: 16.1%) due to improved margins.

The Royal Swaziland Sugar Corporation's contribution to TSB's headline earnings for the year under review amounted to R121 million (2012: R73 million) and was positively impacted by an increase in production as well as better than anticipated sugar prices.

BANKING

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2013 R million	30 June 2012 R million
RMBH	**1 444**	1 261
FirstRand	**608**	509
	2 052	1 770

27.9%
effective interest

Profile
RMBH is a focused investment company, holding a 33.9% interest in FirstRand, Southern Africa's pre-eminent banking group.

Market capitalisation at 30 June 2013
R55 621 million

Chief Executive Officer
P Cooper

Listed on the JSE Limited

Remgro nominated directors
L Crouse, J J Durand

Website
www.rmbh.co.za

RMB HOLDINGS LIMITED (RMBH)

The contribution of RMBH to Remgro's headline earnings for the year under review amounted to R1 444 million (2012: R1 261 million).

During 2011, RMBH has restructured its banking and insurance interests into two separately listed entities by unbundling all of its interests in insurance assets (among others MMI Holdings Limited, Discovery Holdings Limited and OUTsurance Limited) in the form of a newly listed company, RMI Holdings Limited, to its shareholders. RMBH's only asset, subsequent to the restructuring, is its 33.9% fully diluted interest in FirstRand Limited.

4.0%
effective direct interest
(total effective interest: 13.8%)

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.

Market capitalisation at 30 June 2013
R163 106 million

Chief Executive Officer
S E Nxasana

Listed on the JSE Limited

Remgro nominated directors
L Crouse, J J Durand

Website
www.firstrand.co.za

FIRSTRAND LIMITED (FIRSTRAND)

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 2013 reported that headline earnings increased by 20% to R15 114 million (2012: R12 642 million), as all three franchises delivered a strong operational performance and showed excellent revenue growth. The group's net interest income, as well as non-interest revenue, has each grown by 13% year on year, as operating cost increases were limited to 9%.

The group believes that normalised earnings more accurately reflect operational performance and therefore headline earnings are adjusted to take into account non-operational items and accounting anomalies.

FirstRand's normalised earnings for the year under review increased by 20% to R15 323 million (2012: R12 730 million). FNB's contribution to normalised earnings increased by 22% to R8 162 million (2012: R6 666 million). This was driven by customer acquisition, loan and deposit growth and the continued focus on driving transactional volumes across all of its platforms, particularly its electronic platform. RMB contributed R4 426 million (2012: R3 654 million) to FirstRand's normalised earnings representing an increase of 21% from the previous year, as its diversified investment banking and corporate portfolios delivered strong profit growth. The contribution of WesBank to normalised earnings increased by 10% to R2 852 million (2012: R2 599 million), as it continued to grow new business volumes across all portfolios.

During the year FirstRand launched its investment management franchise, Ashburton Investments, whose long-term strategic objective is to become the leading new-generation investment manager in Africa. Ashburton is managed separately from the banking business, avoiding any potential conflicts of interest.

HEALTHCARE

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2013 R million	30 June 2012 R million
Mediclinic	**(385)**	491

44.3%
effective interest

MEDICLINIC INTERNATIONAL

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.

Market capitalisation at 30 June 2013

R56 779 million

Chief Executive Officer

D P Meintjes

Listed on the JSE Limited

Remgro nominated directors

J J Durand, E de la H Hertzog, P J Uys

Website

www.mediclinic.com

MEDICLINIC INTERNATIONAL LIMITED (MEDICLINIC)

Mediclinic has a March year-end and therefore its results for the twelve months to 31 March 2013 have been equity accounted in Remgro's results for the year under review.

Mediclinic's contribution to Remgro's headline earnings for the year under review amounted to a loss of R385 million (2012: headline earnings of R491 million). This decrease results mainly from once-off charges relating to the refinancing of its Swiss and South African debt during October 2012, of which Remgro's share of these once-off items amounts to R1 312 million. Excluding these once-off costs, Mediclinic's contribution would have increased by 89% from R491 million to R927 million, reflecting a solid operating performance as well as the positive impact of a weaker rand and the leveraging effect of the group's improved capital structure.

Mediclinic's turnover for its year ended 31 March 2013 increased by 12% to R24 562 million (2012: R21 986 million), with strong performances from all three operating platforms.

Mediclinic Southern Africa's revenue increased by 8% to R10 185 million (2012: R9 423 million) for the year under review, mainly due to a 3.5% increase in bed-days sold and a 4.6% increase in the average income per bed-day. Operating income before interest, taxation, depreciation and amortisation (EBITDA) increased by 11% to R2 169 million (2012: R1 957 million) and the Southern African operations contributed R906 million (2012: R787 million) to the normalised 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 11% to R11 892 million (2012: R10 732 million) and normalised EBITDA, which excludes the effect of an adjustment to past service costs of the Hirslanden pension fund and a pre-acquisition Swiss tariff provision charge, was 16% higher at R2 716 million (2012: R2 350 million). The decrease in the average rand/Swiss franc exchange rate for the year positively impacted the financial numbers above, with revenue and normalised EBITDA increasing by 5% and 8% respectively at constant foreign exchange rates.

During the year under review, Mediclinic has increased its shareholding in Emirates Healthcare Holdings Limited, which owns and operates the Welcare Hospital and the City Hospital in Dubai, from 50.4% to 100%. The Emirates Healthcare brand was subsequently rebranded to Mediclinic. Revenue from the Middle East platform increased by 36% to R2 485 million (2012: R1 831 million) for the year under review, while EBITDA increased to R495 million (2012: R348 million). This growth was achieved due to a solid performance from all business units, as inpatient hospital admissions increased by 13%, while hospital outpatient consultations and visits to the emergency units increased by 8%. Clinic outpatient consultations increased by 14%.

The group remains uniquely positioned across three diverse international operating platforms. Meeting the needs of its patients in the most cost-effective way remains a key priority for Mediclinic and the group will continue investing in better facilities and processes to improve the patient experience.

INSURANCE

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2013 R million	30 June 2012 R million
RMI Holdings	**666**	768

30.3%
effective interest

Profile

RMI is a listed investment entity holding interests in Discovery Holdings Limited, MMI Holdings Limited, OUTsurance and RMB Structured Insurance.

Market capitalisation at 30 June 2013

R37 439 million

Chief Executive Officer

P Cooper

Listed on the JSE Limited

Remgro nominated directors on RMI board

L Crouse, J J Durand

Remgro nominated directors at other companies

J J Durand (Discovery Holdings Limited), G J Roberts-Baxter (OUTsurance Holdings Limited), L Crouse (MMI Holdings)

Website

www.rminsurance.co.za

RMI HOLDINGS LIMITED (RMI)

RMI was formed during 2011, as a result of a restructuring by RMBH, whereby the insurance and banking interests of RMBH have been separated and the insurance interests unbundled, subsequent to the listing of RMI on the JSE.

The underlying investments of RMI (with % interest in brackets) include Discovery Holdings Limited (25%), MMI Holdings Limited (25%), OUTsurance Holdings Limited (83%) and RMB Structured Insurance Limited (76%). Discovery services the healthcare 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 individual insurance and financial risk solutions for large corporates by using innovative financial structures.

RMI reported headline earnings of R2 201 million (2012: R2 410 million) for its year ended 30 June 2013. OUTsurance, Discovery and MMI contributed R990 million (2012: R1 261 million), R551 million (2012: R569 million) and R628 million (2012: R550 million) respectively. However, the group believes that normalised earnings more accurately reflect operational performance and therefore headline earnings are adjusted to take into account non-operational items and accounting anomalies.

RMI's normalised earnings for the year under review increased by 7% to R2 525 million (2012: R2 370 million). Discovery's contribution to normalised earnings increased by 21% to R699 million (2012: R579 million), as the group's overall new business grew by 15% and its UK operations performed exceptionally well. MMI contributed R803 million (2012: R746 million) to RMI's normalised earnings representing an increase of 8% from the previous year, as new business grew by 19% and expense savings from the merger is progressing well. The contribution of OUTsurance to normalised earnings decreased slightly by 2% to R990 million (2012: R1 010 million), as the group experienced increased claims resulting from severe weather-related natural catastrophes during the second and third quarters of its financial year. A well-structured, conservative re-insurance programme that absorbed most of these losses and a solid operating performance from the South African business has negated the impact of these catastrophes.

INDUSTRIAL

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2013 R million	30 June 2012 R million
Air Products	**180**	181
KTH	**149**	93
Total	**258**	124
PGSI	**10**	1
Wispeco	**64**	44
	661	443

50%
effective interest

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 2013

R6 251 million

Chief Executive Officer

M Hellyar

Unlisted

Remgro nominated directors

J W Dreyer, N J Williams

Website

www.airproductsafrica.co.za

AIR PRODUCTS SOUTH AFRICA PROPRIETARY LIMITED (AIR PRODUCTS)

Air Products has a September year-end and therefore its results for the twelve months ended 31 March 2013 have been included in Remgro's results for the year under review. Air Products' contribution to Remgro's headline earnings for the year under review declined slightly to R180 million (2012: R181 million).

Turnover for Air Products' twelve months ended 31 March 2013 increased by 8.6% to R1 682 million (2012: R1 549 million), while the company's operating profit for the same period decreased by 3.3% to R525 million (2012: R543 million). Operating profit for the prior period was positively impacted by mark-to-market profits of R30 million on forward exchange contracts to cover imports of capital equipment.

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.

Demand for large tonnage industrial gases has shown little sign of recovery as steel output and resources demand remain muted. Major unplanned plant outages at facilities in the steel industry have also had a disruptive effect on gas production at these sites during the current period.

Volumes in the bulk liquid and packaged gases have been slightly below expectations, impacted negatively by labour unrest in several market sectors and low manufacturing growth.

34.7%
effective interest

Profile

KTH is an established black economic controlled company with a focus on investment banking services, media and strategic investments. KTH has an investment portfolio and strategy that is complementary to that of Remgro. Its major investments include Kagiso Media Limited, MMI Holdings Limited and Exxaro Resources Limited.

Equity valuation at 30 June 2013

R5 808 million

Chief Executive Officer

V Nkonyeni

Unlisted

Remgro nominated directors

H J Carse, J W Dreyer, M V Kruger

Website

www.kagiso.com

KAGISO TISO HOLDINGS PROPRIETARY LIMITED (RF) (KTH)

KTH is a leading black-owned investment company with in excess of R15 billion in assets and a net asset value of R10 billion. KTH has a strong and diversified asset portfolio covering the resources, industrial, media, financial services, healthcare, property and information technology sectors.

KTH has a June year-end and therefore its results for its year ended 30 June 2013 have been included in Remgro's results for the year under review. KTH's contribution to Remgro's headline earnings for the year under review amounted to R148 million (2012: R93 million). This increase is partly due to Remgro's increased shareholding in KTH from 27.5% to 34.7%.

It should be noted that KTH's results for the previous year included the initial raising of deferred income tax on investments accounted for at fair value through profit and loss, resulting in a non-recurring deferred income tax charge of R455 million and a relatively lower earnings base for the previous year. The increase in earnings was also driven by good operating performances from Kagiso Media Limited and Kagiso Asset Management Proprietary Limited, partially offset by a decrease in KTH's net attributable share of fair value adjustments amounting to R142 million (2012: R344 million). Results for the year under review were impacted by negative fair value adjustments on investments in Exxaro Resources Limited and Aveng Limited, partially offset by positive fair value adjustments on investments in MMI Holdings Limited, AECI Limited and Emira Property Fund. A decrease of R64 million in net finance cost, compared to the previous year, has also contributed positively to earnings.

Income from equity accounted investments remained flat at R259 million (2012: R259 million), with major contributions from its investments in Kagiso Strategic Investments and Actom Investment Holdings Proprietary Limited. A special dividend of R55 million has also been received from MMI Holdings Limited during the year under review, as dividend income increased to R348 million (2012: R306 million).

KTH has a well-defined investment and business strategy, a sound asset and capital base and an experienced and diverse management team which positions the group as a leading black-owned and managed investment company.

24.9%
effective interest

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. Proprietary Limited (Natref).

Equity valuation at 30 June 2013

R5 120 million

Chief Executive Officer

C M R J des Closières

Unlisted

Remgro nominated directors

L Crouse, N J Williams

Website

www.total.co.za

TOTAL SOUTH AFRICA PROPRIETARY LIMITED (TOTAL)

Total has a December year-end and therefore its results for the twelve months ended 30 June 2013 have been included in Remgro's results for the year under review. Total's contribution to Remgro's headline earnings for the year under review amounted to R258 million (2012: R124 million).

Total's turnover for the twelve months to 30 June 2013 increased by 10% from R34 396 million to R37 767 million, while operating profit increased to R1 049 million (2012: R810 million). The improved performance results mainly from stock revaluation gains of R355 million (2012: losses of R111 million), as the international oil price increased from US$94 per barrel, at 30 June 2012, to US$103 per barrel at 30 June 2013.

Retail sales of petroleum products achieved lower levels than during 2012. The demand for petroleum products in the retail business has decreased due to petrol pump prices reaching levels above R12 per litre and consumer reaction thereto. An increase in the wholesale margin of 5.5 cents per litre and a retail margin increase of 3.9 cents per litre, announced by the Department of Energy during December 2012 has, however, offset the negative impact of the lower demand.

The company is intensifying its investments regarding the health, safety, environment and quality constraints, at its depots as well as at its service stations. In particular, Total has launched a project to make sure all its service stations are fully compliant with Total Group norms, which are more onerous than those for the South African industry.

Natref (in which Total has an interest of 36.4%) experienced a planned global shutdown of the refinery during October 2012, which negatively impacted production during the year. Refining margins have continued to recover, due to favourable market prices for gasoline and jet fuel, and have reached higher levels during 2013.

28.5%
effective interest

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.

Equity valuation at 30 June 2013

R1 432 million

Chief Executive Officer

S Jennings

Unlisted

Remgro nominated director

J J du Toit

Website

www.pg.co.za

PGSI LIMITED (PGSI)

PGSI has a December year-end and therefore its results for the twelve months ended 30 June 2013 have been included in Remgro's results for the year under review. PGSI's contribution to Remgro's headline earnings for the year under review amounted to R10 million (2012: R1 million), which includes a negative fair value adjustment of R7 million (2012: negative adjustment of R3 million) on the conversion right attached to PGSI preference shares.

PGSI's turnover for the period under review increased by 8.3% from R3 138 million to R3 398 million, while its operating profit amounted to R100 million (2012: R86 million). The increase in operating profit was driven by an improvement in the economic climate both domestically and internationally, and a weakening in the rand currency. While the economic climate is showing some improvement it still appears fragile and uncertain, and imports of float and automotive glass, particularly from China, remain a concern. The fall-out of some domestic players and the closure of float lines in Europe have, however, resulted in reduced overall supply.

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 domestic building sector. While the low-cost housing sectors have shown some positive growth, commercial buildings and the middle and upper-class home sectors are lagging and continue to experience slow glass demand. The Group's expansion into Africa has assisted to drive growth in sales. Excess global and local manufacturing capacity has resulted in reduced margins on a number of product lines. The lower domestic demand also led to increased capacity which was exported and resulted in an adverse domestic/export sales mix. Growth in new car sales was positive which assisted sales from the Shatterprufe division. Export vehicle build is up on the prior period due to the stronger export demand for local Original Equipment Manufacturers.

The difficult market conditions for manufacturing in South Africa over the past few years have been further exacerbated by continued increases in energy costs and a very volatile rand, but the current levels of the rand will have a positive impact on the business, as the group will benefit from increased export earnings and reduced import volumes. The PG Group has embarked on a number of initiatives to improve profitability in this difficult trading environment, including the reorganisation of management structures to focus on opportunities as well as efficiency, cost reduction and increasing yields at all manufacturing facilities, which are all starting to show positive impacts on earnings.

100%
effective interest

Profile

Wispeco's main business is the manufacturing and distribution of extruded aluminium profiles used mainly in the building, engineering and durable goods sectors.

Equity valuation at 30 June 2013

R414 million

Chief Executive Officer

H Rolfes

Unlisted

Remgro nominated directors

S J de Villiers, J W Dreyer, J J du Toit

Website

www.wispeco.co.za

WISPECO HOLDINGS LIMITED (WISPECO)

Turnover for the year ended 30 June 2013 increased by 13% to R1 193 million (2012: R1 055 million). This growth in turnover was driven by increased sales volumes as well as two general price adjustments implemented during the year under review. Headline earnings for the year increased by 45% to R64 million (2012: R44 million) as a result of higher turnover achieved against a stable overhead cost structure, sustained margins and cost reduction through productivity improvement. These results have been achieved despite intense competition from local extruders and continued growth of low-cost imports from the East.

Wispeco made strong advances in increased productivity and efficiencies in its main manufacturing divisions. These initiatives were aimed at enhancing competitiveness against local and foreign competitors. Implementation by government of the long-debated aluminium scrap export control measures in the coming year, will enable Wispeco to expand its scrap recycling initiative, thereby reducing its reliance on primary sources and further reducing its carbon footprint.

Increased popularity and market acceptance of Wispeco's range of *Crealco* products are aided by the approved software packages, U-Solve (thermal window design) and Starfront (design-cost-and-cutting), which are made available to its customers and construction specifiers. These software packages support design compliance under the National Building Regulations as well as optimisation of thermal window performance.

The emerging renewable energy market, in particular demand from the solar power generation plants (both photovoltaic and concentrated solar power), started slower than expected but materialised into real orders during the first half of 2013. This demand also boosted Wispeco's throughput for the year under review.

General market conditions remain challenging and Wispeco's continued growth will depend on manufacturing excellence as well as market development and support initiatives.

INFRASTRUCTURE

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2013 R million	30 June 2012 R million
Grindrod	**144**	88
CIV group	**59**	85
SEACOM	**–**	(27)
Other	**(7)**	(2)
	196	144

25.0%
effective interest

Profile

Grindrod is an investment holding company whose business involves the movement of cargo by road, rail, sea and air, through integrated logistics services utilising specialised assets and infrastructure, including vehicles, locomotives, ships, ports, terminals, warehouses and depots.

Market capitalisation at 30 June 2013

R12 603 million

Chief Executive Officer

A Olivier

Listed on the JSE Limited

Remgro nominated director

J J Durand

Website

www.grindrod.co.za

GRINDROD LIMITED (GRINDROD)

During the previous financial year, Remgro acquired an effective interest of 23.5% in Grindrod which operates mainly in the shipping and freight logistics industry. Remgro has increased its shareholding to 25% during the year under review.

Grindrod has a December year-end and therefore its results for the twelve months to 30 June 2013 have been included in Remgro's results for the year under review. Grindrod's contribution to Remgro's headline earnings for the year under review amounted to R144 million (eight months to 30 June 2012: R88 million). Due to the initial acquisition towards the end of October 2011, eight months of the results of Grindrod have been included in Remgro's prior year results, making year-on-year comparison not possible.

Grindrod's reported net profit for the six months to 30 June 2013 decreased by 9% to R586 million (2012: R641 million). The net profit for the comparative period includes a once-off profit of R415 million generated on the disposal of 35% in the Maputo coal terminal. Headline earnings which, inter alia, excludes the impact of the aforementioned item, however increased by 29% to R450 million (2012: R348 million). This increase is mainly attributable to improved operating performances from the Freight Services and Shipping divisions contributing R463 million (2012: R253 million) and R137 million (2012: R47 million) respectively to operating profit before interest and tax.

Capital expenditure for the six months to 30 June 2013 amounted to R1 billion, of which 80% was expansionary and the rest for maintenance and replacement purposes. Future capital continues to be committed to the expansion of terminal capacity, rail infrastructure, locomotives and ships. The group is confident that it has adequate funding for all capital commitments through its cash resources and bank facilities.

43.8%
effective interest

CIV FNS/DFA
CIE TELECOMMS
CIV POWER
CENTRAL LAKE

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 to the telecommunication industry.

CIV Power provides lightning and power surge protection products and solutions as well as electricity quality of supply products, but its underlying investments have been sold during the year.

Central Lake is an investment holding company with indirect interests in CIV FNS, CIE Telecommunications and CIV Power.

Equity valuation at 30 June 2013

R4 104 million

Chief Executive Officer

C Steyn

Unlisted

Remgro nominated directors

L Crouse, P J Uys

Website

www.civ.co.za

COMMUNITY INVESTMENT VENTURES HOLDINGS PROPRIETARY LIMITED (CIV GROUP)

Remgro has an effective interest of 43.8% in the CIV group which is active in the telecommunications and information technology sectors. Taking into account Remgro's direct interest of 23% in Dark Fibre Africa (DFA), Remgro has an economic interest of 49.7% in the net asset value of the group. The group has decided to focus on the telecommunications infrastructure market and as a consequence the company is in the process of disposing of companies that are not directly aligned with this vision. All of the power industry investments have already been sold. The balance of the non-core operating assets in the telecommunications portfolio is at various stages in the disposal process. The key operating company to remain is DFA which constructs and owns fibre-optic networks.

The CIV group has a March year-end and therefore its results for the twelve months ended 31 March 2013 have been included in Remgro's results for the year under review. The CIV group's contribution to Remgro's headline earnings for the year under review amounted to R59 million (2012: R85 million), of which the major contributors were CIE Telecommunications (R27 million) and DFA (R25 million).

DFA's revenue for the year under review increased by 24% to R683 million (2012: R549 million) underpinned by solid growth of 27% in annuity revenue. One of the main operating challenges that DFA faces is the slower than anticipated site build by customers that affects DFA's ability to link mobile operator base station sites to the fibre network, which causes a delay in annuity revenue generation to offset increasing depreciation and finance charges incurred on network rollout costs, resulting in lower earnings for the year under review. DFA has thus far secured a healthy annuity income of R46 million per month. Most of DFA's customers extended their initial contract periods of five years to either ten or fifteen years. The network uptime for the period under review was 99.985%

Once a section of network is completed, the asset is recognised and then depreciated on the full infrastructure cost and finance charges incurred. The current value of the fibre-optic network is already in excess of R4 billion.

DFA owns fibre network rings in Johannesburg, Cape Town, Durban (expanding to Pietermaritzburg), Midrand, Centurion and Pretoria. During the past year, the network has been expanded to a further 17 smaller metros. The Johannesburg ring is regarded as one of the most important communication rings in Africa. At 31 March 2013, a total distance of 7 315 km of fibre network has been completed in the major metropolitan areas and on long-haul routes. Long-haul routes include Durban to the SEACOM landing station in Mtunzini, which route was extended through Empangeni to Gauteng. DFA also completed building a long-haul route to link Cape Town to the West African Cable System (WACS) undersea cable landing station at Yzerfontein.

In 2010 DFA commenced with the fibre-to-tower project linking mobile phone operators' base stations to the core communication rings, and the project will continue through 2013 and beyond as demand for mobile backhaul increases due to, amongst others, a strong growth in data demand by smartphones and Long Term Evolution (LTE) technology. Mobile backhaul is a major growth driver for DFA due to the increased demand for mobile broadband. DFA has 4 276 base transceiver station (BTS) sites on the network that cover three of the four mobile operators. DFA monitors and maintains a total of 4 665 customer circuits. The next growth drivers for DFA will be the enterprise market and the public sector.

DFA has signed commercial lease agreements with 41 customers that have Electronic Communication Network (ECN) Licences ranging from the largest incumbents, to banks, to small niche operators. The revenue model is flexible to adapt to the customers' needs, and DFA either sells an indefeasible right of use agreement (IRU) which is a lump sum in advance, or on an annuity basis with multi-year contracts of up to 15 years. Presently approximately 64% of total revenue is annuity revenue.

25%

effective interest

SEACOM

Profile

SEACOM provides high-capacity international fibre-optic bandwidth for Southern and East Africa.

Equity valuation at 30 June 2013

R4 276 million

Chief Executive Officer

M Simpson

Unlisted

Remgro nominated directors

H J Carse, G J Roberts-Baxter

Website

www.seacom.mu

SEACOM CAPITAL LIMITED (SEACOM)

Remgro has an effective interest of 25% in SEACOM which launched the first 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 twelve months ended 30 June 2013 have been included in Remgro's results for the year under review. SEACOM's contribution to Remgro's headline earnings for the period under review amounted to RNil (2012: loss of R27 million). SEACOM is, however, cash flow positive and Remgro has received dividends of R100 million from SEACOM during the year under review, bringing the cumulative dividends received since the acquisition of VenFin Limited to R280 million.

SEACOM provides high-capacity international bandwidth services to customers in the form of International Private Line circuits and IP Transit Services. These services are sold as leases and as 15 to 20-year IRUs including maintenance charges, whereby the revenue is accounted for over the full term of 15 or 20 years.

SEACOM's improved performance compared to the loss in 2012 was due to operational savings on direct cost and administrative expenses. SEACOM maintains a proactive approach to ensuring profitability, by implementing various cost-saving initiatives.

With the arrival of WACS during May 2012, a consortium cable system linking Southern Africa to Europe via the West Coast, competition for services out of Southern Africa has increased significantly. Recent upgrades to the EASSy system, its East Coast competitor, has also increased supply and continues to drive more aggressive price declines into the market. The increased competition and the resulting market price uncertainty is limiting increase in IRU sales.

Fortunately, with affordability improving, demand elasticity is playing its part positively ensuring that demand grows above expectations. Furthermore, ongoing reductions in terrestrial costs (mobile operator deals and other operators such as Dark Fibre Africa and FibreCo) and increased demand for reliable protected routes around Africa are also leading to increased demand. SEACOM's ability to change with the rapidly evolving market and respond to demand faster than others is critical to maintain its ongoing competitive positioning.

OTHER INFRASTRUCTURE INTERESTS

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

PRIMCO AND PRIF

Profile

Pembani Remgro Infrastructure Managers Proprietary Limited (PRIMCO) is the advisor to Pembani Remgro Infrastructure Fund I (PRIF), a fund focusing on private sector investment in infrastructure across the African continent.

PEMBANI • REMGRO

PEMBANI REMGRO INFRASTRUCTURE FUND I

50% & 83.3%
effective interest

MEDIA AND SPORT

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2013 R million	30 June 2012 R million
Sabido	**148**	129
Other	**(29)**	(36)
	119	93

31.9%
effective interest

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 2013
R7 229 million

Chief Executive Officer
M Golding

Unlisted

Remgro nominated directors
H J Carse, N J Williams

Website
www.etv.co.za

SABIDO INVESTMENTS PROPRIETARY LIMITED (SABIDO)

Remgro has an effective interest of 31.9% in Sabido which has a range of media interests, which include South Africa's only private free-to-air television channel, e.tv, its sister news service, eNews Channel Africa (eNCA), Gauteng-based radio station, Yfm, and various studio and facilities businesses.

Sabido has a March year-end and therefore its results for the year ended 31 March 2013 have been included in Remgro's results for the year under review. Sabido's contribution to Remgro's headline earnings for the year under review amounted to R148 million (2012: R129 million).

e.tv has seen a significant increase in its audience ratings and audience share since the second half of 2012. The All Media Products Survey for the period July 2011 to June 2012 showed an increase in e.tv's audience to 16 507 000 viewers, second only to SABC1. A major correction to the Television Audience Measurement System Panel during early 2013 saw a significant upswing in audience ratings for e.tv, particularly in prime time. During the year under review, e.tv launched e.tv online which paves the way for enhanced digital offerings by the channel using the internet.

eNCA, Sabido's 24-hour news channel, continues to benefit from subscriber growth in the DStv Compact platform and retained its position as the premier news service on DStv. As at 31 March 2013, eNCA was making final preparations for the launch of its online offering, eNCA.com.

Advertising sales on e.tv, eNCA and Yfm were under pressure during the period under review but programming and operating costs remained stable. Significant restructuring took place at post-production business, The Refinery, to attempt to improve its financial position in the coming fiscal year. Sasani Studios is performing extremely well while the other facilities and studio businesses are on track. The only exception to this is the FilmLab which, as a result of technological developments that have seen local cinema chains digitise their theatres, will most likely be closed during the coming year.

Plans to launch a multi-channel offering later in 2013 are well advanced. This offering will be aired across various platforms including digital terrestrial television and direct to home satellite. This will enhance the competitiveness of the broadcast business across a multiplicity of platforms and provide opportunities for new revenue streams.

OTHER MEDIA AND SPORT INTERESTS

CRYSTAL BROOK

Profile

Crystal Brook is engaged in distribution of broadcasting content and special interest DVDs and operates principally in South Africa.

