Remgro Limited

2014 INTEGRATED ANNUAL REPORT

CREATING SHAREHOLDER VALUE SINCE 1948

MORE INFORMATION

This Integrated Annual Report is published as part of a set of reports in respect of the financial year ended 30 June 2014, all of which are available on the Company's website at www.remgro.com.

2014 ANNUAL FINANCIAL STATEMENTS

2014 SUSTAINABLE DEVELOPMENT REPORT

INVESTOR TOOLS

Cross-reference to relevant sections within this report

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REMGRO'S APPROACH TO REPORTING

The 2014 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 key stakeholders that use the Integrated 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). The recommendations contained in the International Integrated Reporting Framework were also noted and applied wherever possible.

This Integrated Annual Report only includes an abridged version of the Sustainable Development Report as well as summary financial statements. The detailed Sustainable Development Report and Annual Financial Statements in respect of the year under review are available on the Company's website at www.remgro.com.

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 65. 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. 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.

Since the disposal of TSB Sugar RSA Proprietary Limited (TSB) to RCL Foods Limited (RCL Foods) during January 2014, Remgro only has two main operating subsidiaries, i.e. RCL Foods and Wispeco Holdings Proprietary Limited (Wispeco). As RCL Foods (a 78% subsidiary) is listed on the JSE, detailed information regarding its financial, sustainability and social performance is available on its website at www.rclfoods.com. As from 30 June 2014 RCL Foods' reporting will also include TSB.

Wispeco is an unlisted wholly owned subsidiary which is operated and managed on a decentralised basis as an independent entity with an autonomous board of directors. Based on the above, as well as the fact that Wispeco only represents 0.62% of Remgro's intrinsic net asset value, only summarised "non-financial" disclosure relating to social and environmental performance will be provided for Wispeco. This is in line with Remgro's reporting on the financial performance of its investee 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 detail 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.

EXTERNAL AUDIT AND ASSURANCE

The consolidated annual financial statements were audited by the independent external auditors, PricewaterhouseCoopers Inc., in accordance with International Standards on Auditing. The report of the external auditors in respect of the summary consolidated annual financial statements is included on page 107 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 abridged Sustainable Development Report on page 80 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 21 for a summary of the most significant investment activities during the year under review.

SALIENT FEATURES

HEADLINE EARNINGS PER SHARE

EXCLUDING MEDICLINIC REFINANCING COST

+20.5%

ORDINARY DIVIDEND PER SHARE

+12.4%

INTRINSIC NET ASSET VALUE PER SHARE

+20.1%

FINANCIAL

	Year ended 30 June 2014	Year ended 30 June 2013 Restated	*% change*
Headline earnings	**R6 635m**	R4 196m	*58.1*
– per share	**1 292.4c**	817.1c	*58.2*
Headline earnings, excluding Mediclinic refinancing cost	**R6 635m**	R5 508m	*20.5*
– per share	**1 292.4c**	1 072.6c	*20.5*
Dividends per share			
Ordinary	**389.00**	346.00c	*12.4*
– Interim	**156.00c**	145.00c	*7.6*
– Final	**233.00c**	201.00c	*15.9*
Intrinsic net asset value per share	**R245.96**	R204.83	*20.1*
Remgro share price at 30 June	**R230.00**	R189.95	*21.1*
Percentage discount to intrinsic net asset value	**6.5%**	7.3%	*(11.0)*

NON-FINANCIAL

Spent on corporate social investment (CSI) (R million)			
– At the centre	**23**	14	
– Share of CSI spend of investee companies	**71**	56	
BBBEE scorecard contributor level	**5**	5	
Ranking in carbon disclosure project	**Joint 2nd (Climate Disclosure Leadership Index)**	Joint 4th (Climate Disclosure Leadership Index)	
Inclusion in JSE SRI Index	**Yes**	Yes	

GROUP PROFILE

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 has evolved substantially and