Website: **www.crystalbrook.co.za**

20%
effective interest

LONGKLOOF

Profile

Longkloof is a media company covering the broadcasting, content production and content distribution segments outside of South Africa.

20%
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

STELLENBOSCH ACADEMY OF SPORT

Profile

Stellenbosch Academy of Sport provides local and international sport teams and athletes with a world-class training and preparation environment.

Website: **www.sastraining.co.za**

100%
effective interest

WESTERN PROVINCE RUGBY PROPRIETARY LIMITED (WP RUGBY)

Profile

WP Rugby manages the professional rugby in the Western Cape region under the WP and Stormers trade marks.

Website: **wprugby.com**

24.9%
effective interest

OTHER INVESTMENTS

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2013 R million	30 June 2012 R million
Business Partners	**32**	12
Other	**25**	5
	57	17

42.5%
effective interest

Profile

Business Partners is a specialist investment company providing customised and integrated investments, mentorship and property management services for small and medium enterprises (SMEs) in South Africa.

Equity valuation at 30 June 2013

R2 289 million

Chief Executive Officer

N Martin

Unlisted

Remgro nominated directors

J W Dreyer, N J Williams

Website

www.businesspartners.co.za

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

Business Partners has a March year-end and therefore its results for the twelve months to 31 March 2013 have been equity accounted in Remgro's results for the year under review. Headline earnings attributable to Remgro for the year under review amounted to R32 million (2012: R12 million). This increase is partly due to Remgro's increased shareholding in Business Partners from 29.9% to 42.5%.

Headline earnings of Business Partners for the twelve months ended 31 March 2013 amounted to R89 million (2012: R40 million), representing an increase of 123% compared to the previous year. The increase is mainly as a result of higher operational income, specifically an increase of R22 million in rental income. A reduction of R20 million in net credit losses as well as the non-recurrence of a pension fund settlement cost incurred in the prior year has also contributed to this increase in earnings, but was slightly offset by increased financing cost due to higher levels of borrowings.

During the year under review, funding for 251 (2012: 307) investment projects amounting to R601 million (2012: R803 million) was disbursed, representing a decrease of 25% in monetary terms and evidencing the tough trading conditions experienced by SMEs. The risk in the investment portfolio has improved as non-performing loans decreased from 21.1% of the portfolio at 31 March 2012 to 17.9% at 31 March 2013.

BRITEHOUSE HOLDINGS PROPRIETARY 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

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

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**

2.9%
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 PROPRIETARY LIMITED (INVENFIN)

Profile

Invenfin focuses on smaller early-stage investments.

Website: **www.invenfin.com**

100%
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 II, III, MILESTONE CAPITAL INVESTMENTS HOLDINGS AND MILESTONE CAPITAL STRATEGIC HOLDINGS

Profile

Milestone Capital, based in mainland Hong Kong, is a China-focused private equity investment firm.

Website: **www.mcmchina.com**

8.1%, 28.1%, 7.5%, 36.1%
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

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**

3.9%
effective interest

CORPORATE FINANCE

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2013 R million	30 June 2012 R million
Central treasury	**3**	140
Net corporate cost	**(102)**	(141)
	(99)	(1)

CORPORATE FINANCE

Profile
Responsible for Remgro's central treasury function as well as management and support services.

Unlisted companies

REMGRO FINANCE CORPORATION PROPRIETARY LIMITED, REMGRO MANAGEMENT SERVICES LIMITED *and* REMGRO INTERNATIONAL LIMITED – JERSEY

100%
effective interest

The central treasury division's contribution to headline earnings for the year under review amounted to R3 million (2012: R140 million). The decrease resulted mainly from foreign exchange losses of R98 million on the hedging of the repatriation of funds from Remgro's offshore cash portfolio as well as a decrease in interest received due to lower average cash balances.

Net corporate costs amounted to R102 million (2012: R141 million) and were largely impacted by the receipt of an after-tax underwriting fee of R46 million from Mediclinic, relating to its rights offer during October 2012.

CORPORATE GOVERNANCE REPORT

GOVERNANCE FRAMEWORK

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 aim 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 companies' 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 and Wispeco operate and are managed as independent entities with autonomous boards of directors. During the previous two years TSB successfully adopted and implemented the 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 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.

The Board is satisfied that Remgro has met the majority of the principles contained in King III throughout the year 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 are evaluated 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 Board's annual evaluation process, directors are not evaluated individually. Independent non-executive directors are, however, 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, at www.remgro.com.
- 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 disclosed in the Annual Report.
- 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 have remedies in terms of the Companies Act.
- The King III Report recommends that the Company's Sustainable Development Report be audited by an independent external professional party. Remgro's Sustainable Development Report has not been audited but verification of the key sustainability indicators has been obtained through agreed upon procedures performed by internal audit and independent service providers.
- A summarised version of the Integrated Annual Report is not prepared in addition to the full report currently presented. Despite the extensive amount of information conveyed in the Integrated Annual Report, the complexity is not such that a summary would benefit the readers thereof in any significant manner. A summary of the report would, to a large extent, simply amount to an unnecessary duplication of information.

An index on the Company's application of each King III principle is published on the Company's website at www.remgro.com.

The Board is further satisfied that the Company has met the requirements of the Companies Act (No. 71 of 2008), as amended (Companies Act), and the Listings Requirements of the JSE Limited. Compliance with all relevant laws, regulations, accepted standards or codes is integral to the Group's risk management process and is monitored on a continuous basis. As in previous years there has been no major non-compliance by, or fines or prosecutions against the Group during the year under review. During June 2013 the three material tax disputes with the South African Revenue Services have also been resolved in Remgro's favour. Refer to the Chief Financial Officer's Report on page 33 for further detail in this regard.

Remgro measures the effectiveness of its governance processes by means of continuous 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 RCL Foods Limited, being Remgro's largest and only listed subsidiary, as well as those of TSB and Wispeco, are incorporated.

During the year under review Remgro completed the process commenced during the previous year, to ensure compliance with the requirements of the Companies Act, such as the replacement of the Memoranda and Articles of Association of the Group's companies registered in South Africa with the newly required Memoranda of Incorporation. The Company's new Memorandum of Incorporation was approved by the shareholders at the Annual General Meeting held on 27 November 2012.

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.

All directors of Remgro have endorsed the charter and a copy of the charter is available for inspection on Remgro's website.

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 and the Chief Financial 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;
- ultimate responsibility 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 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 year. Only minor amendments were made to the Board charter during the year under review.

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 16 to 17 of the Integrated Annual Report.

The composition of the Board reflects a balance of executive and non-executive directors, of whom the majority are independent, in order to ensure that there is a clear balance of authority so that no one individual has unfettered decision-making powers. As at year-end the Board consisted of four executive and ten non-executive directors of whom seven were 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 Memorandum of Incorporation 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 directors to retire shall be those who have been longest in office since their last election. A director who has already held his office for a period of three years since his last election shall retire at such meeting.

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) and the Chief Financial Officer (CFO) 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 reappointed Mr G T Ferreira as Lead Independent Director (LID) on 28 November 2012. 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 Jannie Durand, is responsible for the day-to-day management of the Company and he is assisted in this regard by Mr Leon Crouse (CFO). Between the two of them they have 44 years of service 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 Integrated Annual Report, but the nomination for reappointment 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 twelve 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.

During the year under review the Board has expanded its annual evaluation process of the Board, subcommittees and directors, by also including an annual evaluation in respect of the Company Secretary. The Board has considered and is satisfied that the Company Secretary is competent and has the necessary experience to effectively execute her duties. A brief curriculum vitae of the Company Secretary is included in the Integrated Annual Report on page 18.

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.

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 composition of and attendance at committee meetings are set out on page 62.

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 95 to 103 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 3 December 2013.

Audit and Risk Committee

The committee is governed by a mandate that includes the recommendations of King III and the requirements of the 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 and the head of internal audit attend all meetings, *ex officio*. The composition of and attendance at committee meetings are set out on page 62.

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 subsidiaries administered by RMS. The Audit and Risk Committees of Remgro's two wholly owned operating subsidiaries, TSB 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 subcommittee, the Risk and IT Governance Committee. This committee's mandate includes the maintenance of the Risk Management Policy and plan, establishment and maintenance of an operational risk register, information technology risk management, legal compliance and occupational health and safety. A Financial Statements Committee, which is not an official subcommittee of the Audit and Risk Committee, was also established. Its tasks include the revision of Remgro's Integrated Annual Report (including the annual financial statements) prior to submission thereof to the Audit and Risk Committee. 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 year ended 30 June 2013 is included in the Integrated Annual Report on pages 108 to 109.

Investment Committee

The Investment Committee comprises four non-executive directors, of whom two are independent, as well as the Chief Executive Officer and the Chief Financial Officer. The committee is chaired by Mr Johann Rupert and meets when required for significant investment decisions. The composition of and attendance at committee meetings are set out on page 62.

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 year under review all resolutions were adopted in writing by the members of the Investment Committee.

Management Board

The Management Board consists of all four executive directors as well as two members of senior management, Messrs Neville Williams and Pieter Uys. 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 composition of and attendance at committee meetings are set out on page 62.

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

The Board established the Social and Ethics Committee during February 2012. The committee's responsibilities are governed by a formal mandate as approved by the Board and the main objectives of the committee are to:

- assist the Board in monitoring the Group's performance as a good and responsible corporate citizen by the monitoring of its sustainable development practices; and
- perform the statutory duties of a Social and Ethics Committee in terms of the Companies Act and other functions assigned to it by the Board.

The composition of and attendance at committee meetings are set out on page 62.

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 year ended 30 June 2013 is included in the Integrated Annual Report on pages 70 to 71.

ATTENDANCE AT MEETINGS

	Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Management Board
Number of meetings held[1]	5	4	2	2	12
Attendance by directors					
Non-executive directors					
J P Rupert	4	–	2	–	–
E de la H Hertzog	5	–	–	–	–
P E Beyers[2]	3	–	–	–	–
J Malherbe	5	–	–	–	–
Independent non-executive directors					
G T Ferreira	4	–	1	–	–
P K Harris	5	–	2	–	–
N P Mageza	3	4	–	–	–
P J Moleketi	4	4	–	–	–
M M Morobe	5	–	–	–	–
M A Ramphele[3]	0	–	–	–	–
F Robertson	5	4	1	–	–
H Wessels	5	4	–	2	–
Executive directors and Management Board					
J J Durand	5	–	–	–	12
W E Bührmann	5	–	–	–	12
L Crouse	5	–	–	–	12
J W Dreyer	5	–	–	–	12
J A Preller[4]	4	–	–	2	6
P J Uys[5]	–	–	–	–	4
N J Williams[6]	–	–	–	2	12

(1) *All decisions taken by the Investment Committee during the year under review were approved by written resolution.*
(2) *Mr P E Beyers retired as a director with effect from 31 January 2013.*
(3) *Mrs M A Ramphele resigned as a director with effect from 31 January 2013.*
(4) *Mrs J A Preller retired as a director with effect from 31 March 2013.*
(5) *Mr P J Uys was appointed as a member of the Management Board with effect from 1 April 2013. He was also appointed as a member of the Social and Ethics Committee on 1 April 2013.*
(6) *Mr N J Williams is a member of the Management Board and the Social and Ethics Committee.*

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 Financial Markets Act, 2012 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 64 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 and CFO. The most recent and historic financial and other information is also published on the Company's website. Further information regarding Remgro's initiatives on communication with all of its stakeholders is provided in the Sustainable Development Report.

BUSINESS RESCUE PROCEEDINGS

An internal business rescue policy has been formulated and approved by the Board. Given the nature of Remgro as an investment holding company, the actual consideration of Business Rescue Proceedings is part of the legal compliance policy approved by the Board.

Business Rescue Proceedings at investee companies are the responsibility of the boards of these entities as required by the Companies Act. Remgro has, as part of its risk management framework, processes in place to timeously identify and address underperforming investments.

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 as well as risk reduction and insurance strategies.

The Audit and Risk Committee is mandated to monitor the effectiveness of 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 JSE-listed entities and the relevant information is readily available to stakeholders, or the materiality of such information is deemed insufficient to warrant detailed disclosure. As a result this report contains risk management information of the Company, Remgro Management Services Limited (Remgro's service company) and V&R Management Services AG*.

* *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) Enterprise Risk Management – Integrated 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 Company. The Risk Management policy is subject to annual review and any amendments are submitted to the Audit and Risk Committee for consideration and recommendation to the Board 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 CONTROLS
The appointment and retention 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. Strong ethical leadership.
Ethical and visible leadership via governance structures and related processes.	Embedded system of values and ethics and maintenance thereof via visible 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.
Adoption and implementation of 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 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 and responsible investment criteria.
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 CONTROLS
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, also comprising the CEO and other senior managers) mandate: ▸ Liquidity requirements and risk appetite 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) and FICA (Financial Intelligence Centre Act, 2001) legislation is complied with ▸ The following treasury risks are specifically managed: > Liquidity risk > Instrument risk (derivatives) > Investment credit 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 and assurance 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 is employed in the treasury department and comprehensive internal controls are deployed and complied with. The treasury department is subject to quarterly FAIS and FICA 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 ensures that strategies, goals and deliverables are met and that salient risks are duly managed. 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 and processes. Structured and considered integrated reporting
Full compliance with taxation and other relevant legislation and industry practices.	Effective Tax Committee. Legal Compliance Policy linked to expert legal advice.
Reliable and secure information systems to support business objectives and requirements.	Effective outsource agreement with a credible vendor and service levels supporting cost efficient and available systems and networks. IT Governance Policy supported by procedures over key activities such as business continuity, information security, and document retention and user acceptable usage policies.
Due consideration and support to sustainability matters such as BBBEE, environmental management and social corporate support.	Formalised Social Support Policy and Process. BBBEE policies and mandates. Safety, health and environmental management included under the ambit of the Risk and IT Governance Committee with formalised policies. Successful participation in JSE Sustainability Index (JSE-SRI) and Carbon Disclosure Project (CDP)

* *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.*

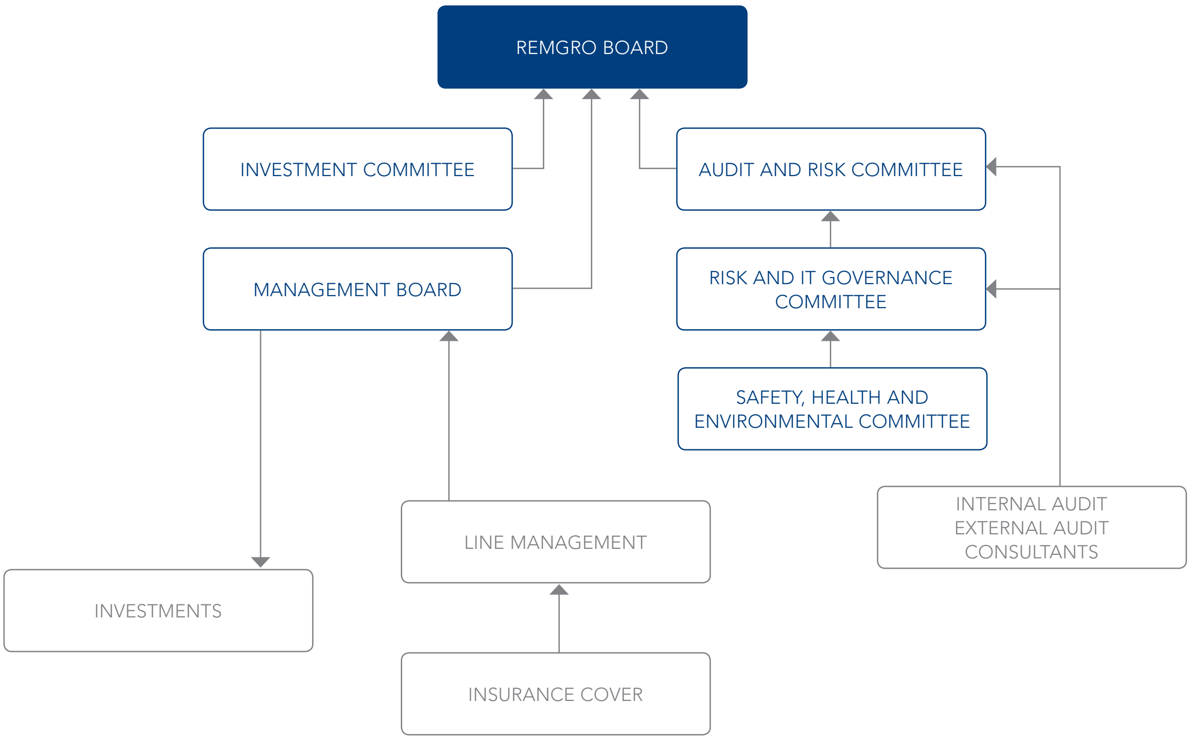
Remgro, being a responsible investor, ensures that proper corporate governance is implemented and maintained in all entities it invests in via the above process.

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 its strategy.
- 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, review and maintenance of the Risk Register and Risk Management Policy and plan.
- The head of internal audit 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.



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 activities, deals with risk tolerance levels in the following three risk activities using dedicated and bespoke 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 and linked returns 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 (London Interbank Offered Rate), as well as compliance with minimum credit ratings set for approved counterparties. This is continuously monitored and re-assessed given prevailing volatilities, risk and, at times, negative returns on cash in certain international money markets.

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

The treasury funds are invested as per a Board-approved Treasury Policy which deals with counterparty (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 category includes risks associated with unplanned loss to assets, exposure to liabilities, fidelity, business interruption and other operational risk.

In these instances the Board has, in addition to stringent internal controls, 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 risk that the Company is prepared or willing to accept without further mitigating action being put in place or the amount of risk the Company is willing to accept in pursuit of objectives. 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;
- available funding opportunities;
- 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;
- 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 going concern status is under threat, given an equivalent loss.

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

UNEXPECTED OR UNUSUAL RISK EXPERIENCES

The risk management process is furthermore also 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 prior period the Company reviewed its 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. The Service Level Agreement of the operator, which deals with, inter alia, key deliverables such as system and user support, system availability, logical security, virus protection, telephony and other general controls, is reviewed annually and compliance monitored.

The IT risk management process is included into the combined assurance process of the Company. A business continuity plan has been formalised and successful tests performed on the back-up and disaster recovery process.

LEGAL COMPLIANCE

The Board, as part of its ethical leadership commitment, approved a Legal Compliance Policy and confirmed 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 combined assurance 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. This system is benchmarked against the COSO (Committee of Sponsoring Organisations of the Treadway Commission) Internal Control – Integrated Framework.

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 following 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"; the effectiveness of the combined assurance process and risk management process.

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

When required, specialist skills are in-sourced to assist with information technology and forensic services.

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.

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee (the committee) assists the Board in monitoring Remgro's performance as a good and responsible corporate citizen. This report by the committee is prepared in accordance with 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 year ended 30 June 2013.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises three suitably skilled and experienced members appointed by the Board, as set out in the table below. The chairman of the committee is Mr Herman Wessels, an independent non-executive director. In terms of the committee's mandate at least two meetings should be held annually.

Composition of the committee

Committee member*	Number of meetings held	Number of meetings attended
H Wessels (chairman)	2	2
J A Preller (retired as Board and committee member 31 March 2013)	2	2
N J Williams	2	2
P J Uys (appointed as committee member 1 April 2013)	2	–

** Abridged curriculum vitae of all the directors of the Company are set out on pages 16 to 17 of the Integrated Annual Report, while the qualifications of Messrs N J Williams and P J Uys (who are members of the Management Board and also prescribed officers in terms of the Companies Act) are presented on page 18.*

ROLE AND RESPONSIBILITIES

The committee's role and responsibilities are governed by a formal mandate as approved by the Board. The mandate is subject to an annual review by the Board.

The main objective of the committee is to assist the Board in monitoring the Group's performance as a good and responsible corporate citizen. This is done by monitoring the sustainable development practices of the Group as set out below, thereby assisting the Board in achieving one of its values of doing business ethically.

Remgro's two wholly owned operating subsidiaries, TSB and Wispeco, have established their own Social and Ethics Committees which operate independently from this committee. Remgro's representatives on the boards of TSB and Wispeco also attend the meetings of these committees, *ex officio*. The minutes of these meetings, as well as those of the Social and Ethics Committee of RCL Foods are included in the agenda of this committee as a standing item.

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

Policy review

The committee is responsible for developing and reviewing the Group's policies with regard to the commitment, governance and reporting of the Group's sustainable development performance and for making recommendations to management and/or the Board in this regard. During the year, the committee reviewed its mandate, as well as the Company's Code of Ethics, Gifts Policy and HIV/Aids Policy. Minor amendments to the committee's mandate and Code of Ethics were approved by the Board upon recommendation of the committee.

Monitoring of sustainable development practices

In the execution of its duties, the committee has reviewed the sustainable development practices of the Group, specifically relating to:

- ethics and compliance;
- corporate social investment;
- stakeholder relations;
- broad-based black economic empowerment;
- health and public safety;
- labour relations and working conditions;
- training and skills development; and
- management of the Group's environmental impacts.

The committee's monitoring role also includes the monitoring of any relevant legislation, other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, as well as labour and employment. The report on the application of the King III principles as published on the Company's website, was also reviewed and approved by the committee.

The committee further monitors Remgro's participation and results achieved in external surveys in respect of any sustainability aspect pertaining to the Group. In this regard the committee noted the external recognition and achievements by the Group, as reported on page 72 of the Integrated Annual Report.

Public reporting and assurance

The committee, together with the Audit and Risk Committee, is responsible for reviewing and approving the sustainability content included in the Integrated Annual Report, as well as determining and making recommendations on the need for external assurance of the Group's public reporting on its sustainable development performance. The committee has reviewed the content of the Sustainable Development Report included in the Integrated Annual Report, and has recommended it for approval by the Board.

The committee is also required to report through one of its members to the Company's shareholders on the matters within its mandate at the Company's Annual General Meeting to be held on 3 December 2013. In the notice of the Annual General Meeting included in the Integrated Annual Report on page 177, shareholders are referred to this report by the committee, read with the Sustainable Development Report. Any specific questions to the committee may be sent to the Company Secretary prior to the meeting.

Herman Wessels
Chairman of the Social and Ethics Committee

Stellenbosch
18 September 2013

SUSTAINABLE DEVELOPMENT REPORT

"Progress is contagious and if prosperity is shared, it leads to greater prosperity. Experience has taught us that if you create opportunities for others to look after their own interests, they will in turn look after your interests"

(Dr Anton Rupert – 1990)

INTRODUCTION

Remgro's current value system incorporates the guidelines drawn up by its founder, Dr Rupert, more than 50 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.

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	Continued participation in the Carbon Disclosure Project (CDP) and repeat achievement of listings in the CDP Leadership and Performance Indices	Continued membership of the Ethics Institute of South Africa	Maintaining our level 5 contributor status in terms of the BBBEE scorecard

EXTERNAL ASSURANCE

We acknowledge the increasing requirements from investors and regulatory and other guidelines, such as King III, GRI and the integrated reporting guidelines for the external assurance of selected non-financial information. We further acknowledge our accountability to our stakeholders to present information that is relevant, accurate and reliable. In this regard it should be noted that Remgro follows a combined assurance model, incorporating management, internal audit and external assurance (e.g. BBBEE scorecard verification, Carbon Disclosure Project (CDP) verification), as illustrated in the table below. We believe that these assurance methods provide the necessary assurance over the quality and reliability of the information presented. The different options and levels of external assurance available are continuously being considered to determine the way forward on external assurance.

COMBINED ASSURANCE

Assurance output	**Business processes assured**	**Provider**
Independent external auditor's report	Financial reporting	PricewaterhouseCoopers Inc.
Internal audit reports	Risk-based selection of audit areas	Remgro Risk and Internal audit
Internal risk management	All key business risk areas	Internal management surveys, assisted by Remgro Risk and Internal audit
BBBEE level 5 contributor verification	Broad-based black economic empowerment	Empowerdex
External calculation of carbon footprint	Carbon footprint calculation	Carbon Calculated, assisted by an independent consultant

ORGANISATIONAL STRUCTURE

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

Only summarised "non-financial" disclosure relating to the social and environmental performance of Remgro's operating subsidiaries is provided in this report. This is in line with Remgro's reporting on the financial performance of these companies.

Figure 1

Remgro Limited

	RCL Foods	tsb	Wispeco Aluminium	RMS (Remgro Management Services Limited)	Other subsidiaries
NUMBER OF EMPLOYEES	13 308*	3 102	978	175	31
OWNERSHIP %	75.9%	100%	100%	100%	Varying between 55% and 100%

* *Includes 5 468 employees employed by Foodcorp.*

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, assisted by the Social and Ethics Committee. The role and function of this committee is dealt with in more detail in the Corporate Governance Report and the Social and Ethics Committee Report on pages 61 and 70 respectively.

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 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 was one dismissal relating to an incident of fraud/irregularities (2012: None).

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 year under review no calls were received through the Ethics line which related to alleged governance breaches or ethical anomalies at Remgro. Where calls are received which relate to alleged irregularities at investee companies, such calls are directed to the appropriate governance structures at the respective investee companies via the Remgro representatives serving on the boards of these companies.

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

Competition

The Group supports and adheres to the relevant competition and anti-trust laws applicable in the various jurisdictions in which the Group operates. During the year no enquiries regarding anti-competitive, anti-trust or similar conduct were received which resulted in fines being levied.

Compliance

During the year 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.

Remgro, like other organisations, has many economic impacts on our stakeholders through, amongst other things, the generation and distribution of value, the creation of employment opportunities, remunerating our employees fairly and competitively, and our corporate social investment. We continuously manage these and engage with our stakeholders on matters relevant to them, as reported elsewhere in this report.

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 principal shareholder that may be to their detriment. In this regard a Lead Independent Director was reappointed during the year 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 and CFO. 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 at head office level, 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 80 to 83.

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 previous year it was decided to engage Empowerdex to obtain a formal assessment of Remgro's BBBEE status, as measured against the generic scorecard criteria set by the Department of Trade and Industry. In terms of the assessment, Remgro was awarded a score of 59.09, which equated to a level 5 contributor. In the latest assessment of Remgro's BBBEE status performed during July 2013, Remgro obtained a score of 62.60, thereby retaining its level 5 contributor status. The details of the assessment are fully set out in Figure 2 below.

It should be noted that the assessment includes the BBBEE initiatives of Remgro's three independent operating subsidiaries, RCL Foods, TSB and Wispeco.

Equity ownership

Verification of BBBEE ownership is governed by the Codes of Good Practice on BBBEE (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 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.

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 174 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.

Although Remgro's BBBEE score includes the initiatives of RCL Foods, TSB and Wispeco, the discussion below regarding the other elements of the generic scorecard criteria only relate to the activities at Remgro's head office in Stellenbosch. For more detail regarding the BBBEE initiatives at investee company level, refer to the section "BBBEE at investee companies" on the next page.

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 four of the ten non-executive directors (40%) being black. On Management Board level, one of the six members is also black.

Employment equity

Employment equity represents Remgro's most significant transformation challenge. 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 and limited organic growth remain limiting factors. More detail regarding employment equity is presented on page 79.

Figure 2

BBBEE SCORECARD

Element	Indicator	Weighting	Score
Equity ownership	Percentage share of economic benefits	20	**9.46**
Management control	Percentage black persons in executive management and/or executive board committees	10	**2.90**
Employment equity	Weighted employment equity analyses	15	**4.44**
Skills development	Skills development expenditure as a proportion of total payroll	15	**8.83**
Preferential procurement	Procurement from black-owned and empowered enterprises as a proportion of total assets	20	**16.97**
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		100	**62.60**

Remgro's summarised employment equity report as at 31 August 2012 is presented in Figure 3 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. 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

A considerable amount of time and resources are spent internally on business development and corporate social investment (CSI) initiatives. Further detail regarding the Company's CSI initiatives are provided on page 80.

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 83.

Below is the summary of the BBBEE status of a number of Remgro's associates as at 30 June 2013:

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

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 175 people being employed as at 30 June 2013 (2012: 177 employees). Refer to Figure 4 where more detail regarding the composition of our employees by race, gender and age is illustrated.

For the year under review Remgro's employee turnover rate was 8.0%, compared to 5.6% for the comparative year to 30 June 2012. The turnover rates were calculated by using the total number of employees at year-end. By only taking into account resignations (thus avoidable employee turnover), the above numbers reduce to 2.9% for 2013 and 2.8% for 2012.

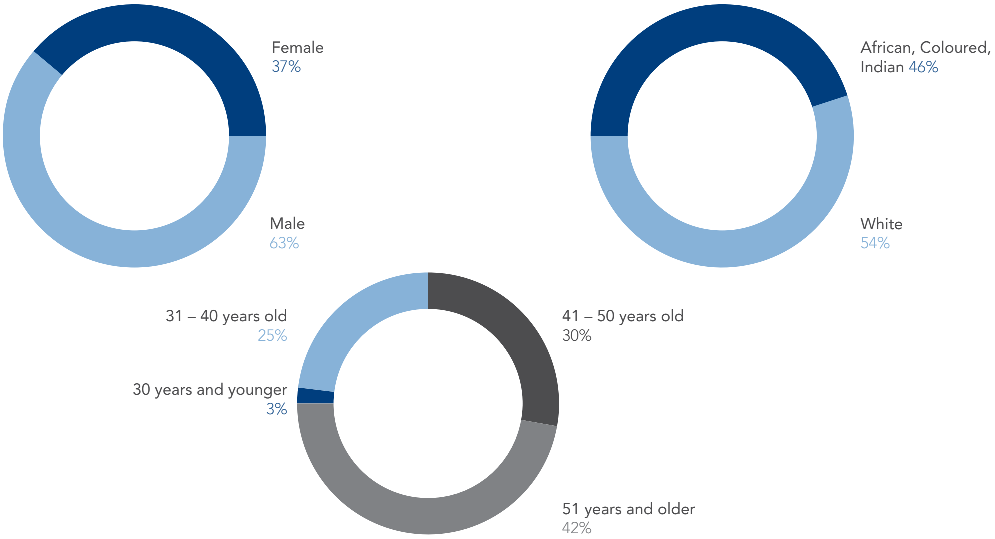
Figure 3

SUMMARISED EMPLOYMENT EQUITY REPORT AS AT 31 AUGUST 2012

	Male				Female				Foreign nationals		
Occupational levels	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	**Total**
Top management	0	1	0	5	0	0	0	1	0	0	**7**
Senior management	0	0	0	13	0	0	0	2	0	0	**15**
Professionally qualified and experienced specialists and mid-management	0	2	1	21	0	0	0	9	0	0	**33**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	4	5	0	11	1	7	0	34	0	0	**62**
Semi-skilled and discretionary decision-making	19	26	0	0	7	10	0	0	0	0	**62**
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	**0**
Total permanent	**23**	**34**	**1**	**50**	**8**	**17**	**0**	**46**	**0**	**0**	**179**
Temporary employees	0	1	0	2	0	0	0	2	0	0	**5**
Grand total	**23**	**35**	**1**	**52**	**8**	**17**	**0**	**48**	**0**	**0**	**184**

Figure 4

COMPOSITION OF EMPLOYEES (as at 30 June 2013)



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 has a formal Remuneration Policy that sets out the remuneration approach for directors and members of the Management Board. Refer to the Remuneration Report on page 95 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 few years numerous workshops and training sessions on King III and the 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 83 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 as follows:

- 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 an official 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 specific period and, although such contributions cover a wide range, there are two noticeable exceptions: political parties and religious institutions. Remgro respects its employees' choice to participate in these institutions, but does not exercise a choice itself.

During the year under review Remgro's CSI spending amounted to R14 million (2012: R12 million), as set out in the table below.

Summary of CSI spend	**Year 30 June 2013 R million**	Year 30 June 2012 R million
Community development	**4**	4
Cultural development	**2**	2
Entrepreneurship and training	**4**	3
Environment	**2**	1
Healthcare	**1**	1
Sport development	**1**	1
	14	12

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

Community development

Strengthen our Society (SOS) – was founded by Remgro, together with the Greater Stellenbosch Development Trust, to broaden the scope of a selected group of 12 charitable organisations in the region. Most community institutions are not lacking leadership or enthusiasm, but they are often hamstrung by a lack of structural capacity which prevents them from breaking through and realising their full potential.

The SOS initiative aims to bridge the gap between interested business enterprises and charitable organisations and endeavours to assist beneficiaries with funding, governance, expert advice, human relations, systems, management and legal matters. During the past year good progress has been made in all these categories. A very positive outcome of the SOS programme is the sense of belonging and of being valued experienced by participants.

The SOS project completed its first cycle during May 2013 and therefore an independent post-assessment was conducted to evaluate the successes and challenges of the initiative in its first cycle.

The following key quantitative success indicators were identified:

- A total of 796 actual training hours for all the organisations combined.
- Altogether 162 hours of Remgro employee volunteering.
- Each organisation received, on average, 75 hours of training.
- At least two organisations received sponsorship through improved proposal writing techniques.

Ikamva Labantu – this broad-based community organisation caters for the needs of destitute people in the poverty-stricken townships of Cape Town. It has a holistic approach to the development of impoverished communities and focuses especially on orphans and vulnerable children, early childhood development and the needs of senior citizens and disabled people. Over the past 13 years, Ikamva's partnership with Remgro has had a substantial impact on vulnerable communities by providing them with services, development and hope. By funding Ikamva's support structure, Remgro has helped to strengthen the engine behind many of this organisation's initiatives and projects.

Stellenbosch Community Development Programme (SCDP) – this initiative is based in Kayamandi, a township on the outskirts of Stellenbosch, where the majority of residents live in informal settlements and in dire poverty. SCDP's main focus is to eradicate all forms of malnutrition and, in so doing, alleviate poverty amongst beneficiaries. Food is provided to some 1 800 primary and pre-school children, while approximately 100 unemployed parents are involved in a sustainable livelihood programme.

Stellenbosch Feeding in Action – a recent survey has indicated that 28% of the local population does not enjoy food security. Feeding in Action addresses this need by providing 8 500 meals and 1 000 food parcels per week to 4 000 needy people at 30 feeding points. Assistance is also given to 25 other organisations such as Youth Outreach, the Haven, various crèches and schools. An additional focus of Feeding in Action is to participate in community projects aimed at youth upliftment and to reach out to terminal patients (HIV/Aids and TB) by visiting clinics and inviting patients to existing feeding points.

Cultural development

Field Band Foundation (FBF) – has 21 field band programmes countrywide and reaches some 4 500 young people between the ages of seven and 25. It creates life-inspiring opportunities for the youth through the disciplines and creativity of music and movement. Coming from poor backgrounds they learn not only music and movement, but also confidence and social skills, culminating in leadership training that will carry them forth into adult life.

The Cape Whaler Field Band, sponsored by Remgro, operates in one of the most stable regions in the FBF and continues to enjoy the support of several schools in Stellenbosch and Macassar that serve as rehearsal venues for the band.

Entrepreneurship and training

TSiBA – founded in 2004 with the vision to ignite opportunity, this unique private business school gives people who cannot access higher education a head start in life. This is done by providing emerging leaders an opportunity to study high-quality, accredited academic courses which are focused on developing entrepreneurship and leadership. TSiBA integrates personal development with business learning and provides a wide variety of experiential learning opportunities through coordinated internships, mentorship, leadership, entrepreneurship and career management programmes, which are core to the degree offering.

Shalamuka 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 school development initiative. The foundation aims at improving the skills of teachers and the quality of education in schools in Mpumalanga and surrounding areas. Some 2 400 teachers and 400 000 learners from 900 schools per annum reap the benefits of this initiative – the largest school-based education outreach in Africa. At least 91% of direct overall beneficiaries (teachers) are women.

SciMathUS – since its inception 12 years ago, more than 700 students successfully completed this bridging programme of the Stellenbosch University of whom almost 70% were registered for undergraduate studies at Stellenbosch and other institutions of higher education. The programme's main aim is 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 services, economic and management sciences.

Bergzicht Training Centre – founded in 1992 in response to the pressing need for training of unskilled and unemployed people in the Western Cape, this Stellenbosch-based centre provides education through condensed and comprehensive courses in job-related skills such as home management, educare, frailcare and catercare. It also has an in-house placement bureau to support students after the completion of their courses to find permanent employment or to create their own job opportunities. The centre is approached by approximately 1 500 applicants per annum, but has the capacity to train only 400 students per year.

ORT-Tech – during the past year, the Remgro-ORT SEED project, which aims to improve the numeracy and literacy results of Gr. 6 learners in twelve schools in the Stellenbosch district, has continued to focus on teacher development in mathematics. Moderate successes were achieved, as evidenced by the increase in pass percentages in most of the schools involved in the programme.

Of great concern, however, is the low level of literacy in schools. Despite an increase in the availability of reading/library books, learners' poor reading levels remain a critical deficiency. This is a pervasive problem which hinders learning in all subjects, including mathematics. ORT is now addressing this problem by introducing an after-school reading programme for Gr. 3 and Gr. 6 learners at project schools.

Thuthuka Bursary Fund – the main focus of this fund is to grow the number of chartered accountants (CAs) in the country; to promote the CA brand as a premier career; to transform the demographics of the profession to match the country's demographic profile and to place and support about 400 black and brown scholars per annum at selected SAICA (South African Institute for Chartered Accountants)-accredited universities. Through this transformation and skills development initiative, Thuthuka will endeavour to strengthen the country's economy.

Helpmekaar Bursary Fund – for more than 90 years this fund has been involved in providing Afrikaans-speaking students of all races with the means to further their studies at institutions of higher education. In many cases financial support has a loan and a bursary component and, after the completion of their studies, students are afforded a generous period to reimburse their loans. The fund, one of only a few institutions which cater for the full financial needs of students, is driven by the belief that an investment in the talents and ability of our youth is the most effective way to influence the future positively and to ensure that the opportunities created by training will help to sustain the country's economic growth.

Environment

Peace Parks Foundation (PPF) – PPF was founded by the late Dr Anton Rupert and Prince Bernhard of the Netherlands, and Dr Nelson Mandela, with the visionary idea of supporting countries in the Southern African Development Community (SADC) to jointly manage their natural resources to increase socio-economic development opportunities through tourism. At the time they could hardly have foreseen that 16 years later the SADC region's peace parks, or transfrontier conservations areas (TFCAs), would encompass over a million square kilometres of conservation estate. Southern Africa's competitive advantage in ecotourism is its wildlife, with a very large number of livelihoods depending on the industry. During the past year, there has been a marked increase in wildlife crime (especially the slaughtering of high-value species such as elephant and rhino) to a level where it is threatening the continued existence of the region's TFCAs.

WWF South Africa (WWF-SA) – during the past 45 years, WWF-SA has played a key role in conserving our precious natural resources and in finding solutions for environmental issues of national and international importance. However, the challenges have rather increased than diminished and at present South Africa's natural resources are under threat as never before. Climate change, irresponsible mining and fisheries practices and rhino poaching are just some of the issues WWF-SA is grappling with. Ultimately, conservation is about people and about changing people's behaviour. WWF-SA exists to ensure a future in which people live in harmony with nature.

Healthcare

Wits Donald Gordon Medical Centre (WDGMC) – Remgro committed itself in 2004 to support the first private academic hospital in South Africa for a period of ten years. WDGMC was established to create a facility in the private sector for the training of top specialists in an attempt to retain their skills to the benefit of the healthcare sector in South Africa. A gladdening aspect of the Centre's programme is that a large portion of the doctors who completed their training over the years have chosen to stay on and set up practices there rather than exploiting opportunities elsewhere or overseas.

Organ Donor Foundation of SA – for the past 25 years the Foundation has played a critical role in obtaining life-sustaining organs for those in need of a transplant. For recipients the availability of organs is often a matter of life or death. During the past year, Remgro again made a contribution to this admirable cause by sponsoring a number of flights for the transportation of organs. A special word of thanks must go to the staff of the aviation company Falconair for their wonderful support in this regard.

Sport development

SA Golf Development Board (SAGDB) – since 1999 the SAGDB has grown a network of coaches and officials who work across the country to develop the game in the cities and the most remote areas. SAGDB has the capacity to coach 2 500 children per week in nine regions. Over the years more than 17 000 young players have received expert coaching. In addition to its annual contribution, Remgro also sponsors a monthly tournament in the Boland region. These tournaments give many players the opportunity to play competitively, while managers and coaches are assisted in identifying the best talent on offer.

Western Cape Cricket Academy – what started off as a three-year commitment in 1993, gradually developed into a partnership that would last for twenty years until it was discontinued in the period under review. Over two decades the Academy gave opportunities to more than 400 young talented players, some from previously disadvantaged areas, to perform at higher levels. The provincial sides of Western Province and Boland were the greatest beneficiaries of this initiative, which has left an indelible mark on the careers of many talented players over the years.

SUSTAINABILITY AT OPERATING SUBSIDIARIES

Remgro's three operating subsidiaries, namely RCL Foods, TSB 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 pages 37, 38 and 46.

RCL Foods

Introduction

RCL Foods is listed on the JSE Limited under the "Consumer Goods – Food Producers" sector, with the share code "RCL".

Previously RCL Foods had two operating subsidiaries, i.e. Rainbow Farms and Vector Logistics (together referred to as Rainbow). During April 2013 RCL Foods acquired a controlling interest in New Foodcorp Holdings Proprietary Limited (Foodcorp). The process of integrating the sustainability practices of Rainbow and Foodcorp is currently still in progress and accordingly the reporting regarding sustainability that follows only relates to the activities of Rainbow, unless otherwise indicated.

Rainbow Farms' business includes the breeding and rearing of its own poultry which it feeds from its own feed mills, as well as the processing and marketing of fresh, frozen, value-added and further processed chicken. Vector Logistics is a specialist third-party logistics service provider for the frozen food industry in Southern Africa providing integrated logistics services to the retail, wholesale and food service sectors, including services to Rainbow Farms.

Rainbow's brands such as ***Rainbow***, ***Farmer Brown***, ***Rainbow FoodSolutions***, ***Epol***, ***Cobb*** and ***Vector logisticsolutions*** are well known.

Governance, risk management and compliance

RCL Foods' 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 Jannie Durand, is not independent due to his directorship of RCL Foods' 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 Chairman may be questionable or compromised.

As RCL Foods is a listed company it has to comply with the JSE Listings Requirements and King III. During the previous financial year a Social and Ethics Committee was established. This committee reviews and monitors the company's performance on areas such as good corporate citizenship, consumer relations, employment equity and labour relations. RCL Foods' 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 below 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 and 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 regulation R146 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
Injection levels of poultry meat	Working with Government and the Southern African Poultry Association (SAPA) to adopt a responsible approach to the injection of poultry meat

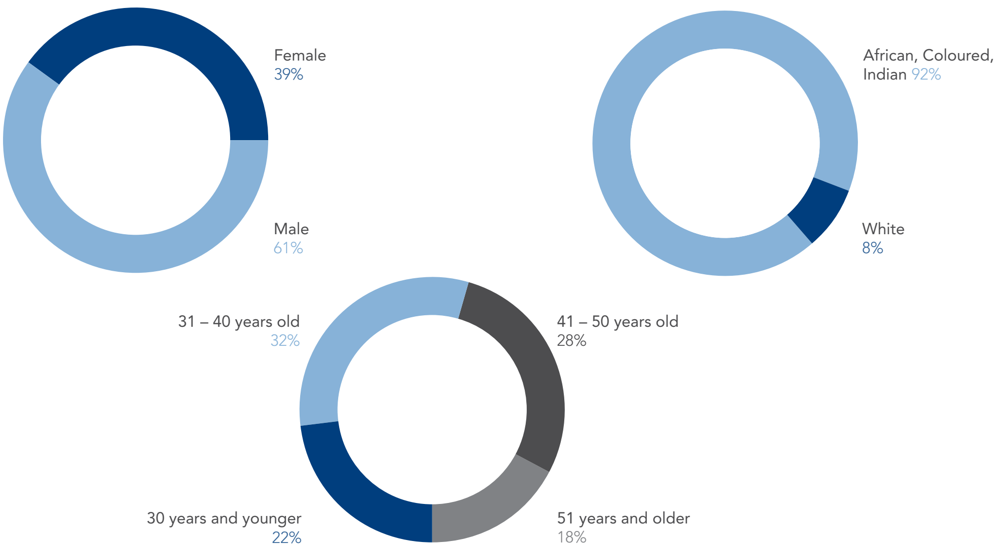
People
Rainbow recognises the importance of its people and is focused on building a community of inspirational people who have a common purpose. Through constructive recognition agreements, Rainbow has a significant bargaining unit, with 74% of its employees being within the bargaining unit, and for whom their recognised trade unions negotiate annually their salaries and conditions of employment. There is a continuous process within Rainbow 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. The composition of Rainbow's workforce by race, gender and age is illustrated in Figure 5.

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 1.67 in 2012 (2011: 1.63). 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.

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 year to June 2013 amounted to R14 million compared to R15 million for the year to June 2012.

Figure 5
COMPOSITION OF WORKFORCE (as at 30 June 2013)



BBBEE
RCL Foods' latest BBBEE verification process was concluded during August 2012 by Empowerdex and it achieved a level 4 contribution level, equating to a 100% procurement recognition level, and a total of 66.06 points on the generic scorecard. The next verification process will be conducted during September 2013 and it is expected that the level 4 contribution level will be comfortably retained.

Corporate social investment (CSI)
In terms of RCL Foods' CSI policy it has identified two focus areas where it believes it can make a significant/long-term contribution to disadvantaged communities:

- Education, and
- Skills development

CSI expenditure for the year to June 2013 amounted to R4 million (2012: R4 million).

Environment
Refer to the "Environment" section on page 91 where the environmental practices of Rainbow are also incorporated.

RCL Foods' complete Sustainability Report is available on its website at www.rainbowchicken.co.za.

TSB

Introduction

TSB is a wholly owned subsidiary of Remgro and aims to become the leading Southern African producer of sugar and value-added products. 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's animal feed operation.

The company provides farming support to over 1 700 commercial and small-scale farmers on approximately 51 000 hectares of irrigated land. In turn, the farmers supply approximately 75% of the sugar cane that is processed through the mills.

Governance, risk management and compliance

TSB has an autonomous board of directors which currently consists of 12 directors of whom eight are non-executive. Five of the non-executive directors are independent. The directors and executive management of the company fully supports the principle of responsible leadership based on the values of responsibility, accountability, fairness and transparency.

The board has established four subcommittees to assist it in discharging its duties and responsibilities, being an Audit and IT Governance Committee, a Human Resources Committee, a Risk Committee and a Social and Ethics 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.

The Social and Ethics Committee consists of two independent, non-executive directors and is responsible to monitor the company's performance as a good and responsible corporate citizen by the monitoring of its sustainable development practices and to perform its statutory duties in terms of the Companies Act, as well as the other functions assigned to it by the Board.

Key sustainability areas, risks and opportunities

Stakeholder concerns at TSB 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 addresses these issues.

People

TSB currently employs approximately 3 000 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 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's workforce by race, gender and age 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.

As safety is one of the key strategic objectives of TSB, 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 year under review the company has achieved a DIFR of 1.0, compared to 1.3 in 2012. TSB uses the NOSA system to manage its health and safety processes and in the annual external audit conducted during November 2012 the company maintained its four-star NOSA rating. In addition to the above, TSB 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.

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 Production and packaging facilities have been certified in terms of the Food Safety System Certification (FSSC) 22000:2010, a certification scheme for food manufacturers based on ISO 22000 and ISO T/S 2002-1:2009. Sugar products are supplied under a Certificate of Analyses (COA) to certify the quality of the products Operation of a formal customer complaints process in the form of a customer care line
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 through participation in water management and governance of water management bodies such as Irrigation Boards and Catchment Management Agencies
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

Awareness in respect of HIV/Aids within TSB 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.

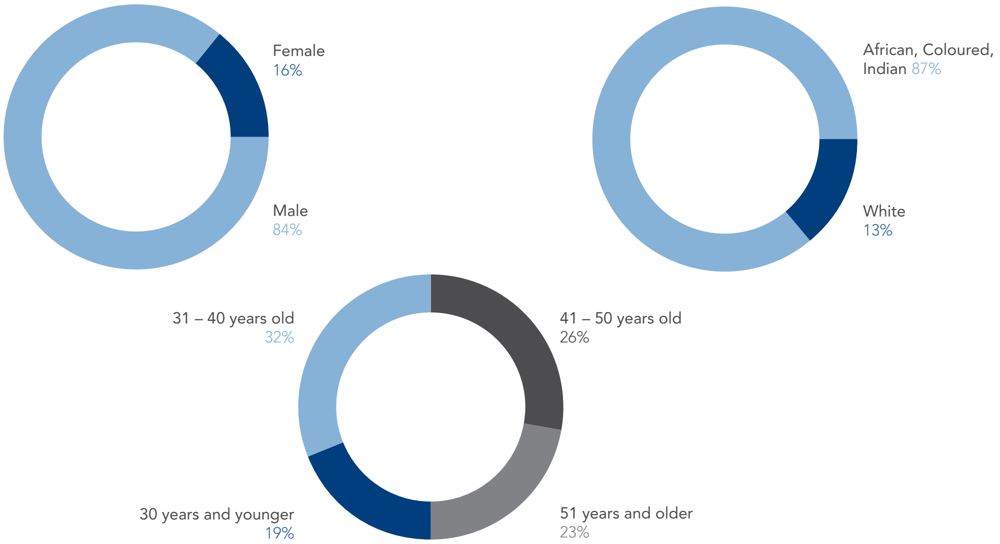
TSB's training and development plan addresses areas such as leadership/management skills, core strategic skills and capabilities, as well as operational training. The company's internal training centre has been accredited as an Institute of Sectoral or Occupational Excellence (ISOE) in terms of scope and quality standards. Training expenditure for the year to June 2013 amounted to R17 million compared to R16 million for the year to June 2012.

BBBEE

During TSB's latest BBBEE verification process conducted by NERA during the year, the company maintained its level 5 contribution level on the generic scorecard, equating to an 80% procurement recognition level. This was achieved despite the significant impact from the application of the new year 6 – 10 thresholds in respect of employment equity and procurement. Various initiatives have been implemented by the company in order to improve its BBBEE rating. The objective is to improve to a level 4 contributor over a three-year period.

Figure 6

COMPOSITION OF WORKFORCE (as at 30 June 2013)



Corporate social investment (CSI)

TSB'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 year to June 2013 amounted to R5 million compared to R3 million for the year to June 2012.

Environment

Refer to the "Environment" section on page 91 where the environmental practices of TSB are also incorporated.

For more detail regarding TSB, 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 leads the way with development of architectural aluminium products to meet the requirements of the new building regulations.

Governance, risk management and compliance

Wispeco's board of directors currently consists of five directors of whom only one is independent. The composition of the board does thus not comply with the independence requirements of King III. Remgro currently has three 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. During the previous year a Social and Ethics Committee was established as per the requirements of the Companies Act.

It should further be noted that the composition of Wispeco's Audit Committee also does not comply with the requirements of the 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 for information and ratification of its resolutions. 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, safety, raw material procurement, customer service and environmental issues. Below is a summary of the ways in which Wispeco addresses these issues.

Cheap imports by competitors represent the main risk area to the long-term sustainability of Wispeco's manufacturing business. This, however, presented the company with the opportunity to improve its production efficiencies and develop competitive pricing structures.

STAKEHOLDER CONCERNS	WHAT WE DO
Product quality	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 Extrusions produced according to BS-EN755, finishing produced according to SANS1796 and SANS999
Safety	Dedicated safety officer supported by safety officers on plant level Monthly safety inspection reports for submission to monthly safety meetings
Raw material procurement	High-quality virgin billet procurement from four dedicated sources around the globe Extensive procurement of second hand aluminium which is sorted to remove impurities and blended with virgin material to correct metallurgical composition to specification
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 allow for a large degree of flexibility in terms of labour availability and production capacity Flexible production scheduling allows for urgent orders and special requests from customers to be included in daily production schedules
Environmental impact (also refer to the "Environmental" section on page 91)	The continuous monitoring and controlling of effluent waste streams from the company's anodising and powder coating plants to ensure compliance to required discharge limits 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 78% 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 three-year settlement agreement that was reached in July 2011, expires in June 2014, before which a new agreement must be reached between the company and the unions. Employment equity within Wispeco is managed through an Employment Equity Committee that meets on a monthly basis and provides input in the finalisation 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. Refer to Figure 7 where more detail regarding the composition of Wispeco's workforce by race, gender age is illustrated.

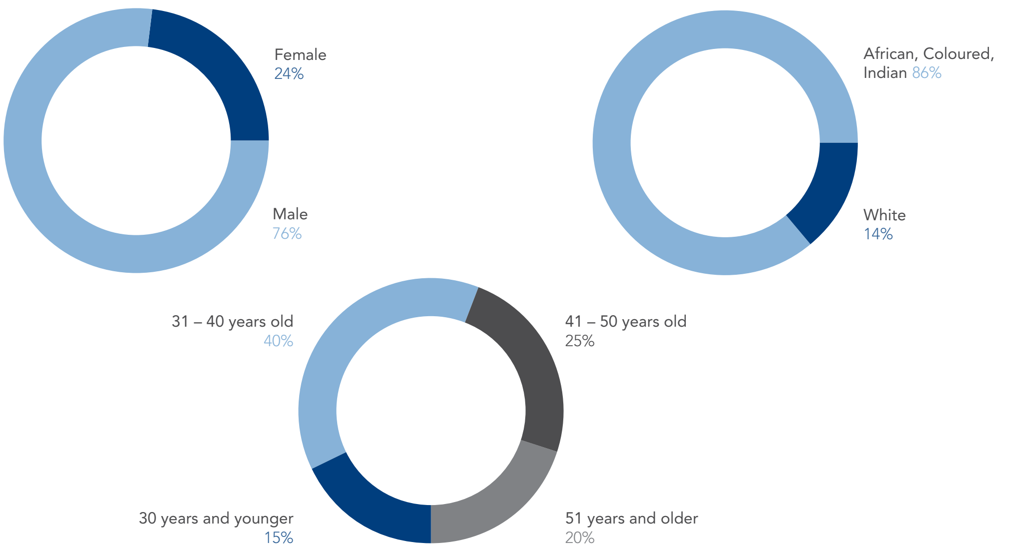
Wispeco management recognises its responsibility towards health and safety, as well as improving the working environment of its staff. In this regard Wispeco has a dedicated Safety Officer that is responsible for the management of its health and safety programme. Each site also has a dedicated safety representative which conducts monthly safety inspections. During the twelve months ended 30 June 2013, Wispeco had 35 injuries which were treatable at the in-house clinic (2012: 29 injuries). Reportable cases in terms of the Compensation Occupational Injuries and Diseases Act amounted to 15 during the same period (2012: 13 cases). The company has contracted an independent consultant to audit its health and safety processes with specific emphasis on issues such as noise and dust measurements and the wearing of protective clothing. The next health and safety audit is due for October 2013.

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's ARV programme and ensures the confidentiality of all employees' HIV status.

A well-established 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 previous year the Certificate in Management (NQF level 3) training programme was expanded and more than 30 first-line managers and people with leadership potential started training in Gauteng and Cape Town. Once these employees have completed the course, the programme will be expanded to include branches in other areas. The two internal employees who started an apprenticeship programme for electrician and millwright qualifications in the previous year are progressing well and will be entering the NQF level 3 and 4 programmes in the following two years. 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 seven years. In this regard the 2012 group of ten young black males and females completed the aluminium fabrication learnership successfully and the 2013 group is progressing well. As in 2012, the merSETA has ringfenced discretionary grant funding for Wispeco for this

Figure 7

COMPOSITION OF WORKFORCE (as at 30 June 2013)



group of deaf learners. The provision of training to disabled young black people continues to be a priority for Wispeco.

Training expenditure for the year to June 2013 amounted to R6 million compared to R5 million for the year to June 2012.

BBBEE

Wispeco's latest BBBEE verification process was concluded during May 2013 by BEEScore and it achieved a level 4 contribution level, equating to a 100% procurement recognition level and a total of 65.44 points on the generic scorecard. Wispeco performed well in maintaining its BBBEE rating of level 4 despite the significant impact from the application of the new year 6 – 10 thresholds in respect of employment equity and procurement. The elements of skills development, enterprise development and socio-economic development continue to be a priority to Wispeco.

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 approximately 700 people (2012: 565 people) were trained at a cost of approximately R0.8 million for Wispeco. Training includes both introductory programmes as well as advanced product-specific curricula.

Environment

Refer to the "Environment" section on page 91 where the environmental practices of Wispeco are also incorporated.

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

ENVIRONMENT

Remgro recognises that the operations of its various subsidiaries impact the environment while, at the same time, these operations are dependent on critical environmental services such as potable water, fertile soil and clean air. It also acknowledges that climate change and environmental degradation pose a risk to areas of Remgro's operations, while increased consumer awareness and changing demand for goods with low environmental impact can provide opportunities to explore and capture new markets. Hence, Remgro continuously analyses its impact on the environment; its response to changing environmental realities; and the pursuit of new opportunities that might arise as a result of responsible environmental management. Of priority is a focus in all subsidiaries on issues relating to carbon emissions, energy, water and waste management.

In order to manage its impact on the environment, Remgro has implemented an Environmental Management Policy (the Policy). The Policy includes Remgro Management Services Limited (RMS – its service company), RCL Foods, TSB and Wispeco. 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 RCL Foods, TSB 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 its respective environmental management processes.

Carbon emissions

Continued focus on, and management of, carbon emissions among all operations was awarded, with Remgro being placed joint fourth position on the Carbon Disclosure Project's (CDP) 2012 Leadership Index in South Africa. This was Remgro's highest position since participating in the CDP in 2009. CDP 2012 included 78 of the top 100 listed companies on the Johannesburg Stock Exchange and is an investor-led initiative requiring companies to disclose their carbon emission profiles and climate change mitigation and adaptation strategies.

In terms of the Greenhouse Gas (GHG) Protocol, emissions can be analysed in the following categories:

- Scope 1 – direct emissions from equipment owned by Remgro, e.g. factories of RCL Foods, TSB, Wispeco, etc.
- Scope 2 – indirect emissions from the consumption of electricity
- Scope 3 – indirect emissions from third-party suppliers, e.g. business travel, office paper, third-party transport, etc.
- Non-Kyoto GHG gases, e.g. freon, which is used in air-conditioning and refrigeration 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)".

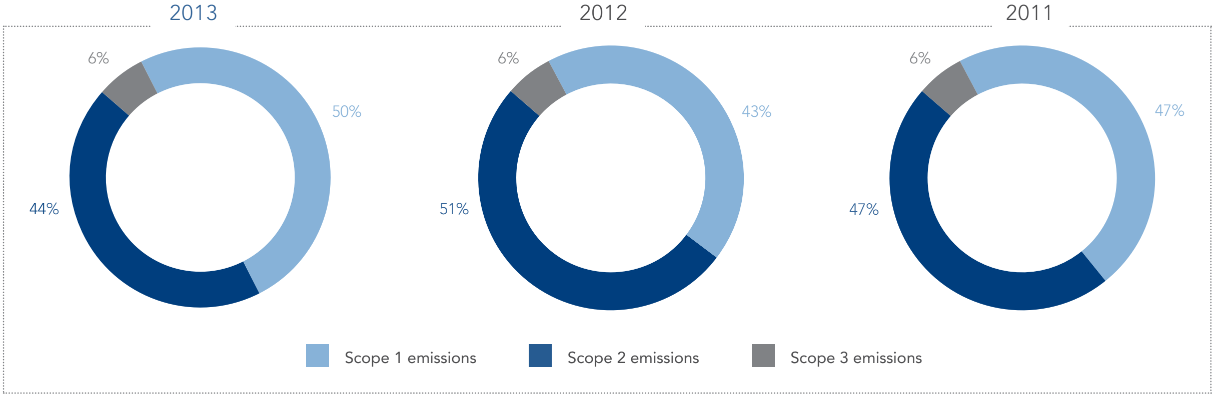
Numerous carbon saving projects are in different phases of development at Remgro. However, year on year, an increase in carbon emissions was recorded in 2013. The primary cause of this increase was a transport strike affecting TSB resulting in the non-availability of bagasse (a renewable energy by-product of sugar cane) and forcing two of TSB's mills, in Malelane and Komati, to rely on coal as an alternative primary energy source. In addition, the Malelane mill refined product for a week longer than normal, thereby increasing direct energy consumption resulting in increased Scope 1 direct emissions.

The decrease in Scope 2 indirect emissions resulted from the reduced electricity consumption across all Remgro subsidiaries, while Scope 3 indirect emissions (those resulting from Remgro's supply chain) and emissions from Non-Kyoto Protocol greenhouse gases remained stable.

Stage of development	Number of carbon saving projects	Estimated annual CO_2e savings
Under investigation	**10**	**Not yet determined**
To be implemented	**5**	**7 300 t**
Implementation commenced	**2**	**12 710 t**
Implemented	**7**	**10 180 t**

Figure 8

REMGRO'S GHG EMISSIONS (tCO_2e)



TOTAL CARBON EMISSIONS PER SUBSIDIARY COMPANY 2011 – 2013

	RCL Foods*	TSB	Wispeco	RMS	Total
2011 (tCO_2e)	367 850	357 332	49 886	4 591	779 659
2012 (tCO_2e)**	372 358	304 425	46 939	4 165	727 887
2013 (tCO_2e)	**410 894**	**367 081**	**47 790**	**4 246**	**830 011**

* *A 76% subsidiary of Remgro*

** *The independently verified total carbon emissions for 2012 amount to 726 834 tCO_2e, compared to the 727 887 tCO_2e disclosed. Due to the immateriality of the difference, the information for 2012 was not restated.*

Energy

As inflationary pressures on the cost of electricity and other energy resources continue in South Africa, significant efforts are being made to reduce all consumption, inclusive of electricity. The following initiatives are being implemented:

RCL Foods
- Piloting of a waste heat recovery programme from refrigeration compressors to reduce coal and water consumption.
- Installation of a controllable LED lighting system for poultry houses.
- Efficient fan and ventilation in poultry houses.
- Introduction of heat pump and heat exchange systems to reduce energy from electrical boilers at processing plants.

Wispeco
- Installation of new variable speed drive compressor in Cape Town powder coating plant.
- Installation of new combustion air fans on remelt furnaces.

TSB
- Energy generation through hydro-power schemes and burning of bagasse.

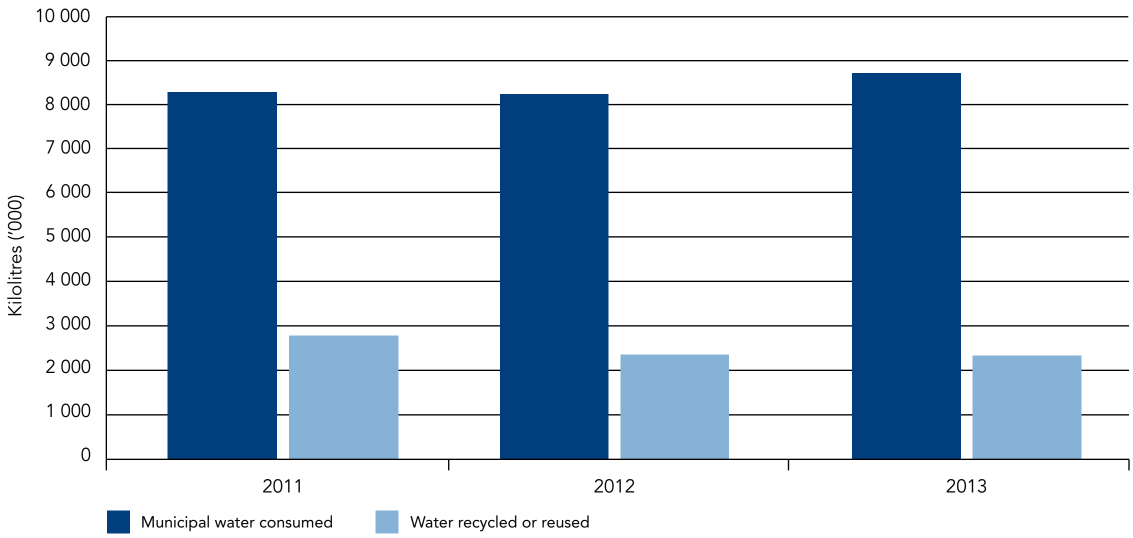
These initiatives are starting to show results in decreased electricity consumption as indicated in the GRI Indicator Table on page 94.

Water management

The provision of sufficient quantity and quality of water is essential to Remgro operations, especially those that are agriculturally based such as RCL Foods and TSB. RCL Foods' operations are located nationally, and climate change predictions for South Africa indicate that natural precipitation patterns are changing, with the western areas of the country expecting to dry and those in the eastern regions to experience greater rainfall in the future. To this end all subsidiaries measure their municipal and non-municipal (reused and recycled water) water use, with a focus in reducing consumption and improving efficiencies. After achieving a reduction in water use in 2012, there has unfortunately been a slight increase in water usage both in terms of total consumption and per tonne of product across the group.

Figure 9

TOTAL WATER CONSUMPTION 2011 – 2013*



* *The water consumption reflects 100% of the consumption by all subsidiaries*

Waste

With landfill sites fast filling throughout South Africa, effort has been made to recycle and reuse waste in order to minimise total waste to landfill. Comprehensive measurement of waste has been implemented for the first time during 2013. Specific projects include TSB reusing waste bagasse for conversion to energy production and RCL Foods continuing to explore biomass energy generation through chicken litter. Meanwhile Wispeco's production processes utilise 61% post-consumer recycled aluminium.

2013	RCL Foods	TSB	Wispeco
Waste to landfill	9 271 t	132 160 t	1 521 t
Recycled waste	808 t	237 463 t	25 705 t

Compliance

During the year under review there was 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	2013	2012	2011	Units
Emissions, effluents and waste				
Total direct and indirect GHG emissions				
Scope 1 – Direct emissions	**415 581**	311 701	366 625	tCO_2e
Scope 2 – Indirect emissions	**365 045**	368 359	364 798	tCO_2e
Scope 3 – Indirect emissions	**46 406**	44 208	44 948	tCO_2e
Other relevant indirect GHG emissions	**2 979**	3 619	3 288	tCO_2e
Energy				
Direct energy consumption by primary source				
Petrol	**494**	515	435	kilolitres
Diesel	**12 268**	10 734	10 211	kilolitres
Aviation fuel	**978**	1 036	1 226	kilolitres
Natural gas	**5 571 407**	5 556 938	5 444 275	m^3
LPG	**19 140**	30 837	31 446	kilolitres
Coal	**158 476**	112 479	127 930	tonnes
Paraffin	**81**	58	45	kilolitres
Heavy furnace oil	**1 320**	1 423	1 402	kilolitres
Carbon dioxide	**1 895**	1 973	1 707	tonnes
Indirect energy consumption by primary source				
Electricity (non-renewable)	**451 367 582**	458 279 356	450 660 777	kWh
Electricity (renewable)	**167 729 602**	190 254 941	185 152 845	kWh
Water				
Total water withdrawal at source	**8 729 872**	8 257 419	8 308 267	kilolitres
Total volume of water recycled and reused	**2 340 960**	2 368 833	2 792 789	kilolitres

* *The numbers referred to above include RCL Foods, TSB, Wispeco and RMS, and cover the twelve-month periods ended 30 June 2011, 30 June 2012 and 30 June 2013.*

FEEDBACK

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

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REMUNERATION REPORT

INTRODUCTION

The remuneration report provides an overview and understanding of Remgro's remuneration principles, policy and practices with specific reference to executive and non-executive directors and members of the Management Board. 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.

The committee is governed by a mandate that incorporates the recommendations of King III and serves to assist members of this committee in the execution of their role and responsibilities.

The members of the committee for the year 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 twice during the year and details on the attendance of the meeting are set out in the Corporate Governance Report on page 62.

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 remuneration, in cash, share appreciation rights (SARs) and other elements, meets Remgro's needs and strategic objectives
- 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 year in compliance with its mandate.

REMUNERATION APPROACH

Remgro has a remuneration policy for directors and members of the Management Board. 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, as in the past, the Board will not ask shareholders for non-binding approval of the Company's remuneration policy at the Annual General Meeting on 3 December 2013.

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 (the 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 during the year under review was 21.0% (2012: 9.9%), compared to an average salary increase paid to general staff of 7.1% (2012: 7.3%). The main reason for the higher average increases awarded to executive directors and members of the Management Board compared to that of the general staff, is the once-off adjustments to the guaranteed packages of Messrs Jannie Durand and Leon Crouse, thereby reflecting their increased responsibilities following the appointment of Mr Durand as CEO on 7 May 2012.

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.

Previously Remgro had two long-term incentive plans, i.e. the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme). During the year under review the Remgro Share Scheme was terminated due to the fact that the only remaining participant to this Scheme was Remgro's previous CEO, the late Mr M H Visser. All shares previously offered by the Remgro Share Scheme to the late Mr M H Visser was delivered to and settled by his estate during the year.

The SAR Scheme is an equity settled scheme and superseded the Remgro Share Scheme following the unbundling of British American Tobacco Plc in November 2008. 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 Remgro 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 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

No specific performance criteria are stipulated. 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 and members of the Management Board in terms of both schemes, refer to pages 100 to 103.

If it is assumed that all of the participants to the SAR Scheme exercise all options awarded to them on 1 July 2013, 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 2013 of R189.95. A 10% increase or decrease in the Remgro share price will require the number of shares to be delivered to be 2.3 million shares and 1.8 million shares, respectively.

At 30 June 2013 Remgro held sufficient treasury shares to settle its obligations to deliver shares to the SAR Scheme 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 plan.

The Board, on recommendation by the Remuneration and Nomination Committee, has 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 July 2012 were approved by shareholders on 27 November 2012.

Non-independent non-executive directors

Previously Remgro had 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. Effective 31 August 2012 Dr Hertzog retired from his executive role at Mediclinic International Limited (Mediclinic), while Mr Beyers retired from the Remgro Board on 31 January 2013.

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

In terms of King III and the JSE Listings Requirements, a director shall not be regarded as independent if he has been employed by the Company or the Group in any executive capacity during the preceding three financial years. Accordingly, Dr Hertzog is still regarded as a non-independent non-executive director.

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

As in the case of independent non-executive directors, these directors do not participate in the Company's long-term incentive plan. 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.

Details of the fee structure payable to non-executive directors for the years ended 30 June 2013 and 30 June 2012 are presented in the table below.

Type of fee	**Fee for the year ended 30 June 2013 R**	Fee for the year ended 30 June 2012 R
Board member	**213 000**	199 000
Chairman of the Audit and Risk Committee	**143 000**	133 750
Member of the Audit and Risk Committee	**72 000**	67 400
Member of the Remuneration and Nomination Committee	**35 500**	33 200
Chairman of the Social and Ethics Committee	**35 500**	–

The proposed fee structure payable to non-executive directors for the year ending 30 June 2014 is presented in the table below.

Type of fee	Proposed fee for the year ending 30 June 2014 R
Board member	228 000
Chairman of the Audit and Risk Committee	153 000
Member of the Audit and Risk Committee	77 000
Member of the Remuneration and Nomination Committee	38 000
Chairman of the Social and Ethics Committee	38 000

Details of the remuneration paid to executive directors and fees paid to non-executive directors for the year 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 information for Messrs N J Williams and P J Uys, who are members of the Management Board and also prescribed officers in terms of the Companies Act, are presented separately.

DIRECTORS' EMOLUMENTS

(The information on pages 99 to 103 was audited)

Fixed pay

	2013 Fees R'000	2013 Salaries R'000	2013 Retirement fund R'000	2013 Other benefits[10] R'000	2013 Total R'000	2012 Fees R'000	2012 Salaries R'000	2012 Retirement fund R'000	2012 Other benefits R'000	2012 Total R'000
Executive										
W E Bührmann	**213**	**2 302**	**499**	**257**	**3 271**	199	2 149	466	236	3 050
L Crouse	**213**	**5 411**	**1 115**	**263**	**7 002**	199	4 185	870	248	5 502
J W Dreyer	**213**	**2 407**	**520**	**124**	**3 264**	199	2 248	485	117	3 049
J J Durand[1]	**213**	**7 080**	**1 447**	**265**	**9 005**	199	5 030	1 037	248	6 514
J A Preller[2]	**160**	**1 049**	**233**	**268**	**1 710**	199	1 264	290	248	2 001
M H Visser[3]	**–**	**–**	**–**	**–**	**–**	166	7 311	1 696	534	9 707
Subtotal	**1 012**	**18 249**	**3 814**	**1 177**	**24 252**	1 161	22 187	4 844	1 631	29 823
Non-executive (independent)										
G T Ferreira	**249**				**249**	232				232
P K Harris	**249**				**249**	232				232
N P Mageza[4]	**285**				**285**	266				266
P J Moleketi	**285**				**285**	266				266
M M Morobe	**213**				**213**	199				199
M A Ramphele[5]	**124**				**124**	199				199
F Robertson	**321**				**321**	300				300
H Wessels[6]	**482**				**482**	333				333
Subtotal	**2 208**				**2 208**	2 027				2 027
Non-executive (non-independent)										
P E Beyers[7]	**124**	**484**	**114**	**79**	**801**	199	718	182	117	1 216
E de la H Hertzog[8]	**213**	**319**	**50**	**15**	**597**	199	1 370	278	87	1 934
J Malherbe	**213**	**–**	**–**	**–**	**213**	199	–	–	–	199
J P Rupert[9]	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Subtotal	**550**	**803**	**164**	**94**	**1 611**	597	2 088	460	204	3 349
Total	**3 770**	**19 052**	**3 978**	**1 271**	**28 071**	3 785	24 275	5 304	1 835	35 199

(1) *Mr J J Durand was appointed as Chief Executive Officer on 7 May 2012.*
(2) *Mrs J A Preller retired as executive director with effect from 31 March 2013.*
(3) *Mr M H Visser passed away on 26 April 2012.*
(4) *During the year under review Mr N P Mageza also received R335 000 (2012: R304 000) as director's fees from RCL Foods Limited, a subsidiary company of Remgro Limited.*
(5) *Mrs M A Ramphele resigned as non-executive director with effect from 31 January 2013.*
(6) *In addition to his director's fees and fee as chairman of the Audit and Risk Committee and chairman of the Social and Ethics Committee, an amount of R90 000 was also paid to Mr H Wessels during the year under review (2012: R84 250) for his attendance of meetings of subcommittees of the Audit and Risk Committee.*
(7) *Mr P E Beyers retired as non-executive director with effect from 31 January 2013.*
(8) *With effect from 31 August 2012 Dr E de la H Hertzog retired from his executive role at Mediclinic International Limited (Mediclinic). Until his retirement, his remuneration was borne by both Mediclinic (65%) and Remgro (35%). In terms of King III and the JSE Listings Requirements, a director shall not be regarded as independent if he has been employed by the Company or the Group in any executive capacity during the preceding three financial years. Accordingly, Dr Hertzog is still regarded as a non-independent non-executive director.*
(9) *Mr J P Rupert receives no emoluments.*
(10) *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 30 June 2012	Shares accepted during the year	Date of acceptance of shares	Offer price (Rand)	Number of shares paid and delivered[(1)]	Date of payment and delivery of shares[(2)]	Share price on date of payment and delivery[(2)] (Rand)	Increase in value[(2)] (R'000)	Balance of shares accepted as at 30 June 2013
Executive									
M H Visser	172 681			135.00	172 681	26/04/2012	129.60	N/A	–
	68 230			186.70	68 230	26/04/2012	129.60	N/A	–
Total	240 911				240 911				–

(1) In terms of the rules of the Remgro Share Scheme, the executor of the estate of the late Mr M H Visser was entitled to effect settlement of all shares offered to him within twelve months after the date of his death or before the expiry of the offer periods, whichever was the earlier. Full payment of all shares offered was effected during the year under review.
(2) 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. The share price used to calculate the deemed increase in value for the late Mr Visser, is the Remgro share price on the date that he passed away.

Participant	Balance of shares accepted as at 30 June 2011	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 30 June 2012
Executive									
M H Visser[(2)]	172 681			135.00					172 681
	68 230			186.70					68 230
Total	240 911								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) In terms of the rules of the Remgro Share Scheme, the executor of the estate of the late Mr M H Visser is entitled to effect settlement of all shares offered to him within twelve months after the date of his death or before the expiry of the offer periods, whichever is the earlier.

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

Participant	Balance of SARs accepted as at 30 June 2012	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[(3)] (R'000)	Balance of SARs accepted as at 30 June 2013
Executive									
W E Bührmann	18 596			64.23	18 596	26/03/2013	181.50	2 181	–
	98 405			64.00					98 405
	124 771			65.50					124 771
	23 548			97.55					23 548
		98 817	3 921	147.25					98 817
L Crouse	418 108			65.60					418 108
	51 865			97.55					51 865
		283 952	11 266	147.25					283 952
J J Durand	162 354			78.30	54 118	03/04/2013	185.50	5 801	108 236
	15 144			75.38	7 572	03/04/2013	185.50	834	7 572
	4 220			82.60	4 220	03/04/2013	185.50	434	–
	235 895			97.55					235 895
		271 258	10 763	147.25					271 258
J A Preller	76 817			64.23	76 817	09/04/2013	175.96	8 583	–
	5 905			64.00	5 905	18/04/2013	175.02	656	–
	48 788			65.50	48 788	18/04/2013	175.02	5 343	–
	33 080			97.55	33 080	18/04/2013	175.02	2 563	–
M H Visser[(2)]	542 424			65.50	542 424	26/04/2012	129.60	34 769	–
	486 465			97.55	486 465	26/04/2012	129.60	15 591	–
J W Dreyer	270 270			65.50	90 090	03/04/2013	185.50	10 811	180 180
Subtotal	2 616 655	654 027	25 950		1 368 075			87 566	1 902 607
Non-executive									
J Malherbe	195 730			31.43	195 730	23/10/2012	147.90	22 797	–
	75 761			78.30	25 255	23/10/2012	147.90	1 758	50 506
	20 847			75.38	13 898	23/10/2012	147.90	1 008	6 949
	5 807			82.60	5 807	23/10/2012	147.90	379	–
Subtotal	298 145	–			240 690			25 942	57 455
Total	2 914 800	654 027	25 950		1 608 765			113 508	1 960 062

(1) *SARs were offered on 29 November 2012.*
(2) *In terms of the rules of the SAR scheme, the executor of the estate of the late Mr M H Visser was entitled to exercise all the SARs granted to him at any time within twelve months after the date of his death or before the expiry of the SAR period (being seven years from the grant date), whichever was the earlier. This right was exercised during the year under review.*
(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. The share price used to calculate the deemed increase in value for the late Mr M H Visser, is the Remgro share price on the date that he passed away.*

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

Participant	*Balance of SARs accepted as at 30 June 2011*	*SARs accepted during the year*	*Fair value of SARs on offer date (R'000)*	*Offer price[1] (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 30 June 2012*
Executive									
W E Bührmann	18 596			64.23					18 596
	98 405			64.00					98 405
	124 771			65.50					124 771
	23 548			97.55					23 548
L Crouse	418 108			65.60					418 108
	51 865			97.55					51 865
J J Durand	427 047			38.90	427 047	26/10/2011	117.75	33 673	–
	162 354			78.30					162 354
	22 717			75.38	7 573	26/10/2011	117.75	258	15 144
	12 662			82.60	8 442	26/10/2011	117.75	230	4 220
	235 895			97.55					235 895
J A Preller	76 817			64.23					76 817
	5 905			64.00					5 905
	48 788			65.50					48 788
	33 080			97.55					33 080
T van Wyk[3]	113 638			71.71	113 638	13/10/2011	114.95	4 914	–
	87 829			73.71	87 829	13/10/2011	114.95	3 622	–
M H Visser[4]	542 424			65.50					542 424
	486 465			97.55					486 465
J W Dreyer	270 270			65.50					270 270
Subtotal	3 261 184	–	–		644 529			42 697	2 616 655
Non-executive									
J Malherbe	195 730			31.43					195 730
	75 761			78.30					75 761
	20 847			75.38					20 847
	5 807			82.60					5 807
Subtotal	298 145	–	–						298 145
Total	3 559 329	–	–		644 529			42 697	2 914 800

(1) In terms of the rules of the SAR Scheme, the offer price of SARs that were awarded prior to the unbundling of the investment in Implats, was reduced by between R7.58 and R13.19 (depending on the offer date) to ensure that the participants were placed in substantially the same position as they were prior to the unbundling.

(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) 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.

(4) In terms of the rules of the SAR scheme, the executor of the estate of the late Mr M H Visser is entitled to exercise all the SARs granted to him at any time within twelve months after the date of his death or before the expiry of the SAR period (being seven years from the grant date), whichever is the earlier.

PRESCRIBED OFFICERS

Fixed pay

	Year ended 30 June 2013 Salaries R'000	Retire-ment fund R'000	Other benefits[1] R'000	Total R'000	Year ended 30 June 2012 Salaries R'000	Retire-ment fund R'000	Other benefits[1] R'000	Total R'000
P J Uys[2]	**907**	**196**	**66**	**1 169**				
N J Williams	**2 030**	**403**	**264**	**2 697**	1 884	374	248	2 506
Total	**2 937**	**599**	**330**	**3 866**	1 884	374	248	2 506

(1) *Benefits include medical aid contributions and vehicle benefits.*
(2) *Mr P J Uys was appointed on 1 April 2013.*
(3) *Both Messrs P J Uys and N J Williams are members of the Management Board, as well as the Social and Ethics Committee.*

Variable pay – long-term incentive plan

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

Participant	Balance of SARs accepted as at 30 June 2012	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 30 June 2013
P J Uys		**218 400**	**10 519**	**183.15**					**218 400**
N J Williams	47 449			**31.43**	**47 449**	**29/10/2012**	**147.51**	**5 508**	**–**
	7 555			**75.38**					**7 555**
	54 228			**78.30**	**18 076**	**26/03/2013**	**181.50**	**1 865**	**36 152**
	4 259			**82.60**					**4 259**
	38 652			**97.55**					**38 652**
		81 901	**3 250**	**147.25**					**81 901**
	152 143	**300 301**	**13 769**		**65 525**			**7 373**	**386 919**

(1) *SARs offered to Messrs P J Uys and N J Williams on 2 April 2013 and 29 November 2012 respectively.*
(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.*

Participant	Balance of SARs accepted as at 30 June 2011	SARs accepted during the year[2]	Fair value of SARs on offer date (R'000)	Offer price[2] (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[1] (R'000)	Balance of SARs accepted as at 30 June 2012
N J Williams	47 449			31.43					47 449
	7 555			75.38					7 555
	54 228			78.30					54 228
	4 259			82.60					4 259
	38 652			97.55					38 652
	152 143								152 143

(1) *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.*
(2) *In terms of the rules of the SAR scheme, the offer price of SARs that were awarded prior to the unbundling of the investment in Implats, was reduced by between R7.58 and R13.19 (depending on the offer date) to ensure that the participants were placed in substantially the same position as they were prior to the unbundling.*

Remgro Limited

2013 FINANCIAL REPORT

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FINANCIAL REPORT

SHAREHOLDERS' ACTIONS REQUIRED

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 year 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 Group'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 115.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
18 September 2013

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 (No. 71 of 2008), as amended, have in respect of the year under review, been filed with the Companies and Intellectual Property Commission and that all such returns and notices appear to be true, correct and up to date.

Mariza Lubbe
Company Secretary

Stellenbosch
18 September 2013

This report by the Audit and Risk Committee (the committee), as appointed by the shareholders in respect of the year 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 year ended 30 June 2013.

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.

Composition of the committee

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

* *Abridged curriculum vitae of all the directors of the Company are set out on pages 16 and 17 of the Integrated Annual Report.*

The Chief Executive Officer, Chief Financial 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 year under review, as further detailed below.

The Audit and Risk Committees of Remgro's two wholly owned operating subsidiaries, TSB 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 functions as a subcommittee of the committee. In the case of TSB, 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 also attend the meetings of the TSB 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 Hein Döman, who, in the opinion of the committee, is independent of the Company, to the shareholders for appointment as the external auditor for the financial year ended 30 June 2013
- 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 Company and its wholly owned subsidiaries, excluding TSB. 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 (RCL Foods, TSB 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 17 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 fourteen 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, MARC, Mediclinic, RMB Holdings, RMI Holdings, SEACOM and Business Partners. TSB 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 year under review the committee considered and recommended the internal audit charter for approval by the Board. The committee further considered the internal audit quality assurance plan and the performance of the internal audit function. Further details on the Group's internal audit functions are provided in the Risk Management Report.

Compliance

The committee is responsible for reviewing any major breach of 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 year under review.

Recommendation of the Integrated Annual Report for approval by the Board

The committee has reviewed and considered the Integrated Annual Report, including the annual financial statements, and has recommended it for approval by the Board.

Herman Wessels
Chairman of the Audit and Risk Committee

Stellenbosch
18 September 2013

Dear Shareholder

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

NATURE OF ACTIVITIES

The Company is an investment holding company. Cash income is derived mainly from dividends and interest. The consolidated annual financial statements of the Company and its subsidiaries also incorporate the equity accounted attributable income of associated companies and joint ventures.

The Group's interests consist mainly of investments in food, liquor and home care; banking; healthcare; insurance; industrial; infrastructure as well as media and sport.

RESULTS

Year ended	30 June 2013	30 June 2012
Headline earnings (R million)	**4 387**	5 113
– per share (cents)	**854.3**	994.6
– diluted (cents)	**838.5**	974.3
Earnings – net profit for the year (R million)	**4 438**	9 284
– per share (cents)	**864.2**	1 805.9
– diluted (cents)	**846.7**	1 783.7
Dividends (R million)	**1 787**	1 622
– ordinary – per share (cents)	**346.00**	314.00

A final dividend of 201 cents (2012: 188 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. The final dividend of 201 cents per share that was declared after year-end is not subject to dividend tax as Remgro has sufficient STC credits available to apply against the dividend.

INVESTMENT ACTIVITIES

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

Mediclinic International Limited (Mediclinic)

During October 2012, Mediclinic completed a comprehensive refinancing of its Swiss and South African debt. As part of the transaction Mediclinic raised new equity amounting to R5.0 billion through a rights offer which Remgro agreed to underwrite.

In terms of the rights offer, Remgro acquired a further 75 788 206 Mediclinic shares for a total consideration of R2 169.8 million. As the rights offer was oversubscribed, Remgro did not acquire any additional shares in Mediclinic in terms of the underwriting agreement. On 30 June 2013 Remgro's effective interest in Mediclinic was 44.4% (2012: 45.0%).

RCL Foods Limited (RCL Foods)

On 1 May 2013 RCL Foods acquired an effective 64.2% interest in New Foodcorp Holdings Proprietary Limited (Foodcorp) for a total consideration of R1 026 million. Foodcorp brings a strong portfolio of brands into the RCL Foods stable and will help to diversify RCL Foods' earnings stream into different products and markets.

In terms of *IFRS 3: Business Combinations* assets, liabilities and a non-controlling interest amounting to R6 576 million, R7 837 million and R331 million respectively were acquired in terms of the transaction, resulting in goodwill of R2 618 million being recognised. Foodcorp's contribution to revenue and operating profit since 1 May 2013 was R1 217 million and R99 million respectively. Had Foodcorp been consolidated from 1 July 2012, the contribution to revenue and operating profit would have amounted to R6 471 million and R502 million respectively.

Effective 9 May 2013 RCL Foods also acquired a 49% shareholding in Zam Chick Limited (Zam Chick) for $14.25 million. Zam Chick is the broiler operation of Zambeef Products Plc of Zambia, itself a fully integrated agribusiness listed on the Lusaka and London stock exchanges. This transaction is aligned to RCL Foods' strategy to expand into sub-Saharan Africa.

RCL Foods funded the purchase consideration of both acquisitions referred to above out of a portion of the proceeds of the R3.9 billion rights offer that was completed early in March 2013. Together with the shares acquired as underwriter of the rights offer, Remgro acquired a further 219.6 million RCL Foods shares for a total consideration of R3 118.6 million, thereby increasing its effective interest in RCL Foods to 75.9% (2012: 73.4%).

On 1 July 2013 RCL Foods announced that it had acquired an additional 23.9% interest in Foodcorp from Foodcorp management for a total cash consideration of R393 million, thereby increasing its effective interest in Foodcorp to 88.1%.

In order to reflect RCL Foods' new strategy of creating a diversified Foods business, RCL Foods shareholders approved the proposed change of name of the company from Rainbow Chicken Limited to RCL Foods Limited on 2 August 2013.

Pembani Remgro Infrastructure Fund (PRIF)

PRIF has been established as a joint initiative between Remgro and Mr Phuthuma Nhleko and focuses on investments in infrastructure companies and projects (and related industries) across the African continent. During November 2012, Remgro invested R500 million in PRIF which was used to partly fund its $75 million investment in the Export Trading Group (ETG). ETG owns and manages a vertically integrated agriculture infrastructure supply chain in sub-Saharan Africa with operations in procurement, processing, warehousing, logistics, distribution and merchandising.

Kagiso Tiso Holdings Proprietary Limited (RF) (KTH)

During August 2012, Remgro increased its shareholding in KTH by acquiring a further 7.2% interest for a total amount of R486.1 million, thereby increasing its interest from 25.1% to 32.3%.

Dark Fibre Africa Proprietary Limited (Dark Fibre)

During the year under review Remgro invested a further R157.4 million directly in Dark Fibre. This investment increased Remgro's total direct and indirect interest in Dark Fibre to 50.8% (2012: 49.6%).

Grindrod Limited (Grindrod)

During the year under review Remgro acquired a further 9 178 903 Grindrod shares for a total amount of R135.8 million. These acquisitions increased Remgro's effective interest in Grindrod to 25.0% (24.6% on a fully diluted basis), compared to 23.5% on 30 June 2012.

Business Partners Limited (Business Partners)

During the year under review Remgro acquired a further 21 768 223 Business Partners shares for a total amount of R120.3 million. On a fully diluted basis, Remgro's interest in Business Partners increased to 42.5% (2012: 29.0%).

Capevin Holdings Limited (Capevin Holdings)

During August 2012, Capevin Holdings acquired all the shares in Capevin Investments Limited (Capevin Investments) not already held by it through the issue of 21 Capevin Holdings shares for every 1 Capevin Investments share acquired.

On 30 June 2013 Remgro's indirect interest in Distell Group Limited was 33.4% (2012: 33.5%).

Other smaller investments, amounting to R757.5 million, were made during the year under review in, inter alia, the Milestone China Funds and Premier Team Holdings Limited.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2013 were as follows:

	30 June 2013 Local R million	30 June 2013 Offshore R million	30 June 2013 Total R million	30 June 2012 R million
Per consolidated statement of financial position	**3 581**	**640**	**4 221**	6 484
Investment in money market funds	**450**	**690**	**1 140**	2 344
Less: Cash of operating subsidiaries	**(2 563)**	**(65)**	**(2 628)**	(501)
Cash at the centre	**1 468**	**1 265**	**2 733**	8 327

On 30 June 2013, approximately 55% (R690 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

Statement of financial position

The analysis of "Equity employed" and of "Source of headline earnings" below 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 2013		30 June 2012	
	R million	R per share	R million	R per share
Equity employed				
Attributable to equity holders	**59 110**	**115.18**	53 454	103.93
Employment of equity				
Food, liquor and home care	**12 617**	**24.59**	9 358	18.19
Banking	**14 060**	**27.40**	12 696	24.69
Healthcare	**7 743**	**15.09**	4 622	8.99
Insurance	**5 645**	**11.00**	5 530	10.75
Industrial	**5 384**	**10.49**	4 338	8.43
Infrastructure	**5 911**	**11.52**	4 529	8.81
Media and sport	**1 537**	**2.99**	1 175	2.28
Other investments	**2 203**	**4.29**	1 707	3.32
Central treasury – cash at the centre	**2 733**	**5.33**	8 327	16.19
Other net corporate assets	**1 277**	**2.48**	1 172	2.28
	59 110	**115.18**	53 454	103.93

Income statement

	30 June 2013		30 June 2012	
	R million	%	R million	%
Source of headline earnings				
Food, liquor and home care	**1 120**	**26**	1 240	24
Banking	**2 052**	**47**	1 770	35
Healthcare	**(385)**	**(9)**	491	9
Insurance	**666**	**15**	768	15
Industrial	**661**	**15**	443	9
Infrastructure	**196**	**4**	144	3
Media and sport	**119**	**3**	93	2
Mining	**–**	**–**	148	3
Other investments	**57**	**1**	17	–
Central treasury	**3**	**–**	140	3
Other net corporate costs	**(102)**	**(2)**	(141)	(3)
	4 387	**100**	5 113	100

	30 June 2013 R million	30 June 2012 R million
Composition of headline earnings		
Subsidiary companies	**192**	685
Profits	**354**	755
Losses	**(162)**	(70)
Associated companies and joint ventures	**4 195**	4 428
Profits	**4 628**	4 524
Losses	**(433)**	(96)
	4 387	5 113

SHARE SCHEMES

Previously Remgro had two long-term incentive plans, i.e. the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme). During the year under review the Remgro Share Scheme was terminated. 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 25 to the annual financial statements for full details on the Remgro Share Scheme as well as the SAR Scheme.

TREASURY SHARES

At 30 June 2012, 2 279 155 Remgro ordinary shares (0.5%) 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 year under review Remgro repurchased a further 2 710 000 Remgro ordinary shares at an average price of R149.56 per share for a total amount of R405 million, while 1 556 054 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised the rights granted to them.

At 30 June 2013, 3 433 101 Remgro ordinary shares (0.7%) were held as treasury shares.

PRINCIPAL SHAREHOLDER

Rembrandt Trust Proprietary Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.64% (2012: 42.58%) of the total votes.

An analysis of the shareholders appears on pages 174 and 175.

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 16 to 17.

Mr P E Beyers has retired as a non-executive director from the Board of Remgro with effect from 31 January 2013. As from the same date Mrs M A Ramphele resigned as an independent non-executive director from the Board of Remgro, while Mrs J A Preller retired as an executive director from the Board with effect from 31 March 2013.

The Board wishes to thank these directors for their valuable contribution over many years.

In terms of the provision of the Memorandum of Incorporation, Messrs W E Bührmann, J J Durand, G T Ferreira, J Malherbe and M M Morobe retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 30 June 2013 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 2.56% (2012: 2.62%).

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 176.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R3.8 million (2012: R3.8 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 177.

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 201 cents (2012: 188 cents). Total ordinary dividends per share in respect of the year to 30 June 2013 therefore amount to 346 cents (2012: 314 cents).

DECLARATION OF CASH DIVIDEND

Secondary tax on companies (STC) and dividend tax

With effect from 1 April 2012, STC was replaced with a dividend tax. In terms of the new legislation, companies will be allowed to apply their available STC credits against future dividends declared for a period of three years from the effective date of dividend tax.

Declaration of Dividend No. 26

Notice is hereby given that a final gross dividend of 201 cents (2012: 188 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2013.

The total dividend per share for the year ended 30 June 2013 therefore amounts to 346 cents, compared to 314 cents for the year ended 30 June 2012.

The Company will be utilising STC credits amounting to 201 cents per ordinary share and 201 cents per unlisted B ordinary share. As a result there will be no dividend tax deducted from the final gross dividend for any Remgro shareholder.

The issued share capital at the declaration date is 481 106 370 ordinary shares and 35 506 352 B ordinary shares. The income tax number of the Company is 9500-124-71-5.

Payment

The final dividend is payable on Monday, 18 November 2013, to shareholders of the Company registered at the close of business on Friday, 15 November 2013.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 11 November 2013, and Friday, 15 November 2013, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders, while dividend cheques will no longer be mailed. If you have in the past received dividend cheques, please contact the Transfer Secretaries to provide them with confirmation of your banking details. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for pay out.

SECRETARY

The name and address of the Company Secretary appears on page 19.

APPROVAL

The annual financial statements set out on pages 116 to 176 have been approved by the Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
18 September 2013

We have audited the consolidated and separate financial statements of Remgro Limited, set out on pages 116 to 176, which comprise the statements of financial position as at 30 June 2013, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Remgro Limited as at 30 June 2013, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2013, we have read the Report of the Board of Directors, the Audit and Risk Committee Report and the Statement by the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.
Director: N H Döman
Registered Auditor

Stellenbosch
18 September 2013

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 amendment to *IAS 1: Presentation of Financial Statements*. The adoption of the accounting amendment only affected disclosure and had no impact on the results of either the current or prior periods.

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 28. 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.

From time to time corporate actions may lead to significant items being recognised in the income statement that may not be excluded from the calculation of headline earnings. In these instances the Group may elect to disclose alternative earnings measures excluding these items in order to promote comparability between reporting periods.

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. 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 Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and of non-controlling interest (as determined for a specific acquisition) over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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

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 equity reserves. The Group's share of other movements in the reserves of associated companies is accounted for through other comprehensive income. If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit and loss where appropriate. 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 and excluded from headline earnings.

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 and banana plants
- Consumable biological assets – standing sugar cane 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.

Current/non-current distinction – bearer biological assets are reported in the statement of financial position as non-current assets, while breeding stock and broiler stock 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.

Identifiable intangible assets include trade marks, customer contracts and relationships and software – The cost of developing and establishing identifiable intangible assets is expensed as incurred. Consequently, the value thereof is not reflected in the annual financial statements. The cost of purchased identifiable intangible assets 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.

Identifiable intangible assets 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 (STC) was provided on dividend payments, net of dividends received and was recognised as a taxation charge. STC was abolished effective 1 April 2012 and has been replaced by a new withholding tax which is levied on the shareholder and not the company, with the exception of non-cash dividends. Existing STC credits will expire on 1 April 2015 if not utilised.

(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 hyper-inflationary 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.

- **Presentation**
  Due to the significance of the item it is presented in a separate line below trading profit on the income statement.

(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 to 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 and deposits held at call with banks, 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.

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.

Another critical judgement relates to the impairment of RCL Foods' assets. The RCL Foods Board of Directors has complied with the requirements of *IAS 36: Impairment of assets* and considered the need for an impairment of assets. No impairment has been raised on the basis that anti-dumping applications are before the relevant bodies and a successful outcome is considered likely to restore a normal level of supply and demand and an acceptable earnings margin. An impairment will need to be raised should these applications be unsuccessful or there is no improvement in Rainbow's operating margins.

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.

Other estimates and assumptions relate to the determination of the useful lives of assets, impairments, the valuation of unlisted investments 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 2013, 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 2015)
  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 2015. (Previously the effective date of IFRS 9 was, 1 January 2013, but it was extended to 1 January 2015. The standard will be implemented prospectively).

- 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 apply 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 19: Employee Benefits
  (effective date – financial periods commencing on/after 1 January 2013)
  The revised IAS 19 has significant changes on measurement and disclosure of employee benefits. The significant changes are the elimination of the corridor approach, recognising all actuarial gains and losses in other comprehensive income as they occur, as well as requiring the immediate recognition of past service costs. IAS 19 also replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discounted rate to net defined liability or asset.

- 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).

- IAS 32: Financial Instruments: Presentation and IFRS 7: Financial Instruments: Disclosure (Offsetting Financial Assets and Financial Liabilities)
  (effective date – financial periods commencing on/after 1 January 2014)
  These standards (IAS 32) set the criterion that an entity must satisfy in order to set off recognised amounts, as well as the disclosure required in those instances.

- Amendments to IFRS 10: Consolidated Financial Statements
  (effective date – financial periods commencing on/after 1 January 2014)
  If the business entity meets the definition of investment entity, its subsidiaries can be fair valued through profit and loss with applicable disclosure. The fair value cannot be rolled up to a non-investment parent entity.

- Amendments to IAS 1: Presentation of Financial Statements
  (effective date – financial periods commencing on/after 1 January 2014)
  The amendment clarifies the disclosure requirements for comparative information when an entity provides a third statement of financial position either as required by *IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors* or voluntarily.

- Amendments to IAS 16: Property, Plant and Equipment
  (effective date – financial periods commencing on/after 1 January 2013)
  The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment, rather than inventory, when they meet the definition of property, plant and equipment.

Effect of changes in accounting standards on future financial periods

It is not expected that the amendments to IAS 19 will have a material influence on the results and financial positions of the Company and its subsidiaries. The impact of these changes could, however, not yet be established as far as it pertains to associated companies.

It is also not expected that the changes to IFRS 10 and IFRS 11 will have a significant impact on the Group's net financial position and results, although the composition of the statement of financial position and income statement may be affected.

IFRS 12 will only have an impact on disclosure.

IFRS 13 will impact the manner in which fair value is determined for each instance in which a fair value measure is used in the financial statements. The impact of this standard has not been determined.

It is not expected that the other changes to IFRS will have a significant impact on the Group's financial statements.

STATEMENTS OF FINANCIAL POSITION
AT 30 JUNE 2013

R million	Notes	CONSOLIDATED 30 June 2013	CONSOLIDATED 30 June 2012	THE COMPANY 30 June 2013	THE COMPANY 30 June 2012
ASSETS					
Non-current assets					
Property, plant and equipment	2	**5 354**	3 485	**–**	–
Biological agricultural assets	3	**107**	99	**–**	–
Investment properties	4	**42**	37	**–**	–
Intangible assets	5	**5 831**	356	**–**	–
Investments – Associated companies	6	**45 678**	38 321	**–**	–
– Joint ventures	7	**276**	130	**–**	–
– Other	8	**2 168**	1 587	**–**	–
– Subsidiary companies	9			**3 736**	3 736
Retirement benefits	10	**184**	164	**–**	–
Loans		**497**	115	**–**	–
Deferred taxation	11	**9**	6	**–**	–
		60 146	44 300	**3 736**	3 736
Current assets		**12 613**	13 727	**1 434**	3 924
Inventories	12	**2 528**	2 002	**–**	–
Biological agricultural assets	3	**537**	476	**–**	–
Debtors and short-term loans	13	**2 939**	2 071	**1 434**	3 924
Derivative instruments	14	**437**	104	**–**	–
Taxation		**35**	32	**–**	–
Investment in money market funds	15	**1 140**	2 344	**–**	–
Cash and cash equivalents	16	**4 221**	6 484	**–**	–
		11 837	13 513	**1 434**	3 924
Assets held for sale	17	**776**	214	**–**	–
Total assets		**72 759**	58 027	**5 170**	7 660
EQUITY AND LIABILITIES					
Stated and issued capital	18	**3 605**	8	**3 605**	8
Share premium	18	**–**	3 597	**–**	3 597
Reserves	19	**55 936**	50 018	**110**	1 522
Treasury shares		**(431)**	(169)	**–**	–
Shareholders' equity		**59 110**	53 454	**3 715**	5 127
Non-controlling interest		**1 955**	799		
Total equity		**61 065**	54 253	**3 715**	5 127
Non-current liabilities		**7 701**	981	**–**	–
Retirement benefits	10	**266**	203	**–**	–
Long-term loans	20	**5 774**	105	**–**	–
Deferred taxation	11	**1 661**	673	**–**	–
Current liabilities		**3 993**	2 793	**1 455**	2 533
Trade and other payables	21	**3 424**	2 493	**51**	46
Short-term loans	22	**361**	279	**1 404**	2 487
Provisions		**–**	8	**–**	–
Derivative instruments	14	**26**	4	**–**	–
Taxation		**3**	9	**–**	–
		3 814	2 793	**1 455**	2 533
Liabilities held for sale	17	**179**	–	**–**	–
Total equity and liabilities		**72 759**	58 027	**5 170**	7 660

		CONSOLIDATED		THE COMPANY	
R million	Notes	**30 June 2013**	30 June 2012	**30 June 2013**	30 June 2012
Sales		**16 446**	13 532	**–**	–
Inventory expenses		**(10 796)**	(8 517)	**–**	–
Staff costs	23	**(2 681)**	(2 405)	**–**	–
Depreciation	26	**(424)**	(354)	**–**	–
Other net operating expenses	26	**(2 183)**	(1 484)	**(45)**	(33)
Trading profit/(loss)		**362**	772	**(45)**	(33)
Dividend income	27	**34**	175	**353**	3 500
Interest received	26	**250**	243	**–**	–
Finance costs		**(173)**	(21)	**–**	–
Negative goodwill	26	**196**	–	**–**	–
Net impairment of investments, loans, assets and goodwill	26	**(152)**	(295)	**–**	–
Profit/(loss) on sale and unbundling of investments	26	**(154)**	4 421	**–**	–
Consolidated profit before tax		**363**	5 295	**308**	3 467
Taxation	11	**(249)**	(462)	**–**	–
Consolidated profit after tax		**114**	4 833	**308**	3 467
Share of after-tax profit of associated companies and joint ventures	28	**4 313**	4 532		
Net profit for the year		**4 427**	9 365	**308**	3 467
Attributable to:					
Equity holders		**4 438**	9 284	**308**	3 467
Non-controlling interest		**(11)**	81		
		4 427	9 365	**308**	3 467

EARNINGS PER SHARE	1	**Cents**	Cents
Basic		**864.2**	1 805.9
Diluted		**846.7**	1 783.7

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					CONSOLIDATED	
R million	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Shareholders' equity	Non-controlling interest	Total equity
30 June 2013							
Net profit for the year				**4 438**	**4 438**	**(11)**	**4 427**
Other comprehensive income, net of tax	**2 293**	**340**	**(152)**	**831**	**3 312**	**–**	**3 312**
Items that may be reclassified subsequently to the income statement:							
Exchange rate adjustments	**(82)**	**469**	**(50)**	**552**	**889**		**889**
Fair value adjustments for the year		**(17)**	**(172)**		**(189)**		**(189)**
Deferred taxation on fair value adjustments		**5**	**(11)**		**(6)**		**(6)**
Reclassification of other comprehensive income to the income statement	**(20)**	**(117)**	**81**	**279**	**223**		**223**
Other comprehensive income of associated companies and joint ventures	**2 938**				**2 938**		**2 938**
Items that will not be reclassified to the income statement:							
Change in reserves of associated companies and joint ventures	**(543)**				**(543)**		**(543)**
Total comprehensive income for the year	**2 293**	**340**	**(152)**	**5 269**	**7 750**	**(11)**	**7 739**
30 June 2012							
Net profit for the year				9 284	9 284	81	9 365
Other comprehensive income, net of tax	909	373	(3 657)	548	(1 827)	–	(1 827)
Items that may be reclassified subsequently to the income statement:							
Exchange rate adjustments	(38)	382	(6)	454	792		792
Fair value adjustments for the year		(3)	(863)		(866)		(866)
Deferred taxation on fair value adjustments		1	198		199		199
Reclassification of other comprehensive income to the income statement	(101)	(7)	(2 986)	94	(3 000)		(3 000)
Other comprehensive income of associated companies and joint ventures	412				412		412
Items that will not be reclassified to the income statement:							
Change in reserves of associated companies and joint ventures	636				636		636
Total comprehensive income for the year	909	373	(3 657)	9 832	7 457	81	7 538

	THE COMPANY	
R million	**30 June 2013**	30 June 2012
Net profit for the year	**308**	3 467
Other comprehensive income	**–**	–
Total comprehensive income for the year	**308**	3 467

R million	Stated and issued capital	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Treasury shares	Share-holders' equity	Non-controlling interest	Total equity
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							CONSOLIDATED	
30 June 2013									
Balances at 1 July	**3 605**	**9 367**	**669**	**257**	**39 725**	**(169)**	**53 454**	**799**	**54 253**
Total comprehensive income for the year		**2 293**	**340**	**(152)**	**5 269**		**7 750**	**(11)**	**7 739**
Dividends paid					**(1 712)**		**(1 712)**	**(31)**	**(1 743)**
Business acquired								**331**	**331**
Capital invested by minorities								**822**	**822**
Transfer between reserves and other movements			**(38)**	**(1)**	**1**		**(38)**	**39**	**1**
Transfer of retained income of associated companies and joint ventures		**1 396**			**(1 396)**		**–**		**–**
Purchase of treasury shares by wholly owned subsidiary						**(405)**	**(405)**		**(405)**
Long-term share incentive scheme reserve			**(82)**			**143**	**61**	**6**	**67**
Balances at 30 June	**3 605**	**13 056**	**889**	**104**	**41 887**	**(431)**	**59 110**	**1 955**	**61 065**
30 June 2012									
Balances at 1 July	3 605	6 738	305	3 914	37 213	(216)	51 559	771	52 330
Total comprehensive income for the year		909	373	(3 657)	9 832		7 457	81	7 538
Dividends paid					(1 743)		(1 743)	(66)	(1 809)
Capital invested by minorities								6	6
Transfer between reserves and other movements		(131)	(41)		171		(1)	2	1
Transfer of retained income of associated companies and joint ventures		1 851			(1 851)		–		–
Long-term share incentive scheme reserve			32			47	79	5	84
Unbundling of investment (refer note 8)					(3 897)		(3 897)		(3 897)
Balances at 30 June	3 605	9 367	669	257	39 725	(169)	53 454	799	54 253

R million	THE COMPANY 30 June 2013	30 June 2012
Balances at the beginning of the year	**5 127**	7 325
Issued capital	**3 605**	3 605
Retained earnings	**1 522**	3 720
Total comprehensive income for the year	**308**	3 467
Dividends paid	**(1 720)**	(1 751)
Unbundling of investment	**–**	(3 914)
Balances at the end of the year	**3 715**	5 127

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

R million	Notes	CONSOLIDATED 30 June 2013	CONSOLIDATED 30 June 2012	THE COMPANY 30 June 2013	THE COMPANY 30 June 2012
Cash flows – operating activities					
Trading profit/(loss)		**362**	772	**(45)**	(33)
Adjustments	29.1	**499**	299	**–**	–
Trading profit/(loss) before working capital changes		**861**	1 071	**(45)**	(33)
Working capital changes	29.2	**(39)**	(344)	**5**	(2)
Cash generated from/(utilised by) operations		**822**	727	**(40)**	(35)
Cash flow generated from returns on investments		**3 169**	3 393	**353**	3 500
Interest received		**250**	243	**–**	–
Dividends received	29.3	**2 919**	3 150	**353**	3 500
Finance costs		**(14)**	(21)	**–**	–
Taxation paid	29.4	**(235)**	(431)	**–**	–
Cash available from/(utilised by) operating activities		**3 742**	3 668	**313**	3 465
Dividends paid	29.5	**(1 743)**	(1 819)	**(1 720)**	(1 761)
Cash inflow/(outflow) from operating activities		**1 999**	1 849	**(1 407)**	1 704
Cash flows – investing activities					
Net investments to maintain operations		**(364)**	(37)	**–**	–
Replacement of property, plant and equipment		**(442)**	(316)	**–**	–
Proceeds on disposal of property, plant and equipment and other assets		**78**	279	**–**	–
Investments to expand operations		**(5 552)**	(3 241)	**–**	(3 904)
Additions to – property, plant and equipment and other assets		**(299)**	(488)	**–**	–
– investments and loans		**(4 506)**	(2 753)	**–**	(3 904)
Businesses acquired	30	**(747)**	–	**–**	–
Increase in money market funds		**(450)**	(619)	**–**	–
Decrease in money market funds		**1 654**	–	**–**	–
Proceeds/(costs) from disposal of investments and loans		**154**	3 402	**–**	–
Cash inflow/(outflow) from investing activities*		**(4 558)**	(495)	**–**	(3 904)
Cash flows – financing activities					
(Increase)/decrease in loans		**(689)**	130	**1 407**	2 200
Purchase of treasury shares		**(369)**	–	**–**	–
Issue of new shares by subsidiary companies		**822**	9	**–**	–
Cash inflow/(outflow) from financing activities		**(236)**	139	**1 407**	2 200
Net increase/(decrease) in cash and cash equivalents		**(2 795)**	1 493	**–**	–
Exchange rate profit/(loss) on foreign cash		**598**	586	**–**	–
Cash and cash equivalents at the beginning of the year		**6 394**	4 315	**–**	–
Cash and cash equivalents at the end of the year		**4 197**	6 394	**–**	–
Cash and cash equivalents – per statement of financial position		**4 221**	6 484		
Bank overdraft		**(24)**	(90)		

* *Previously money market funds were treated as a separate reconciling item in the cash flow statement. The movements in these funds were reclassified as the nature of these items relates more closely to investing activities. Consequently, the comparative cash flow from investing activities changed from an inflow of R124 million (which was reported in the 2012 financial year) to an outflow of R495 million.*

1. EARNINGS AND DIVIDENDS

	30 June 2013 Gross R million	30 June 2013 Net R million	30 June 2012 Gross R million	30 June 2012 Net R million
HEADLINE EARNINGS RECONCILIATION				
Net profit for the year attributable to equity holders		**4 438**		9 284
Plus/(minus):				
– Negative goodwill	**(196)**	**(196)**	–	–
– Net impairment of associates and joint ventures	**29**	**29**	26	26
– Impairment of other investments	**112**	**112**	239	239
– Impairment of property, plant and equipment	**4**	**3**	3	3
– Recycling of foreign currency translation reserves	**154**	**154**	94	94
– (Profit)/loss on sale of associates and joint ventures	**24**	**23**	(1 056)	(896)
– (Profit)/loss on sale of other investments	**(24)**	**(26)**	(3 455)	(3 455)
– Net (surplus)/loss on disposal of property, plant and equipment	**(19)**	**(32)**	(79)	(77)
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	**(76)**	**(118)**	(241)	(105)
– Net (surplus)/loss on disposal of property, plant and equipment	**8**	**9**	(19)	(13)
– Profit on the sale of investments	**(119)**	**(157)**	(381)	(286)
– Net impairment of investments, assets and goodwill	**98**	**93**	197	195
– Other non-recurring and capital items	**(63)**	**(63)**	(38)	(1)
Headline earnings		**4 387**		5 113
Mediclinic refinancing cost		**1 312**		–
Headline earnings, excluding Mediclinic refinancing cost		**5 699**		5 113

During October 2012 Mediclinic International Limited (Mediclinic) incurred material once-off charges relating to the comprehensive refinancing of its Swiss and South African debt. These once-off items included the following:

- the derecognition of the mark-to-market liability relating to the Swiss interest rate swap of R3 531 million (R3 311 million after tax);
- accelerated amortisation charges of capitalised financing expenses of R163 million (R129 million after tax);
- loan breakage charges of R54 million (R39 million after tax) relating to existing South African debt;
- Swiss stamp duty of R41 million (R41 million after tax); and
- a realised gain of R574 million (R574 million after tax) on foreign exchange forward contracts.

Remgro's share of these once-off items amounted to a loss of R1 312 million.

Due to the materiality of the amounts involved, headline earnings and headline earnings per share are also presented by excluding Remgro's share of Mediclinic's refinancing costs referred to above.

	30 June 2013 Cents	30 June 2012 Cents
EARNINGS PER SHARE		
Headline earnings per share		
– Basic	**854.3**	994.6
– Diluted	**838.5**	974.3
Headline earnings per share, excluding Mediclinic refinancing cost		
– Basic	**1 109.8**	994.6
– Diluted	**1 088.4**	974.3
Earnings per share		
– Basic	**864.2**	1 805.9
– Diluted	**846.7**	1 783.7

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 513 526 699 (2012: 514 090 014), was taken into account after deduction of treasury shares.

1. EARNINGS AND DIVIDENDS (continued)

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 1 384 580 (2012: 1 718 059) 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, R69 million (2012: R88 million) and R78 million (2012: R83 million) were offset against headline earnings and earnings respectively to account for the potential dilutive effect.

To calculate Remgro's diluted headline earnings per share, excluding Mediclinic refinancing cost, R95 million was offset against headline earnings, excluding Mediclinic refinancing cost, to account for the potential diluted effect.

CASH DIVIDEND DECLARED AFTER YEAR-END

A final gross dividend of 201 cents (2012: 188 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2013.

The total dividend per share for the year ended 30 June 2013 therefore amounts to 346 cents, compared to 314 cents for the year ended 30 June 2012.

The Company will be utilising STC credits amounting to 201 cents per ordinary share and 201 cents per unlisted B ordinary share. As a result there will be no dividend tax deducted from the final gross dividend for any Remgro shareholder.

The issued share capital at the declaration date is 481 106 370 ordinary shares and 35 506 352 B ordinary shares.

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 July 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)
Additions	364	317	82	8	771
Disposals	(10)	(11)	(8)	(2)	(31)
Depreciation	(49)	(253)	(48)	(4)	(354)
Businesses disposed	–	–	–	1	1
Impairments	–	(1)	–	–	(1)
Transfers and other	(42)	37	6	–	1
Carrying value at 30 June 2012	1 317	1 774	354	40	3 485
Cost	1 903	3 901	590	61	6 455
Accumulated depreciation	(586)	(2 127)	(236)	(21)	(2 970)
Additions	**214**	**403**	**78**	**6**	**701**
Disposals	**(7)**	**(5)**	**(7)**	**–**	**(19)**
Depreciation	**(64)**	**(298)**	**(57)**	**(5)**	**(424)**
Businesses acquired	**728**	**740**	**144**	**–**	**1 612**
Impairments	**(1)**	**–**	**–**	**–**	**(1)**
Transfers and other	**(57)**	**54**	**3**	**–**	**–**
Carrying value at 30 June 2013	**2 130**	**2 668**	**515**	**41**	**5 354**
Cost	**2 847**	**5 485**	**891**	**66**	**9 289**
Accumulated depreciation	**(717)**	**(2 817)**	**(376)**	**(25)**	**(3 935)**

Depreciation rates are as follows:	**30 June 2013 %**	30 June 2012 %
Buildings	**2 – 50**	0 – 50
Machinery and equipment	**3⅓ – 100**	3⅓ – 100
Vehicles	**5 – 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 R102 million (2012: R6 million).

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

Assets with a book value of R341 million (2012: R198 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 year	**Sugar cane roots R million**	**Sugar cane plants R million**	**Other R million**	**30 June 2013 R million**	Sugar cane roots R million	Sugar cane plants R million	Other R million	30 June 2012 R million
Balances at the beginning of the year	**42**	**49**	**8**	**99**	37	88	6	131
Fair value adjustment	**10**	**55**	**3**	**68**	1	89	3	93
Impairment	**(1)**	**–**	**–**	**(1)**	–	–	–	–
Transfer to assets "held for sale"	**–**	**–**	**–**	**–**	4	(40)	–	(36)
Disposals	**(6)**	**(1)**	**–**	**(7)**	–	–	–	–
Decrease due to harvest	**–**	**(49)**	**(3)**	**(52)**	–	(88)	(1)	(89)
Balances at the end of the year	**45**	**54**	**8**	**107**	42	49	8	99

The quantity at 30 June is as follows:	**2013**	2012
Sugar cane roots (ha)	**4 174**	4 243
Sugar cane plants (ha)	**4 174**	4 243
Other (ha)	**158**	158

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year	**Breeding stock R million**	**Broiler stock R million**	**30 June 2013 R million**	Breeding stock R million	Broiler stock R million	30 June 2012 R million
Balances at the beginning of the year	**255**	**221**	**476**	224	221	445
Additions	**854**	**3 756**	**4 610**	778	3 562	4 340
Decrease due to harvest	**(842)**	**(3 737)**	**(4 579)**	(751)	(3 587)	(4 338)
Fair value adjustment	**5**	**25**	**30**	4	25	29
Balances at the end of the year	**272**	**265**	**537**	255	221	476

4. INVESTMENT PROPERTIES

	30 June 2013			30 June 2012		
	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	**39**	**–**	**39**	34	–	34
	42	**–**	**42**	37	–	37

Reconciliation of carrying value at the beginning and end of the year	**Land R million**	**Buildings R million**	**30 June 2013 R million**	Land R million	Buildings R million	30 June 2012 R million
Balances at the beginning of the year	**3**	**34**	**37**	3	38	41
Additions	**–**	**5**	**5**	–	1	1
Disposals	**–**	**–**	**–**	–	(5)	(5)
Balances at the end of the year	**3**	**39**	**42**	3	34	37

The investment properties were valued during the 2011 financial year by an independent, qualified valuer using market information. The fair value of the investment properties, VAT exclusive, is R389 million (2012: R338 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 shareholders or their proxies at the registered offices of the companies to which the relevant properties belong.

5. INTANGIBLE ASSETS

	Goodwill R million	Trade marks and customer relation-ships R million	Software R million	Total R million
Carrying value at 1 July 2011	320	5	2	327
Cost	332	58	5	395
Accumulated amortisation/impairment	(12)	(53)	(3)	(68)
Business acquired	1	–	–	1
Additions	–	–	32	32
Disposal	–	(1)	–	(1)
Amortisation	–	(1)	(2)	(3)
Carrying value at 30 June 2012	321	3	32	356
Cost	333	57	37	427
Accumulated amortisation/impairment	(12)	(54)	(5)	(71)
Business acquired	**2 618**	**2 843**	**8**	**5 469**
Additions	**–**	**17**	**8**	**25**
Amortisation	**–**	**(14)**	**(5)**	**(19)**
Carrying value at 30 June 2013	**2 939**	**2 849**	**43**	**5 831**
Cost	**2 951**	**2 917**	**53**	**5 921**
Accumulated amortisation/impairment	**(12)**	**(68)**	**(10)**	**(90)**

Amortisation periods (years)	
Trade marks	**15 – 20**
Customer relationships	**4 – 20**
Software	**3 – 10**

Goodwill and indefinite life intangible assets are tested annually for possible impairment and for this purpose are allocated to the respective cash-generating units as indicated below:

	Indefinite life intangible assets	Goodwill			
	RCL Foods Limited and its subsidiaries	RCL Foods Limited and its subsidiaries	TSB Sugar Holdings Proprietary Limited and its subsidiaries	Wispeco Holdings Limited and its subsidiaries	30 June 2013 Total
Carrying value (R million)	**1 864**	**2 910**	**13**	**16**	**2 939**
Basis of valuation of cash-generating units	**Value in use**	**Value in use**	**Value in use**	**Value in use**	
Discount rate (%)	10.20	12.99 – 10.20	12.38	12.60	
Growth rate (%)	5.00 – 6.00	5.00 – 6.00	5.60	7.80	
Period (years)	5	5	5	5	

Sensitivity analysis of assumptions used in the goodwill impairment tests:

Assumption	Movement	Impairment
Discount rate (%)	+2	Nil
Growth rate (%)	–2	Nil

Intangible assets with a carrying value of R1 872 million (2012: RNil) were pledged as security for certain borrowings.

6. INVESTMENTS – ASSOCIATED COMPANIES

(Annexures B & C)

	30 June 2013			30 June 2012		
	Listed	***Unlisted***	***Total***	*Listed*	*Unlisted*	*Total*
	R million	**R million**	**R million**	R million	R million	R million
Shares – at cost	**21 673**	**7 606**	**29 279**	19 185	6 614	25 799
Equity adjustment	**9 491**	**6 313**	**15 804**	6 528	5 378	11 906
Carrying value	**31 164**	**13 919**	**45 083**	25 713	11 992	37 705
Long-term loans		**595**	**595**		616	616
	31 164	**14 514**	**45 678**	25 713	12 608	38 321

	30 June 2013 R million	30 June 2012 R million
Market values of listed investments	**62 232**	40 601
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at the beginning of the year	**38 321**	34 920
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	**147**	128
Share of net attributable profit of associated companies	**4 288**	4 504
Dividends received from associated companies	**(2 882)**	(2 932)
Exchange rate differences on translation from average rate to year-end rates	**(1)**	(4)
Equity-accounted movements on reserves	**2 393**	1 049
Dilutionary effects	**(44)**	152
Investments made[(1)(2)]	**3 305**	2 387
Loans advanced	**47**	115
Investments disposed/capital reductions[(3)]	**–**	(1 937)
Loans repaid	**(75)**	(38)
Negative goodwill	**196**	–
Net impairments	**(17)**	(23)
Carrying value at the end of the year	**45 678**	38 321

(1) *The year under review includes an amount of R2 170 million in respect of Mediclinic rights issue and R486 million in respect of an additional interest of KTH.*
(2) *The previous year includes an amount of R2 089 million in respect of the Grindrod acquisition.*
(3) *The previous year includes an amount of R1 929 million in respect of the RMBH and RMI disposal to Royal Bafokeng Holdings Proprietary Limited.*

7. INVESTMENTS – JOINT VENTURES

(Annexure B)

	30 June 2013 R million	30 June 2012 R million
Unlisted shares – at cost	**190**	61
Equity adjustment	**73**	57
Carrying value	**263**	118
Long-term loans	**13**	12
	276	130
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at the beginning of the year	**130**	252
Share of net attributable income of joint ventures	**25**	28
Dividends received from joint ventures	**(11)**	(10)
Equity accounted movements on reserves	**2**	(1)
Dilutionary effects	**–**	5
Investment made	**129**	35
Loans advanced	**11**	5
Loans repaid	**(10)**	(2)
Transfer to assets "held for sale"	**–**	(168)
Net impairments	**–**	(14)
Carrying value at the end of the year	**276**	130

The Group's share in the results, assets and liabilities of joint ventures is as follows:

Profit	**25**	30
Sales	**494**	739
Assets	**428**	271
Liabilities	**(268)**	(157)

The Group's share in capital commitments of joint ventures amounted to RNil (2012: RNil).

8. INVESTMENTS – OTHER

(Annexure B)

	30 June 2013			30 June 2012		
	Listed **R million**	***Unlisted*** **R million**	***Total*** **R million**	*Listed* R million	*Unlisted* R million	*Total* R million
Investments – other						
Shares	**823**	**1 345**	**2 168**	768	819	1 587
Market values of listed investments	**823**		**823**	768		768
Directors' valuation of unlisted investments		**1 345**	**1 345**		819	819
Market values and directors' valuation	**823**	**1 345**	**2 168**	768	819	1 587

Reconciliation of carrying value of investments – other at the beginning and end of the year	**30 June 2013 R million**	30 June 2012 R million
Balances at the beginning of the year	**1 587**	6 059
Fair value adjustments for the year	**(170)**	(850)
Investments made	**730**	226
Exchange rate adjustments	**107**	82
Impairments	**–**	(2)
Disposals	**(86)**	(41)
Unbundling of Implats investment	**–**	(3 887)
Balances at the end of the year	**2 168**	1 587

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	**(4)**	(3)
Post-retirement medical benefits	**(262)**	(200)
	(266)	(203)
Statement of financial position assets	**184**	164
Retirement benefits	**10**	11
Defined-contribution fund employer's surplus	**174**	153
Net defined-benefit post-retirement obligation	**(82)**	(39)
Represented by:		
Retirement benefits (refer note 10.1)	**6**	8
Post-retirement medical benefits (refer note 10.2)	**(262)**	(200)
Defined-contribution fund employer's surplus	**174**	153
	(82)	(39)
Income statement		
Retirement benefits*	**3**	1
Post-retirement medical benefits	**33**	23
Expense	**36**	24

* *Refer note 23 on page 152.*

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), the United Kingdom and Switzerland. All salaried employees are obliged to accept membership of one of these funds.

For South African statutory purposes defined-benefit pension funds are actuarially valued every three years by independent actuaries using the projected unit credit method. The latest actuarial valuations of the South African funds were conducted as at 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 July 2011	728	(666)	(27)	(82)	(47)	
Current service cost	–	(2)	–	–	(2)	2
Interest cost	–	(18)	–	–	(18)	18
Expected return on assets	28	–	–	–	28	(28)
Surplus limitation utilisation	–	–	11	(17)	(6)	6
Liability settled	(403)	458	–	–	55	–
Liability assumed	16	(20)	–	1	(3)	3
Contributions	1	–	–	–	1	–
Exchange rate differences	1	(1)	–	–	–	–
Benefit payments	(15)	15	–	–	–	–
Actuarial movements: fund obligation	–	(19)	6	13	–	–
Actuarial movements: plan assets	28	–	(28)	–	–	–
Balances at 30 June 2012	384	(253)	(38)	(85)	8	1
Current service cost	**–**	**(3)**	**–**	**–**	**(3)**	**3**
Past service cost	**–**	**–**	**(1)**	**1**	**–**	**–**
Interest cost	**–**	**(18)**	**–**	**–**	**(18)**	**18**
Expected return on assets	**29**	**–**	**–**	**–**	**29**	**(29)**
Surplus limitation utilisation	**–**	**–**	**–**	**(29)**	**(29)**	**29**
Actuarial gain amortisation	**–**	**–**	**18**	**–**	**18**	**(18)**
Contributions	**1**	**–**	**–**	**–**	**1**	**–**
Exchange rate differences	**4**	**(5)**	**3**	**(2)**	**–**	**–**
Benefit payments	**(35)**	**35**	**–**	**–**	**–**	**–**
Actuarial movements: fund obligation	**–**	**(15)**	**16**	**(1)**	**–**	**–**
Actuarial movements: plan assets	**35**	**–**	**(35)**	**–**	**–**	**–**
Balances at 30 June 2013	**418**	**(259)**	**(37)**	**(116)**	**6**	**3**

* *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.*

10. RETIREMENT BENEFITS (continued)

10.1 Retirement benefits (continued)

	30 June 2013 R million	30 June 2012 R million
Actual return on plan assets	**64**	56
Adjustment for experience on funded obligations	**(16)**	(3)
Expected contributions to retirement funds for the year ending 30 June 2014: R2 million		

	Number	Number
Number of members	**102**	106

Composition of plan assets	**%**	%
Cash	**35.30**	31.48
Equity	**23.29**	25.81
Bonds	**6.38**	10.91
Property	**2.26**	1.60
International	**30.23**	28.24
Other	**2.54**	1.96
	100.00	100.00

Principal actuarial assumptions on reporting date		
Discount rate	**2.00 – 8.20**	1.70 – 7.75
Expected rates of return on plan assets*	**1.90 – 8.20**	1.40 – 8.00
Future salary increases	**8.30**	7.50
Future pension increases	**5.80**	5.00
Inflation rate	**1.30 – 5.80**	1.30 – 5.00

* *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 2013 R million**	30 June 2012 R million	31 March 2011 R million	31 March 2010 R million	31 March 2009 R million
Fair value of plan assets	**418**	384	728	744	718
Present value of funded obligations	**(259)**	(253)	(666)	(696)	(697)
Surplus	**159**	131	62	48	21

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 July 2011	41	(230)	6	(183)	
Current service cost	–	(6)	–	(6)	6
Interest cost	–	(19)	–	(19)	19
Expected return on assets	4	–	–	4	(4)
Amortisation of actuarial (gains)/losses	–	(2)	–	(2)	2
Contributions	–	2	–	2	–
Benefit payments	–	4	–	4	–
Actuarial movements	–	3	(3)	–	–
Balances at 30 June 2012	45	(248)	3	(200)	23
Current service cost	**–**	**(7)**	**–**	**(7)**	**7**
Interest cost	**–**	**(24)**	**–**	**(24)**	**24**
Expected return on assets	**4**	**–**	**–**	**4**	**(4)**
Amortisation of actuarial (gains)/losses	**–**	**(6)**	**–**	**(6)**	**6**
Contributions	**–**	**2**	**–**	**2**	**–**
Benefit payments	**–**	**9**	**–**	**9**	**–**
Actuarial movements	**5**	**5**	**(10)**	**–**	**–**
Business acquired	**–**	**(40)**	**–**	**(40)**	**–**
Balances at 30 June 2013	**54**	**(309)**	**(7)**	**(262)**	**33**

	30 June 2013 R million	30 June 2012 R million
Amount of plan assets represented by investment in the entity's own financial instruments	**1**	1
Actual return on plan assets	**9**	4
Expected contributions to retirement funds for the year ending 30 June 2014: R12 million.		

	Number	Number
Number of members	**832**	708

Fund history for the current and previous 4 periods	**30 June 2013 R million**	30 June 2012 R million	31 March 2011 R million	31 March 2010 R million	31 March 2009 R million
Fair value of plan assets	**54**	45	41	40	34
Present value of funded obligations	**(309)**	(248)	(230)	(192)	(194)
Deficit	**(255)**	(203)	(189)	(152)	(160)

Composition of plan assets	**30 June 2013 %**	30 June 2012 %
Cash	**6.60**	10.50
Equity	**86.90**	80.50
Bonds	**6.50**	9.00
	100.00	100.00

10. RETIREMENT BENEFITS (continued)

10.2 Post-retirement medical benefits (continued)

	30 June 2013 %	30 June 2012 %
Principal actuarial assumptions on reporting date		
Discount rate	**7.90 – 9.40**	7.75 – 8.75
Expected rates of return on plan assets*	**9.40**	8.75
Annual increase in healthcare costs	**5.70 – 8.50**	5.00 – 7.75

* *The expected return on plan assets is determined with reference to the expected long-term returns on equity, cash and bonds.*

	30 June 2013 Increase R million	30 June 2013 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	**46**	**(39)**
Current service costs and interest on obligation	**6**	**(5)**

11. TAXATION

11.1 Deferred taxation

	30 June 2013 R million	30 June 2012 R million
Deferred taxation liability	**1 661**	673
Property, plant and equipment	**777**	495
Inventories	**166**	157
Intangible assets	**830**	–
Provisions	**(103)**	(58)
Biological agricultural assets	**–**	25
Investments	**14**	20
Tax losses utilised	**(20)**	–
Future capital gain taxable	**–**	37
Other	**(3)**	(3)
Deferred tax asset	**(9)**	(6)
Property, plant and equipment	**2**	1
Provisions	**(10)**	(5)
Other	**(1)**	(2)
Net deferred taxation	**1 652**	667
The movement between balances of deferred taxation at the beginning and end of the year can be analysed as follows:		
Beginning of the year	**667**	1 082
Businesses acquired	**956**	–
As per income statement	**23**	7
Accounted for in other comprehensive income	**6**	(421)
Transfers and other	**–**	(1)
	1 652	667

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.

11. TAXATION (continued)

11.2 Tax losses

	30 June 2013 R million	30 June 2012 R million
Estimated tax losses available for set-off against future taxable income	**1 135**	270
Utilised to create deferred tax asset	**(78)**	(7)
	1 057	263

The calculated capital losses on 30 June, which could be set off against future capital gains of the Company, amount to R3 906 million (2012: R3 906 million).

11.3 Secondary taxation on companies (STC)

The STC credits on 30 June, which could be set off against future dividend payments, amount to		
– The Company	**182**	1 549
– Subsidiary companies	**3 486**	3 583
Unutilised STC credits	**3 668**	5 132

With the introduction of dividend tax on 1 April 2012, the STC credits are no longer the asset of the Company, but that of the shareholders, and no deferred tax asset is created.

11.4 Taxation in income statement

Current	**226**	455
– current year – South African normal taxation	**215**	298
– Taxation on capital gain	**1**	127
– Foreign taxation	**10**	8
	226	433
– previous year – South African normal taxation	**–**	(3)
Secondary taxation on companies – current	**–**	25
Deferred – current year	**40**	82
– previous year	**–**	(8)
– tax on capital gain	**(17)**	(67)
	249	462

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

	%	%
Effective tax rate	**68.6**	8.7
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	**3.1**	1.1
Non-taxable capital profit	**8.0**	4.4
Non-deductible expenditure/non-taxable income	**(37.2)**	(4.8)
Foreign taxation	**(0.6)**	(0.2)
Tax on foreign income	**(0.1)**	0.1
Previous year taxation	**0.5**	0.7
Future capital gain payable	**–**	0.3
Tax losses utilised	**(14.3)**	18.2
Secondary taxation on companies	**–**	(0.5)
Standard rate	**28.0**	28.0

12. INVENTORIES

	30 June 2013 R million	30 June 2012 R million
Raw materials	**598**	356
Finished products	**1 761**	1 480
Work in progress	**7**	5
Consumable stores	**162**	161
	2 528	2 002
Inventory expensed during the year	**10 796**	8 517
Inventory carried at net realisable value	**184**	135

13. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		**CONSOLIDATED**	
	30 June 2013 R million	30 June 2012 R million	**30 June 2013 R million**	30 June 2012 R million
Trade debtors (gross)	**–**	–	**2 585**	1 850
Less: Provision for impairments	**–**	–	**(71)**	(61)
Trade debtors (net)	**–**	–	**2 514**	1 789
Dividends receivable	**–**	–	**25**	17
Advance payments and other	**–**	–	**400**	265
Loans – Subsidiary companies	**1 434**	3 924	**–**	–
	1 434	3 924	**2 939**	2 071

Debtors with a carrying value of R1 029 million (2012: R1 042 million) provided collateral to the Group. The collateral consists of mortgage and notarial bonds, cessions, bank guarantees and credit insurance. 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 2013 R million	30 June 2012 R million
Balances at the beginning of the year	**61**	49
Provision for impairments on debtors	**21**	25
Debtors written off as uncollectable during the year	**(3)**	(1)
Unused amounts written back	**(8)**	(13)
Other	**–**	1
Balances at the end of the year	**71**	61

During the year, bad debts amounting to R3 million (2012: R1 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 31.

14. DERIVATIVE INSTRUMENTS

The following derivative instruments existed at 30 June:

	30 June 2013			30 June 2012		
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						
Buy: Euro(1)	**263.3**	**3 678.7**	**337**	1.2	13.3	1
Sell: USA dollar	**16.5**	**170.9**	**2**	13.5	116.5	3
			339			4
Other derivative instruments						
Exchange option contracts			**16**			–
Commodity option contracts			**9**			21
Conversion right on preference shares			**73**			79
			98			100
			437			104
Liabilities						
Foreign exchange contracts						
Buy: Euro	**1.0**	**11.8**	**1**	–	–	–
GBP	**–**	**–**	**–**	1.1	13.3	1
Sell: USA dollar	**30.8**	**291.3**	**20**	18.5	150.8	3
			21			4
Other derivative instruments						
Commodity option contracts			**5**			–
			5			–
			26			4

(1) *The euro foreign exchange contracts relate to the €390 million debt acquired by RCL Foods as part of the Foodcorp transaction. This foreign debt has two payment obligation components, namely the principal amount due on 1 March 2018 and the coupon payments due semi-annually on 1 September and 1 March. The principal amount is hedged on an equal basis utilising a performance participating foreign exchange contract for six years which matures on 1 March 2017 and a vanilla forward exchange contract for six years also maturing on 1 March 2017.*

The semi-annual coupon payments were partially hedged (50%) at inception using vanilla forward exchange contracts maturing on each coupon payment date, until 1 March 2017. The remaining unhedged coupon portion is hedged using vanilla forward exchange contracts.

15. INVESTMENT IN MONEY MARKET FUNDS

	30 June 2013 R million	30 June 2012 R million
Money market fund investments are held in the following currencies:		
South African rand	**450**	–
USA dollar (2013: \$40 million; 2012: \$187 million)	**395**	1 522
British pound (2013: £23 million; 2012: £13 million)	**295**	171
Euro (2013: €Nil million; 2012: €63 million)	**–**	651
	1 140	2 344

Investments in offshore money market funds relate to investments in shares of J P 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 2013 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. Local money market funds relate to investment in a South African unit trust offered by Nedgroup Collective Investments mandated to invest only in money market instruments of major South African banks, government securities and government-related entities. 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 2013 R million	30 June 2012 R million
Cash at the centre	**2 043**	5 983
Operating subsidiaries	**2 178**	501
	4 221	6 484

The cash is held in the following currencies:		
South African rand	**3 615**	4 548
British pound	**40**	112
USA dollar	**474**	1 501
Euro	**45**	15
Swiss franc	**35**	308
Other	**12**	–
	4 221	6 484

At year-end cash and cash equivalents earned interest at effective interest rates that varied between 4.72% and 5.72% (2012: 5.25% and 6.25%) per annum at local financial institutions and between 0.05% and 4.95% (2012: 0.01% and 5.50%) per annum abroad.

Cash and cash equivalents are represented by the following:		
United Kingdom treasury bills	**–**	38
Current accounts and call accounts	**4 221**	6 446
	4 221	6 484

At year-end the Group's cash was invested at financial institutions with the following Moody's credit rating (unless otherwise indicated):		
Aa3	**257**	509
A2	**10**	399
A3	**183**	688
Baa1	**2 939**	3 868
AA+ (Fitch credit rating)	**517**	520
A+ (Fitch credit rating)	**315**	500
	4 221	6 484

17. ASSETS HELD FOR SALE

	30 June 2013 R million	30 June 2012 R million
Assets held for sale comprise of:		
Assets held for sale	**776**	214
Liabilities held for sale	**(179)**	–
	597	214

The details of these assets and liabilities are as follows:

During the year under review RCL Foods obtained a controlling interest in Foodcorp and decided to dispose of that company's fishing division. A sales agreement, that is subject to, amongst others, approval by the Department of Agriculture, Forestry and Fishing and the Competition Commission, has been entered into.

Carrying value of assets held for sale	**536**	–
Property, plant and equipment	**119**	–
Goodwill	**139**	–
Trade marks and other intangibles	**120**	–
Inventory	**69**	–
Trade and other receivables	**56**	–
Trade receivables with group entities	**33**	–
Carrying value of liabilities held for sale	**(179)**	–
Borrowings	**(2)**	–
Trade and other payables	**(85)**	–
Derivative financial instruments	**(2)**	–
Deferred tax liability	**(90)**	–

Remgro is in the process of actively marketing its investment in MARC Group Limited and accordingly it was classified as a non-current asset held for sale.

Carrying value of investment classified as held for sale	**235**	168

TSB decided to dispose of an aircraft and is in the process of actively marketing the asset.

Carrying value of the aircraft	**5**	6

During the 2012 financial year TSB entered into various land reform agreements with, amongst others, the South African Government. Accordingly, the related assets were classified as non-current assets held for sale. These transactions were completed during the 2013 financial year.

Carrying value of assets held for sale		
Biological agricultural assets	**–**	40
Net non-current assets held for sale	**597**	214

18. STATED AND ISSUED CAPITAL AND SHARE PREMIUM

Stated and issued capital

Authorised

512 493 650 ordinary shares of no par value (2012: 1 cent each)	**–**	5
40 506 352 B ordinary shares of no par value (2012: 10 cents each)	**–**	4
	–	9

Issued

481 106 370 (2012: 481 106 370) ordinary shares of no par value (2012: 1 cent each)	**3 601**	4
35 506 352 (2012: 35 506 352) B ordinary shares of no par value (2012: 10 cents each)	**4**	4
	3 605	8

18. STATED AND ISSUED CAPITAL AND SHARE PREMIUM (continued)

	30 June 2013 R million	30 June 2012 R million
Share premium		
Balance at the beginning of the year	**3 597**	3 597
Transfer to stated capital	**(3 597)**	–
Balance at the end of the year	**–**	3 597

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

At 30 June 2012, 2 279 155 Remgro ordinary shares (0.5%) 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 year under review Remgro repurchased a further 2 710 000 Remgro ordinary shares at an average price of R149.56 per share for a total amount of R405 million, while 1 556 054 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised the rights granted to them.

At 30 June 2013, 3 433 101 Remgro ordinary shares (0.7%) were held as treasury shares.

At a general meeting of shareholders held on 7 October 2008, 21 000 000 ordinary shares were placed under the control of the Remgro Board as a specific authority for purposes of issuing and allotting such 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 year's offers are disclosed in note 25.

Statutory matters

During the year under review the Company adopted a new Memorandum of Incorporation. The new Memorandum of Incorporation substituted the existing Memorandum and Articles of Association of the Company, in compliance with the Companies Act (No. 71 of 2008), as amended.

Simultaneously, the Company's authorised and issued ordinary shares with a par value of R0.01 each were converted into authorised and issued ordinary shares of no par value and the authorised and issued B ordinary shares with a par value of R0.10 each were converted into authorised and issued B ordinary shares of no par value. As a result, the Company's share premium was also converted to stated capital.

19. RESERVES

19.1 Composition of reserves

	30 June 2013 R million	30 June 2012 R million
The Company:		
Retained earnings	**110**	1 522
Subsidiary companies and joint ventures	**42 770**	39 129
Fair value reserve	**104**	257
Other reserves*	**889**	669
Retained earnings	**41 777**	38 203
Associated companies:		
Equity reserves	**13 056**	9 367
	55 936	50 018

* *Other reserves consist mainly of share scheme reserves and foreign currency translation 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**	***Fair value reserves*** **R million**	***Retained earnings*** **R million**	**30 June 2013 Total R million**	30 June 2012 Total R million
Balances at the beginning of the year	**(30)**	**143**	**(4)**	**(734)**	**(625)**	(1 506)
Exchange rate adjustments during the year	**(82)**	**469**	**(50)**	**552**	**889**	792
Reclassification to the income statement	**–**	**(117)**	**–**	**279**	**162**	89
Balances at the end of the year	**(112)**	**495**	**(54)**	**97**	**426**	(625)

20. LONG-TERM LOANS

	30 June 2013 R million	30 June 2012 R million
Interest-bearing loans		
Unsecured long-term loans with an effective interest rate of Jibar +2.3% per annum repayable in five equal yearly instalments	**150**	–
Unsecured long-term loans with an effective interest rate of Jibar +1.5% (2012: +1.5%) per annum. The outstanding loan together with the accrued interest shall be repaid in quarterly instalments on the last day of the month.	**116**	93
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	**86**	6
These liabilities are secured by plant, machinery and equipment and vehicles with a book value of R102 million (2012: R6 million).		
Unsecured preference share debt		
The cumulative preferential cash dividend is calculated at a dividend rate of 19.5% accrued on a semi-annual basis. These cumulative redeemable preference shares are redeemable on or before 19 September 2018.	**35**	–
The cumulative preferential cash dividend is calculated at a dividend rate equal to prime accrued on an annual basis. These cumulative redeemable preference shares are redeemable on or before 10 May 2019.	**43**	–
Eurobonds		
The senior secured notes are listed on the Irish Stock Exchange and bear an interest rate of 8.75%. The notes have been valued at a spot rate of R12.86 at 30 June 2013. The senior secured notes will mature in March 2018.	**5 611**	–
Various unsecured loans with varying terms and interest rates	**65**	40
	6 106	139
Instalments payable within one year transferred to short-term interest-bearing loans	**(332)**	(34)
	5 774	105
Payable – two to five years	**5 634**	105
Payable thereafter	**140**	–
	5 774	105

21. TRADE AND OTHER PAYABLES

	THE COMPANY		CONSOLIDATED	
	30 June 2013 R million	30 June 2012 R million	**30 June 2013 R million**	30 June 2012 R million
Trade payables	**51**	46	**3 162**	2 181
Accrued expenses	**–**	–	**262**	312
	51	46	**3 424**	2 493

22. SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	30 June 2013 R million	30 June 2012 R million	**30 June 2013 R million**	30 June 2012 R million
Interest-bearing loans				
Unsecured short-term loan with an effective interest rate of Jibar +1.2% per annum repayable over a period of one year	**–**	–	**–**	153
Portion of long-term interest-bearing loans payable within one year	**–**	–	**332**	34
Bank overdrafts	**–**	–	**24**	90
Various unsecured loans with varying terms and interest rates	**–**	–	**1**	–
	–	–	**357**	277
Interest-free loans with no fixed repayment conditions	**–**	–	**4**	2
Loans – Subsidiary companies	**1 404**	2 487		
	1 404	2 487	**361**	279

23 . STAFF COSTS

	30 June 2013 R million	30 June 2012 R million
Salaries and wages	**2 186**	1 975
Share-based payments	**53**	89
Pension costs – defined contribution	**149**	140
Pension costs – return on defined-contribution asset	**(25)**	(16)
Pension costs – defined benefit	**3**	1
Post-retirement medical benefits	**33**	23
Other	**282**	193
	2 681	2 405

24. DIRECTORS' EMOLUMENTS

The detail of the remuneration and benefits received by each director and prescribed officers of the Company are presented on pages 99 to 103. This information was audited.

	30 June 2013			30 June 2012		
	Executive **R'000**	***Non-executive*** **R'000**	**Total R'000**	*Executive* R'000	*Non-executive* R'000	Total R'000
Executive directors						
Fees	**1 012**		**1 012**	1 161		1 161
Salaries	**18 249**		**18 249**	22 187		22 187
Retirement fund contributions	**3 814**		**3 814**	4 844		4 844
Other benefits	**1 177**		**1 177**	1 631		1 631
Subtotal	**24 252**		**24 252**	29 823		29 823
Non-executive directors						
Independent		**2 208**	**2 208**		2 027	2 027
Non-independent		**1 611**	**1 611**		3 349	3 349
Total	**24 252**	**3 819**	**28 071**	29 823	5 376	35 199
Increase in value – Remgro Share Scheme and Remgro SAR Scheme*	**87 566**	**25 942**	**113 508**	42 697	–	42 697

* *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 pages 100 and 101 for detail regarding the individual participants.*

	30 June 2013			30 June 2012		
	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	**2 421**		**2 421**	2 226		2 226
Subsidiary company	**1 349**	**24 301**	**25 650**	1 559	31 414	32 973
	3 770	**24 301**	**28 071**	3 785	31 414	35 199

25. 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 RCL Foods Share Scheme and the RCL Foods 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.

25.1 Remgro Share Scheme (the Scheme)

During the year under review, the Scheme was terminated due to the fact that the only remaining participant to the Scheme was Remgro's previous CEO, the late Mr M H Visser. All shares previously offered by the Scheme to the late Mr M H Visser were delivered to and settled by his estate during the year.

Share-based payments in terms of the Scheme consisted of ordinary shares in Remgro Limited that were offered to participants. The offers were valid for one year from the offer date. The Scheme was a deferred purchase scheme and payment took place in three equal yearly instalments, the first of which was payable three years after the offer date. Participants had no rights to delivery, voting or ordinary dividends on shares before payment had been made.

No Share Scheme expense was recognised in respect of the Scheme for the 2012 and 2013 financial years.

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:

	30 June 2013		30 June 2012	
	Number of shares	***Rand***	*Number of shares*	*Rand*
Carried forward from previous financial years	**240 911**	**149.64**	240 911	149.64
Shares paid for and delivered	**(240 911)**	**149.64**	–	–
Total at the end of the year	**–**	**–**	240 911	149.64
Exercisable at the end of the year	**–**	**–**	240 911	149.64

25. SHARE-BASED PAYMENTS (continued)

25.1 Remgro Share Scheme (the Scheme) (continued)

Exercise price range of all offers:

	30 June 2013			30 June 2012		
	Number of shares outstanding at year-end	***Weighted average remaining contract lifetime in years***	***Weighted average exercise price per share* (Rand)***	*Number of shares outstanding at year-end*	*Weighted average remaining contract lifetime in years*	*Weighted average exercise price per share (Rand)*
R120 – R140	**–**	**–**	**–**	172 681	0.82	135.00
R180 – R200	**–**	**–**	**–**	68 230	0.82	186.70

No offers were made during the current financial year in terms of this Share Scheme.

* *Additionally, in terms of the Scheme rules, participants also received all special dividends and proceeds from group restructurings following the offer date.*

25.2 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

	30 June 2013 R million	30 June 2012 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	**32**	67
Fair value of offers made during the year	**70**	2

Number and weighted average exercise prices of all SARs offered to participants of the SAR Scheme:

	30 June 2013		30 June 2012	
	Number of SARs	***Rand***	*Number of SARs*	*Rand*
Carried forward from previous financial years	**5 356 285**	**75.15**	6 515 980	69.91
Offered during current financial year	**1 721 877**	**148.03**	46 645	109.17
Forfeited during the year	**(31 622)**	**110.03**	(1 586)	83.27
Exercised during the year	**(2 312 571)**	**76.19**	(1 204 754)	56.04
Outstanding at the end of the year	**4 733 969**	**111.52**	5 356 285	75.15
Exercisable at the end of the year	**846 716**	**67.16**	2 341 222	66.15

25. SHARE-BASED PAYMENTS (continued)

25.2 Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme) (continued)

Exercise prices of all options:

	30 June 2013		30 June 2012	
	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	**–**	**–**	357 060	0.97
R40.00 – R49.99	**482**	**0.13**	97 393	0.98
R50.00 – R59.99	**9 481**	**2.75**	21 572	3.71
R60.00 – R69.99	**1 303 923**	**2.28**	2 458 351	2.52
R70.00 – R79.99	**368 789**	**3.13**	521 542	4.10
R80.00 – R89.99	**63 591**	**2.27**	83 563	3.14
R90.00 – R99.99	**1 242 945**	**4.42**	1 776 693	4.15
R100.00 – R109.99	**15 589**	**5.32**	38 444	6.38
R110.00 – R120.00	**7 667**	**5.60**	7 667	6.60
R140.00 – R149.99	**1 450 977**	**6.42**	–	–
R170.00 – R179.99	**43 377**	**6.73**	–	–
R180.00 – R189.99	**227 148**	**6.76**	–	–

The following assumptions were used in the binomial model to value offers:

	30 June 2013	30 June 2012
Weighted average Remgro share price for the year (R)	**164.18**	114.99
Exercise price (R)	**148.29 – 185.50**	31.43 – 115.81
Average expected exercise period (years)	**4 – 6**	4 – 6
Price volatility (%)	**16.27 – 21.39**	21.48 – 22.02
Risk-free rate (%)	**5.70 – 6.22**	7.03 – 7.52
Expected dividend yield (%)	**2.14 – 2.17**	2.08 – 2.17

In terms of the SAR Scheme's rules, Remgro's Remuneration and Nomination Committee may, in the instance that an event occurs that affects SARs granted to participants, take such action as it considers appropriate to protect the interests of participants to the SAR Scheme. Following Remgro's distribution of its investment in Impala Platinum Holdings Limited during the 2012 financial year to ordinary shareholders, the committee decreased the grant prices of SARs outstanding by between R7.47 and R13.19 in order to keep participants to the Scheme in a substantially similar position as they were prior to the unbundling.

This modification to the SAR Scheme resulted in an additional expense:

	30 June 2013 R million	30 June 2012 R million
Additional share-based payment charge	**5**	24

25.3 RCL Foods Share Schemes

RCL Foods 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 RCL Foods Share Incentive Trust's trustees, options are forfeited if not exercised before termination of employment. An expense of R21 million (2012: R22 million) relating to these schemes was recognised in the income statement.

26. PROFIT

	30 June 2013 R million	30 June 2012 R million
Profit is stated after taking the following into account:		
CONSOLIDATED		
Income		
Fair value adjustment – biological assets	**98**	122
Fair value adjustment – derivative instruments	**105**	80
Rental income – investment properties	**11**	13
Interest received	**250**	243
Loans to associated companies	**72**	68
Financial institutions and other	**178**	175
Profit/(loss) on sale and unbundling of investments	**(154)**	4 421
Investment in Implats	**–**	3 453
Investments in RMBH and RMI	**–**	168
Investment in Tracker	**–**	633
Dilution gain/(loss) of interest in associated companies and joint ventures	**(24)**	261
Recycled exchange rate losses (previously deferred in other comprehensive income)	**(154)**	(94)
Other	**24**	–
Negative goodwill on acquisition of additional Business Partners shares	**196**	–
Profit on the sale of property, plant and equipment	**19**	79
Expenses		
Amortisation of intangible assets	**19**	3
Fair value adjustment – derivative instruments	**9**	15
Expenses – investment properties	**3**	3
Rental	**222**	193
Land and buildings	**134**	93
Machinery and equipment	**65**	76
Vehicles	**11**	10
Office equipment	**12**	14
Research and development costs written off	**1**	2
Auditors' remuneration – audit fees	**20**	19
– other services	**3**	4
Net impairment of investments, assets and goodwill	**145**	268
Investment in VisionChina Media	**39**	237
Investment in GEMS Oriental and General Fund II	**13**	–
Investment in Milestone China Opportunities Fund II	**48**	–
Investment in Premier Team Holdings	**20**	24
Other	**25**	7
Net impairment of loans	**7**	27
Professional fees	**102**	80
Depreciation	**424**	354
Buildings	**64**	49
Machinery and equipment	**298**	253
Vehicles	**57**	48
Office equipment	**5**	4
Exchange rate losses	**117**	19

27. DIVIDEND INCOME

	THE COMPANY		CONSOLIDATED	
	30 June 2013 R million	30 June 2012 R million	**30 June 2013 R million**	30 June 2012 R million
Included in profit:				
Listed	**–**	–	**27**	172
Unlisted – Subsidiary companies	**353**	3 500		
– Other	**–**	–	**7**	3
	353	3 500	**34**	175
Dividends from associated companies and joint ventures set off against investments			**2 893**	2 942

28. EQUITY ADJUSTMENT

	30 June 2013 R million	30 June 2012 R million
Share of after-tax profit of associated companies and joint ventures		
Profit before taking into account impairments, non-recurring and capital items	**5 651**	6 094
Net impairment of investments, assets and goodwill	**(98)**	(197)
Profit on the sale of investments	**119**	381
Other non-recurring and capital items	**63**	38
Profit before tax and non-controlling interest	**5 735**	6 316
Taxation	**(1 236)**	(1 405)
Non-controlling interest	**(186)**	(379)
Share of net attributable profit of associated companies and joint ventures – per income statement	**4 313**	4 532
Dividends received from associated companies and joint ventures	**(2 893)**	(2 942)
Share of net profit retained by associated companies and joint ventures	**1 420**	1 590
Dilution (loss)/gain of interest in associated companies and joint ventures	**(24)**	261
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	**1 396**	1 851
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	**513**	401
The results of these associated companies and joint ventures will be audited in later financial periods that coincide with their financial year-ends.		

Refer to Annexure C for contingent liabilities of significant associated companies and joint ventures.

29. CASH FLOW INFORMATION

29.1 Adjustments

	THE COMPANY		CONSOLIDATED	
	30 June 2013 R million	30 June 2012 R million	**30 June 2013 R million**	30 June 2012 R million
Amortisation of intangible assets and depreciation	**–**	–	**443**	357
Movement in retirement benefits and provisions	**–**	–	**(4)**	(45)
Net movement in derivative instruments	**–**	–	**24**	(22)
Share scheme cost	**–**	–	**56**	89
(Profit)/loss on the sale of property, plant and equipment	**–**	–	**(19)**	(79)
Other	**–**	–	**(1)**	(1)
	–	–	**499**	299

29.2 Decrease/(increase) in working capital

Decrease/(increase) in inventories and biological agricultural assets	**–**	–	**(205)**	(559)
Decrease/(increase) in trade and other receivables	**–**	–	**18**	(84)
Increase/(decrease) in trade and other payables	**5**	(2)	**148**	299
	5	(2)	**(39)**	(344)

29.3 Reconciliation of dividends received

Receivable at the beginning of the year	**–**	–	**17**	50
Per income statement	**353**	3 500	**34**	175
Dividends from associated companies and joint ventures set off against investments	**–**	–	**2 893**	2 942
Receivable at the end of the year	**–**	–	**(25)**	(17)
Cash received	**353**	3 500	**2 919**	3 150

29.4 Reconciliation of taxation paid with the amount disclosed in the income statement

Paid in advance at the beginning of the year	**–**	–	**32**	51
Unpaid at the beginning of the year	**–**	–	**(9)**	(4)
Per income statement	**–**	–	**(226)**	(455)
– normal income	**–**	–	**(225)**	(303)
– capital gain	**–**	–	**(1)**	(127)
– STC	**–**	–	**–**	(25)
Unpaid at the end of the year	**–**	–	**3**	9
Paid in advance at the end of the year	**–**	–	**(35)**	(32)
Cash paid	**–**	–	**(235)**	(431)

29.5 Reconciliation of dividends paid

Per statements of changes in equity	**(1 720)**	(5 665)	**(1 712)**	(5 640)
Dividend *in specie*	–	3 904	**–**	3 887
Paid by subsidiary companies to minority	–	–	**(31)**	(66)
Cash paid	**(1 720)**	(1 761)	**(1 743)**	(1 819)

30. BUSINESSES ACQUIRED

On 1 May 2013 RCL Foods acquired an effective holding of 64.2% in New Foodcorp Holdings Proprietary Limited (Foodcorp) for a purchase consideration of R1 026 million. The fair value of the non-controlling interest was estimated by using the purchase price paid, adjusted for the lack of control and lack of marketability that market participants would consider when estimating the fair value of the non-controlling interest. Goodwill relates to synergies between identifiable assets acquired and the established workforce. Acquisition-related costs of R45 million have been charged to administration expenses in the income statement for the year ended 30 June 2013. Foodcorp's contribution to revenue and operating profit since 1 May 2013 was R1 217 million and R99 million respectively. Had Foodcorp been consolidated from 1 July 2012, the contribution to revenue and operating profit would have amounted to R6 471 million and R502 million respectively. The purchase allocation is not considered to be final.

During the previous year Wispeco, a wholly owned subsidiary of Remgro, acquired 80% of Xline Aluminium Solutions Proprietary Limited. The contribution to turnover and operating profit since acquisition was not material.

The assets and liabilities arising from the acquisitions above were as follows:

	30 June 2013 Total R million	30 June 2012 Total R million
Assets		
Property, plant and equipment (refer note 2)	**1 612**	1
Intangible assets (refer note 5)	**2 851**	–
Loans	**169**	–
Inventories	**390**	–
Debtors and short-term loans	**878**	22
Cash and cash equivalents	**279**	–
Assets held for sale	**397**	–
Liabilities		
Retirement benefits (refer note 10)	**(40)**	–
Long-term loans	**(5 980)**	–
Deferred taxation (refer note 11)	**(956)**	–
Short-term loans	**–**	(6)
Trade and other payables	**(845)**	(20)
Derivative instruments	**(16)**	–
Non-controlling interest	**(331)**	2
Fair value of net liabilities acquired	**(1 592)**	(1)
Goodwill (refer note 5)	**2 618**	1
Total purchase consideration	**1 026**	–
Cash and cash equivalents in subsidiary acquired	**(279)**	–
Cash outflow on acquisition	**747**	–

31. FINANCIAL INSTRUMENTS

31.1 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 2013						
Investments – other			**60**	**2 108**	**2 168**	**2 168**
Loans		**497**			**497**	**497**
Loans to associated companies and joint ventures		**608**			**608**	**608**
Debtors and short-term loans	**400**	**2 539**			**2 939**	**2 939**
Derivative instruments			**437**		**437**	**437**
Investment in money market funds			**1 140**		**1 140**	**1 140**
Cash and cash equivalents		**4 221**			**4 221**	**4 221**
	400	**7 865**	**1 637**	**2 108**	**12 010**	**12 010**
30 June 2012						
Investments – other			86	1 501	1 587	1 587
Loans		115			115	115
Loans to associated companies and joint ventures		628			628	628
Debtors and short-term loans	265	1 806			2 071	2 071
Derivative instruments			104		104	104
Investment in money market funds			2 344		2 344	2 344
Cash and cash equivalents		6 484			6 484	6 484
	265	9 033	2 534	1 501	13 333	13 333

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 2013				
Long-term loans	**5 774**		**5 774**	**5 774**
Trade and other payables	**3 424**		**3 424**	**3 424**
Short-term loans	**361**		**361**	**361**
Derivative instruments		**26**	**26**	**26**
	9 559	**26**	**9 585**	**9 585**
30 June 2012				
Long-term loans	105		105	105
Trade and other payables	2 493		2 493	2 493
Short-term loans	279		279	279
Derivative instruments		4	4	4
	2 877	4	2 881	2 881

31. FINANCIAL INSTRUMENTS (continued)

31.1 Classes of financial instruments and fair value (continued)

Fair value

On 30 June 2013 and 30 June 2012 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 2013				
Available-for-sale	823		1 285	2 108
Assets at fair value through profit and loss			60	60
Derivative instruments		364	73	437
Investment in money market funds	1 140			1 140
Cash and cash equivalents	4 221			4 221
	6 184	364	1 418	7 966

Reconciliation of carrying value of level 3 assets at the beginning and end of the year	*Available-for-sale* R million	*Assets at fair value through profit and loss* R million	*Derivative instruments* R million	Total R million
30 June 2013				
Balances at the beginning of the year	779	40	80	899
Additions	711	20		731
Disposals	(20)			(20)
Exchange rate adjustments	101			101
Fair value adjustments through profit and loss	–		(7)	(7)
Fair value adjustments through comprehensive income	(286)			(286)
Balances at the end of the year	1 285	60	73	1 418

The following table illustrates the fair value of financial liabilities by hierarchy level:

	Level 1 R million	*Level 2* R million	*Level 3* R million	Total R million
30 June 2013				
Derivative instruments	–	26	–	26

31. FINANCIAL INSTRUMENTS (continued)

31.2 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.

Remgro's risk management is performed by its 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.

Risk management at subsidiary level is performed by the respective subsidiaries themselves and Remgro's Board of Directors monitors this on a continuous basis through representation on the subsidiaries' boards.

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" consist mainly of the investments in British American Tobacco Plc, Kagiso Infrastructure Empowerment Fund, Pembani Remgro Infrastructure Fund and the Milestone China Funds. 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 and offshore borrowings denominated in foreign currencies. These risks are limited by using foreign exchange contracts when deemed necessary.

As part of the Foodcorp transaction, foreign debt amounting to €390 million with a coupon rate of 8.75% per annum was acquired by RCL Foods. This foreign debt has two payment obligation components, namely the principal amount due on 1 March 2018 and the coupon payments due semi-annually on 1 September and 1 March. Both the principal amount and the semi-annual coupon payments have been hedged using a variety of hedging instruments. 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 Remgro's treasury department, as well as the respective subsidiary companies, 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.

31. FINANCIAL INSTRUMENTS (continued)

31.2 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:

	30 June 2013			30 June 2012		
	Change	Income statement R million	Equity R million	Change	Income statement R million	Equity R million
Interest rates	2.0%	(13)	–	2.0%	100	–
Foreign exchange	5.0%	(188)	73	5.0%	1	128
Equity prices	10.0%	11	181	10.0%	14	129
		190	254		115	257

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, joint ventures and other investee companies, 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, joint ventures and other investee companies

Management continuously assesses the credit risk of loans to associated companies and joint ventures through its representation on the respective boards. The credit risk of loans to other investee companies is assessed through regular reporting from the respective investee companies. Loans to associated companies, joint ventures and other investee companies are within their mandated terms.

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. RCL Foods, TSB 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 2013	**144**	**56**	**13**	**29**	**242**
30 June 2012	233	16	10	38	297

A provision for doubtful debts of R71 million (2012: R61 million) was made. Refer note 13.

The credit quality of performing trade debtors against whom no impairment was provided, is as follows:

	30 June 2013 R million	30 June 2012 R million
Existing customers (history of six months +) – no past defaults	**1 892**	1 160
Existing customers (history of six months +) – with past defaults	**376**	319
New customers (history of less than six months)	**4**	13
	2 272	1 492

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

Derivative instrument transactions and cash investments

Derivative instruments consist mainly of foreign exchange contracts with financial institutions and conversion rights attached to preference shares issued by associated companies. The credit risk of associated companies 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. Remgro's Treasury Committee and/or the respective subsidiaries approve these institutions and determine 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

Debt levels within the Group are monitored on a continuous basis. The Company and its subsidiary companies have substantial cash balances at their disposal and adequate credit facilities that limit their liquidity risk. Credit risk is further limited due to the fact that the Company also has substantial investments which can be realised on short notice.

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 2013					
Long-term loans	**5 774**	**6 869**	**66**	**6 734**	**69**
Trade and other payables	**3 424**	**3 424**	**3 424**	**–**	**–**
Short-term loans	**361**	**664**	**664**	**–**	**–**
Derivative instruments	**26**	**326**	**326**	**–**	**–**
	9 585	**11 283**	**4 480**	**6 734**	**69**
30 June 2012					
Long-term loans	105	110	4	106	–
Trade and other payables	2 493	2 493	2 493	–	–
Short-term loans	279	285	285	–	–
Derivative instruments	4	13	13	–	–
Financial guarantee contracts	–	644	644	–	–
	2 881	3 545	3 439	106	–

32. CAPITAL MANAGEMENT

The Company manages its shareholders' equity, i.e. its stated capital, 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 year under review cash dividends amounting to R1 787 million (2012: R1 622 million) were declared and shares to the value of R405 million were repurchased. During the previous year the Group also unbundled its investment in Implats to the value of R3 897 million.

Refer to the statements of changes in equity for further details regarding the Group's capital.

33. COMMITMENTS

	30 June 2013 R million	30 June 2012 R million
Capital commitments	**1 439**	5 678
Uncompleted contracts for capital expenditure	**194**	212
Capital expenditure authorised but not yet contracted	**265**	130
Investments	**980**	5 336
Operating lease commitments		
Land and buildings	**288**	326
Due within one year	**126**	100
Due – two to five years	**159**	220
Due thereafter	**3**	6
Machinery and equipment	**71**	59
Due within one year	**30**	24
Due – two to five years	**41**	35
	1 798	6 063

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

34. BORROWING POWERS

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

35. GUARANTEES AND CONTINGENT LIABILITIES

35.1 Guarantees

	30 June 2013 R million	30 June 2012 R million
Guarantees by subsidiary companies*	**333**	319

35.2 Contingent liabilities

Legal disputes**	**2**	2 079
Contract grower guarantees***	**13**	22
	15	2 101

* *Consist mainly of a guarantee given to the acquirer following the disposal of an associate.*

** *As at 30 June 2012 Remgro had three material unresolved disputes with the South African Revenue Service totalling R2 073 million. Two of these disputes, totalling R1 337 million, related to a potential secondary tax on companies (STC) liability involving previous cancellations of treasury shares, while the third matter amounting to R736 million, related to the disposal of investments. During the year under review all three disputes have been resolved in Remgro's favour.*

*** *Certain subsidiary companies have contingencies relating to certain contract grower arrangements. It is not anticipated that any material liabilities will arise from these contingencies.*

36. RELATED PARTY INFORMATION

Subsidiaries

Details of income from and investments in subsidiary companies are disclosed in note 27 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 28 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 24 and 25 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 174 and 175 of the Integrated Annual Report.

Related party transactions	**30 June 2013 R million**	30 June 2012 R million
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
Controlling shareholder		
Dividends	**118**	379
Cash dividends	**118**	120
Special dividend	**–**	259
Associated companies and joint ventures		
Interest received	**72**	68
Dividends received	**2 893**	2 942
Administration fees	**15**	14
Sales	**–**	4
Purchases	**84**	29
Underwriting fee received	**64**	–
Corporate finance transaction cost paid	**27**	–
Key management personnel		
Salaries and other benefits	**24**	27
Retirement benefits	**4**	5
Share-based payments	**10**	42
Balances due from/(to) related parties:		
Associated companies	**(6)**	(5)
Associated companies	**527**	1 027
Other	**133**	90
THE COMPANY		
Transactions of Remgro Limited with:		
Controlling shareholder		
Dividends	**118**	379
Cash dividends	**118**	120
Special dividend	**–**	259
Subsidiary companies		
Dividends received	**353**	3 500
Balances due by/(owed to) related parties:		
Subsidiary companies	**(7)**	1 414

No security is given for any outstanding balances. No provisions for bad debts against outstanding balances with related parties have been made, except for a R6 million impairment against the Longkloof Limited loan. No bad debt of related parties has been written off during the year. 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.

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		Share capital R (unless otherwise stated)	Effective interest 30 June 2013 %	Effective interest 30 June 2012 %	HELD BY COMPANY Shares 30 June 2013 R	Shares 30 June 2012 R	Loan 30 June 2013 R million	Loan 30 June 2012 R million
Eikenlust Proprietary Limited		100	**100.0**	100.0				
Entek Investments Limited		810 630	**67.4**	66.9				
Financial Securities Proprietary 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 Proprietary Limited		1 000	**100.0**	100.0				
Industrial Partnership Investments Proprietary Limited		125 000	**100.0**	100.0	**125 000**	125 000		
Invenfin Proprietary Limited		100	**100.0**	100.0				
IPI (Overseas) Limited – Jersey		918 530 004	**100.0**	100.0				
IPROP Holdings Limited – British Virgin Islands	(USD)	4 882 892	**100.0**	100.0				
Metkor Group Proprietary Limited		82 978 237	**100.0**	100.0				
Partnership in Mining Proprietary Limited		100	**100.0**	100.0	**100**	100		
RCL Foods Limited		* 5 079 194 496	**75.9**	73.4				
Remgro Continental Limited – Jersey	(EUR)	1	**100.0**	100.0				
Remgro Finance Corporation Proprietary Limited		958 430	**100.0**	100.0				
Remgro International Holdings Proprietary Limited		2	**100.0**	100.0	**2**	2		
Remgro International Limited – Jersey		2 050 855 000	**100.0**	100.0				
Remgro Investment Corporation Proprietary Limited		100	**100.0**	100.0	**100**	100		
Remgro Loan Corporation Proprietary Limited		700	**100.0**	100.0			**(1 404)**	(2 487)
Remgro Management Services Limited		100	**100.0**	100.0			**1 434**	3 924
Remgro South Africa Proprietary Limited		48 614	**100.0**	100.0	**96 506**	96 506		
Remgro USA Limited – Jersey	(USD)	2	**100.0**	100.0				
Remont Proprietary Limited		100	**100.0**	100.0	**100**	100		
Robertsons Holdings Proprietary Limited		1 000	**100.0**	100.0				
RPII Holdings Proprietary Limited		8 600 000	**100.0**	100.0				
SEACOM SA SPV Proprietary Limited		100	**100.0**	100.0				
Stellenbosch Academy of Sport Properties Proprietary Limited		2	**100.0**	100.0				
TSB Sugar Holdings Proprietary Limited		100	**100.0**	100.0				
TTR Holdings Proprietary Limited		7	**100.0**	100.0	**7**	7		
VenFin Holdings Limited – Jersey	(EUR)	79 533 052	**100.0**	100.0				
VenFin Proprietary Limited		2 849 304 076	**100.0**	100.0	**3 735 678 454**	3 735 678 454		
VenFin Media Investments Proprietary Limited		2	**100.0**	100.0				
VenFin Sport Investments Proprietary Limited		100	**100.0**	100.0				
Wispeco Holdings Limited		11 641 000	**100.0**	100.0				
					3 736 150 269	3 736 150 269	**30**	1 437

(EUR) euro
(USD) USA dollar
* *Listed company*

A complete register of subsidiary companies is available for inspection at the registered office of the Company.

NAME OF COMPANY		LISTED				UNLISTED			
		30 June 2013		30 June 2012		**30 June 2013**		30 June 2012	
Incorporated in South Africa unless otherwise stated		**Shares held**	**Effective interest %**	Shares held	Effective interest %	**Shares held**	**Effective interest %**	Shares held	Effective interest %
Food, liquor and home care									
Unilever South Africa Holdings Proprietary Limited						**5 348 135**	**25.8**	5 348 135	25.8
Capevin Holdings Limited	#	**136 978 300**	**15.6**					50 977 168	11.3
– indirectly held by Capevin Holdings Limited through Remgro-Capevin Investments Proprietary Limited:									
– Distell Group Limited (15%)			**4.5**		1.7				
Capevin Investments Limited	#	**–**	**–**	4 034 692	9.6				
– indirectly held by Capevin Investments Limited through Remgro-Capevin Investments Proprietary Limited:									
– Distell Group Limited (29%)			**–**		2.8				
Remgro-Capevin Investments Proprietary Limited						**50**	**50.0**	50	50.0
– held by Remgro-Capevin Investments Proprietary Limited:									
– Distell Group Limited (58%)			**28.9**		29.0				
Banking									
RMB Holdings Limited		**394 431 450**	**27.9**	394 431 450	27.9				
– held by RMB Holdings Limited:									
– FirstRand Limited (35%)			**9.8**		9.8				
FirstRand Limited	#	**219 805 470**	**4.0**	219 805 470	4.0				
Healthcare									
Mediclinic International Limited		**358 869 121**	**44.4**	283 080 915	45.0				
Insurance									
RMI Holdings Limited		**449 638 871**	**30.3**	449 638 871	30.3				
Industrial									
Air Products South Africa Proprietary Limited						**4 500 000**	**50.0**	4 500 000	50.0
Kagiso Tiso Holdings Proprietary Limited (RF)						**322 892**	**34.7**	250 541	27.5
Total South Africa Proprietary Limited						**12 872 450**	**24.9**	12 872 450	24.9
PGSI Limited – BVI	*					**14 969 421**	**28.5**	14 969 421	28.5
PGSI Limited preference shares						**129 607 022**	**91.7**	129 607 022	91.7
Infrastructure									
Grindrod Limited		**147 767 261**	**25.0**	138 588 358	23.5				
CIV Fibre Network Solutions Proprietary Limited						**216**	**30.0**	216	30.0
CIE Telecommunications Proprietary Limited						**90 000**	**30.0**	90 000	30.0
CIV Power Proprietary Limited						**90 000**	**30.0**	90 000	30.0
Central Lake Trading No. 77 Proprietary Limited						**67 419**	**44.8**	67 419	44.8
Dark Fibre Africa Proprietary Limited						**85 926**	**23.0**	65 334	19.2
SEACOM Capital Limited – Mauritius						**1 000**	**25.0**	1 000	25.0
Media and sport									
Sabido Investments Proprietary Limited						**17 730 595**	**31.9**	17 730 595	31.6
Other investments									
Business Partners Limited						**73 579 172**	**42.5**	51 808 449	29.9

All these investments were equity accounted.
Remgro rebutted the presumption that it does not have significant influence in these investments.
* *Effective interest, on a fully diluted basis:*
– PGSI Limited 25.3% (2012: 25.3%)
BVI – British Virgin Islands

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

	RMI (Insurance) 2013	RMBH (Banking) 2013	FirstRand (Banking) 2013	Mediclinic (Healthcare) 2013	Unilever South Africa (Food, liquor and home care) 2013
Effective interest	30.3%	27.9%	4.0%	44.3%	25.8%
	R million	R million	R million	R million	R million
Carrying value of investments	5 645	10 415	3 646	7 743	3 064
Share of retained equity income					
– Current year	115	977	388	951	13
Normal income	666	1 445	608	(384)	426
Dividends	(652)	(550)	(248)	(308)	(449)
Non-recurring and capital items and impairments	4	(56)	(23)	2	34
Other changes in reserves	97	138	51	1 641	2
– Cumulative	(2)	3 296	2 387	2 906	355

Summarised financial information:

	Per Annual Report 30/06/2013	Per Annual Report 30/06/2013	Per Annual Report 30/06/2013	Per Annual Report 31/03/2013	Per Interim Report 30/06/2013
STATEMENT OF FINANCIAL POSITION					
Assets					
Net advances, loans and bank-related securities	275	–	84 099	–	–
Intangible assets	43	–	1 169	7 279	10 445
Property, plant and equipment and other	498	1	5 862	40 233	4 014
Investments and loans	19 891	30 595	7 845	363	15
Net current assets/(liabilities)	2 125	(42)	(4 562)	2 837	(1 261)
	22 832	30 554	94 413	50 712	13 213
Equity and liabilities					
Shareholders' funds	14 152	29 318	79 628	18 175	12 216
Long-term debt	8 680	1 236	14 785	32 537	997
	22 832	30 554	94 413	50 712	13 213
Contingent liabilities	–	–	39 332	–	82

	12 months ended 30/06/2013	12 months ended 30/06/2013	12 months ended 30/06/2013	12 months ended 31/03/2013	12 months ended 30/06/2013
INCOME STATEMENT					
Headline earnings	2 201	5 170	15 114	(1 007)	1 653
Net profit for the year	2 214	4 969	14 539	(1 002)	1 784
Dividends paid	2 154	1 967	6 175	488	1 734

There are no loans to these associated companies.

The investments above represent 67% of the total carrying value of associated companies.

	RMI (Insurance) 2012	RMBH (Banking) 2012	FirstRand (Banking) 2012	Mediclinic (Healthcare) 2012	Unilever South Africa (Food, liquor and home care) 2012
Effective interest	30.3%	27.9%	4.0%	45.0%	25.8%
	R million	R million	R million	R million	R million
Carrying value of investments	5 530	9 438	3 258	4 622	3 051
Share of retained equity income					
– Current year	772	373	232	406	61
Normal income	767	1 261	509	491	367
Dividends	(310)	(887)	(352)	(221)	(386)
Non-recurring and capital items and impairments	(48)	59	22	–	80
Other changes in reserves	363	(60)	53	136	–
– Cumulative	(117)	2 319	1 999	1 955	342

Summarised financial information:

	Per Annual Report 30/06/2012	Per Annual Report 30/06/2012	Per Annual Report 30/06/2012	Per Annual Report 31/03/2012	Per Interim Report 30/06/2012
STATEMENT OF FINANCIAL POSITION					
Assets					
Net advances, loans and bank-related securities	273	–	73 698	–	–
Intangible assets	50	–	1 743	6 350	10 644
Property, plant and equipment and other	445	1	4 378	34 808	3 685
Investments and loans	18 465	27 183	7 982	875	17
Net current assets/(liabilities)	2 341	(53)	(3 726)	2 340	(1 807)
	21 574	27 131	84 075	44 373	12 539
Equity and liabilities					
Shareholders' funds	13 810	25 822	69 807	11 404	12 152
Long-term debt	7 764	1 309	14 268	32 969	387
	21 574	27 131	84 075	44 373	12 539
Contingent liabilities	–	–	31 011	–	96

	12 months ended 30/06/2012	12 months ended 30/06/2012	12 months ended 30/06/2012	12 months ended 31/03/2012	12 months ended 30/06/2012
INCOME STATEMENT					
Headline earnings	2 410	4 296	12 642	1 222	1 425
Net profit for the year	2 248	4 490	13 196	1 221	1 738
Dividends paid	947	2 897	8 742	436	1 500

There are no loans to these associated companies.

The investments above represent 68% of the total carrying value of associated companies.

R million		Year ended 30 June 2013 Revenue	Year ended 30 June 2013 Headline earnings	30 June 2013 Assets	30 June 2013 Liabilities
Food, liquor and home care					
Unilever South Africa	(1)	–	426	3 064	–
Distell*	(1)	–	363	2 547	–
RCL Foods	(1)	10 231	20	17 353	10 296
TSB	(1)	5 022	311	3 472	1 593
Banking					
RMBH	(1)	–	1 444	10 415	–
FirstRand	(1)	–	608	3 645	–
Healthcare					
Mediclinic	(2)	–	(385)	7 743	–
Insurance					
RMI Holdings	(1)	–	666	5 645	–
Industrial					
Air Products South Africa	(2)	–	180	691	–
KTH	(1)	–	149	2 475	–
Total South Africa	(1)	–	258	1 192	–
PGSI	(1)	–	10	568	–
Wispeco	(1)	1 193	64	548	92
Infrastructure					
Grindrod	(1)	–	144	2 868	–
CIV group**	(2)	–	59	1 650	–
SEACOM	(1)	–	–	617	–
Other infrastructure interests		–	(7)	776	–
Media and sport					
Sabido	(2)	–	148	929	–
Other media and sport interests		–	(29)	610	2
Other investments		–	57	2 207	4
Central treasury – cash at the centre	(1)	–	3	2 733	–
Other net corporate assets	(1)	–	(102)	1 598	294
		16 446	4 387	73 346	12 281
Elimination of loans to/from subsidiary companies				(587)	(587)
Consolidated				72 759	11 694

* *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*

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

*** *Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R2 887 million, are located in foreign countries.*

Financial period accounted for the year ended 30 June 2013:
(1) *Twelve months to 30 June 2013*
(2) *Twelve months to 31 March 2013*

		Year ended 30 June 2012		30 June 2012	
R million		Revenue	Headline earnings	Assets	Liabilities
Food, liquor and home care					
Unilever South Africa	(1)	–	367	3 051	–
Distell*	(1)	–	324	2 258	–
RCL Foods	(1)	7 855	197	5 197	2 289
TSB	(1)	4 622	352	3 284	1 371
Banking					
RMBH	(1)	–	1 261	9 438	–
FirstRand	(1)	–	509	3 258	–
Healthcare					
Mediclinic	(2)	–	491	4 622	–
Insurance					
RMI Holdings	(1)	–	768	5 530	–
Industrial					
Air Products South Africa	(2)	–	181	642	–
KTH	(1)	–	93	1 765	–
Total South Africa	(1)	–	124	941	–
PGSI	(1)	–	1	581	–
Wispeco	(1)	1 055	44	499	93
Infrastructure					
Grindrod	(3)	–	88	2 315	–
CIV group**	(2)	–	85	1 428	–
SEACOM	(1)	–	(27)	586	–
Other infrastructure interests		–	(2)	200	–
Media and sport					
Sabido	(2)	–	129	845	–
Other media and sport interests		–	(36)	331	1
Mining interests					
Implats		–	148	–	–
Other investments		–	17	1 708	1
Central treasury – cash at the centre	(1)	–	140	8 327	–
Other net corporate assets	(1)	–	(141)	1 530	328
		13 532	5 113	58 336	4 083
Elimination of loans to/from subsidiary companies				(309)	(309)
Consolidated				58 027	3 774

* *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*

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

*** *Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R2 391 million, are located in foreign countries.*

Financial period accounted for the year ended 30 June 2012:

(1) *Twelve months to 30 June 2012*
(2) *Twelve months to 31 March 2012*
(3) *Eight months to 30 June 2012*

	30 June 2013 %	30 June 2013 Number of shares	30 June 2012 %	30 June 2012 Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Commissioner	**17.55**	**84 453 766**	17.86	85 929 283
Other	**82.45**	**396 652 604**	82.14	395 177 087
	100.00	**481 106 370**	100.00	481 106 370
B ordinary shares				
Rembrandt Trust Proprietary 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 2013.

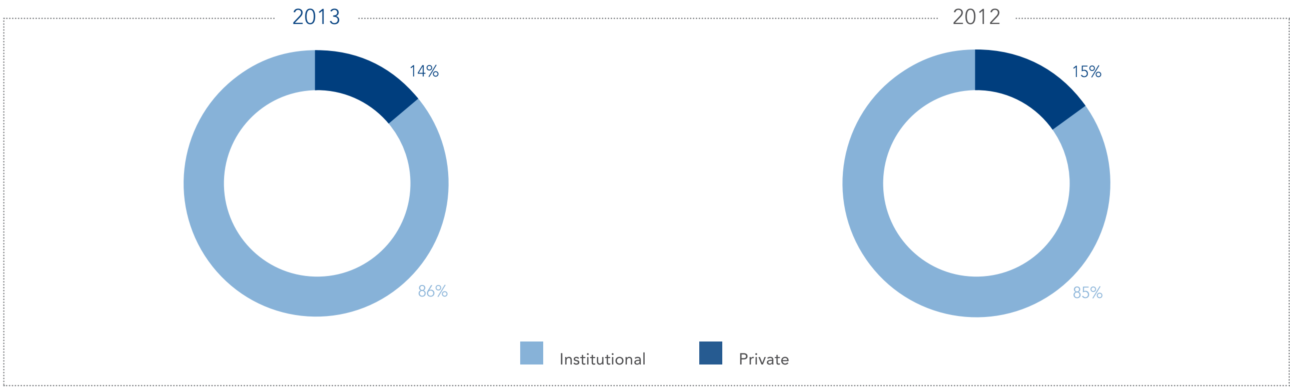
	30 June 2013	30 June 2012	31 March 2011	31 March 2010
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	**49 487**	46 220	43 859	42 794
Percentage of shareholders	**99.85**	99.94	99.94	99.92
Number of shares	**464 305 068**	466 239 333	464 666 249	464 176 248
Percentage of shares issued	**96.51**	96.91	96.58	96.48
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	**73**	29	29	36
Percentage of shareholders	**0.15**	0.06	0.06	0.08
Number of shares	**16 801 302**	14 867 037	16 440 121	16 930 122
Percentage of shares issued	**3.49**	3.09	3.42	3.52
Number of shareholders	**49 560**	46 249	43 888	42 830

Shares held by directors of the Company's subsidiaries and their associates were previously reported under public shareholders. Therefore the distribution of shareholders for the year under review is not comparable to previous years.

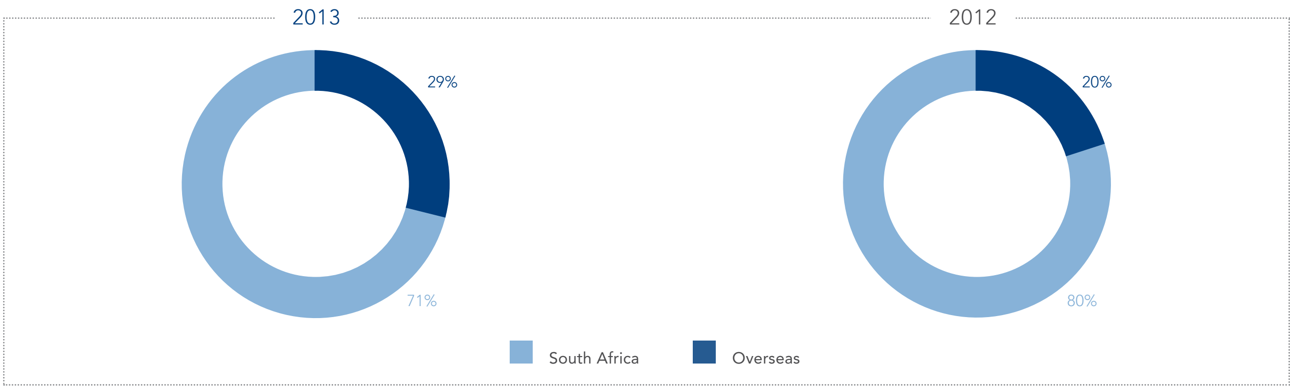
	30 June 2013	30 June 2012	31 March 2011	31 March 2010
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of no par value (previous years: 1 cent each)	**481 106 370**	481 106 370	481 106 370	481 106 370
Issued at the beginning of the year	**481 106 370**	481 106 370	481 106 370	439 479 751
Issued during the year	**–**	–	–	41 626 619
– Unlisted B ordinary shares of no par value (previous years: 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	516 612 722	516 612 722
Number of shares held in treasury				
Ordinary shares repurchased and held in treasury	**(3 433 101)**	(2 279 155)	(2 918 266)	(3 424 044)
	513 179 621	514 333 567	513 694 456	513 188 678
Weighted number of shares	**513 526 699**	514 090 014	513 209 003	486 152 822

ADDITIONAL INFORMATION

Institutional and private shareholding in Remgro Limited ordinary shares



Overseas and local shareholding in Remgro Limited ordinary shares



INTERESTS OF THE DIRECTORS IN THE ISSUED CAPITAL OF THE COMPANY

Ordinary shares

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2013				
W E Bührmann	**258 500**			**258 500**
J W Dreyer		**191 130**	**2 776**	**193 906**
J J Durand		**665 577**	**7 500**	**673 077**
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**		**1 053 301**	**1 080 127**
P J Moleketi	**2 030**	**1 445**	**2 350**	**5 825**
F Robertson		**5 000**		**5 000**
J P Rupert			**6 867 150**	**6 867 150**
H Wessels			**4 500**	**4 500**
	710 745	**2 961 212**	**8 627 561**	**12 299 518**

On 31 January 2013, when Mr P E Beyers retired, his indirect beneficial holding was 174 130 ordinary shares in Remgro Limited.

On 31 March 2013, when Mrs J A Preller retired, she held 122 919 ordinary shares in Remgro Limited.

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2012				
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		671 577	940	672 517
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		1 053 301	1 080 127
J A Preller	122 919			122 919
F Robertson		5 000		5 000
J P Rupert			6 867 150	6 867 150
H Wessels			4 500	4 500
	829 334	3 139 897	8 618 651	12 587 882

On 26 April 2012, when Mr M H Visser passed away, he held 234 164 ordinary shares in Remgro Limited and his indirect beneficial holding was 994 124 ordinary shares in Remgro Limited.

B ordinary shares

Mr J P Rupert is a director of Rembrandt Trust Proprietary 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.

The 2013 Annual General Meeting of Remgro Limited (the Company) will be held on Tuesday, 3 December 2013, at 10:30 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 Report of the Board of Directors, the Independent Auditor's Report and the Audit and Risk Committee Report, of the Company and the Group for the financial year ended 30 June 2013 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 2014, is Mr N H Döman.

3. ELECTION OF DIRECTOR

Ordinary Resolution Number 3

Resolved that Mr W E Bührmann who retires in terms of clause 27.4.3.1 of the Company's Memorandum of Incorporation 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 J J Durand who retires in terms of clause 27.4.3.1 of the Company's Memorandum of Incorporation 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 G T Ferreira who retires in terms of clause 27.4.3.1 of the Company's Memorandum of Incorporation 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 Mr J Malherbe who retires in terms of clause 27.4.3.1 of the Company's Memorandum of Incorporation 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 M M Morobe who retires in terms of clause 27.4.3.1 of the Company's Memorandum of Incorporation 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 16 and 17 of the Integrated Annual Report.

8. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 8

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 2014.

9. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 9

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 2014.

10. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 10

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 2014.

11. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 11

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 2014.

12. APPROVAL OF DIRECTORS' REMUNERATION

Special Resolution Number 1

Resolved that directors' fees for services rendered as directors for the financial year ending 30 June 2014 be determined on the following basis:

Type of fee	Proposed fee for the year ending 30 June 2014 R
Board member	228 000
Chairman of the Audit and Risk Committee	153 000
Member of the Audit and Risk Committee	77 000
Member of the Remuneration and Nomination Committee	38 000
Member of the Social and Ethics Committee	38 000

Additional information in respect 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 2014.

13. GENERAL AUTHORITY TO REPURCHASE SHARES

Special Resolution Number 2

Resolved that the Board of Directors of the Company be and is 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 Memorandum of Incorporation 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 10% 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 and its subsidiaries satisfy 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 Memorandum of Incorporation, 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.

Additional information in respect 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 Integrated Annual Report, in which this Notice of Annual General Meeting is included, at the places indicated:

- Directors and management (pages 16 to 17);
- Major shareholders (page 174);
- Directors' interests in securities (page 176); and
- Share capital of the Company (pages 149 and 176).

The directors, whose names are set out on pages 16 and 17 of the Integrated 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 year.

14. GENERAL 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 5.82 – 5.84 of the Listings Requirements).

Additional information in respect 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.

15. 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.

Additional information in respect 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.

Notice to shareholders of the Company in terms of section 45(5) of the Companies Act of a resolution adopted by the Board of Directors authorising the Company to provide direct or indirect financial assistance to related and inter-related companies and corporations.

- By the time this notice of the Annual General Meeting is delivered to shareholders, the Board will have adopted a resolution (Section 45 Board Resolution) authorising the Company to provide, at any time and from time to time during the period commencing on the date on which Special Resolution Number 4 is adopted until the date of the next Annual General Meeting of the Company, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company. The financial assistance will entail loans and other financial assistance to subsidiaries of the Company (being related or inter-related companies of the Company) for purposes of funding the activities of the Group.

- The Section 45 Board Resolution will be effective only if and to the extent that Special Resolution Number 4 is adopted by the shareholders and the provision of any such financial assistance by the Company, pursuant to such resolution, will always be subject to the Board of Directors being satisfied that (1) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act; and that (2) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.
- Inasmuch as the Section 45 Board Resolution contemplates that such financial assistance will, in the aggregate, exceeds 0.1% of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders. The Company does not have any employees represented by a trade union.

16. REPORT BY SOCIAL AND ETHICS COMMITTEE

The Company's Social and Ethics Committee Report, included on page 70 of the Annual Report, read with the detailed Sustainable Development Report included on page 72 of the Integrated Annual Report, will serve as the Social and Ethics Committee's Report to the Company's shareholders on the matters within its mandate at the Annual General Meeting. Any specific questions to the Committee may be sent to the Company Secretary prior to the Annual General Meeting.

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 11 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 Friday, 18 October 2013.

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, 22 November 2013, 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, 15 November 2013.

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary Resolutions Numbers 1 to 11 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 Memorandum of Incorporation 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 Memorandum of Incorporation of the Company and the Listings Requirements.

Equity securities held by a share trust or scheme of the Company 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 Proprietary 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 Friday, 29 November 2013, at 10:30 (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 person present and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of votes that person would otherwise be entitled to exercise. On a poll, every holder of ordinary shares shall be entitled to one vote per ordinary share held and every holder of B ordinary shares shall be entitled to 10 votes per B ordinary share held.

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
Company Secretary

Stellenbosch
18 September 2013

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 public 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 – 7

Election of directors

In terms of the provisions of clause 27.4.3 of the Company's Memorandum of Incorporation, one-third of the directors, or if their number is not three or 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 16 and 17 of the Integrated Annual Report.

Ordinary Resolutions Numbers 8 – 11

Appointment of members of the Audit and Risk Committee

In terms of the provisions of section 94(2) of the Companies Act, a public company shall at every annual general meeting elect an Audit Committee comprising at least three members. Brief curricula vitae of the independent non-executive directors proposed to be appointed to the Audit and Risk Committee appear on pages 16 and 17 of the Integrated Annual Report. As is evident from the curricula vitae 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 and corporations

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 2013 Annual General Meeting of the Company to be held on Tuesday, 3 December 2013, at 10:30 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 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 W E Bührmann			
4. Election of director – Mr J J Durand			
5. Election of director – Mr G T Ferreira			
6. Election of director – Mr J Malherbe			
7. Election of director – Mr M M Morobe			
8. Appointment of member of the Audit and Risk Committee – Mr N P Mageza			
9. Appointment of member of the Audit and Risk Committee – Mr P J Moleketi			
10. Appointment of member of the Audit and Risk Committee – Mr F Robertson			
11. Appointment of member of the Audit and Risk Committee – Mr H Wessels			
Special resolutions			
1. Approval of directors' remuneration			
2. General authority to repurchase shares			
3. General authority to enter into derivative transactions			
4. General authority to provide financial assistance to related and inter-related companies and corporations			

Signed at ______________________ on ______________________ 2013

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. On a show of hands, every person present and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of votes that person would otherwise be entitled to exercise. On a poll, every holder of ordinary shares shall be entitled to one vote per ordinary share held and every holder of B ordinary shares shall be entitled to 10 votes per B ordinary share held.

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 Proprietary Limited at 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Friday, 29 November 2013, at 10:30 (South African time).

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the chairman of the Annual General Meeting.

6. The completion and lodging of this form of proxy will not preclude the relevant 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 (No. 71 of 2008), as amended, 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.

Designed and produced by Greymatter & Finch

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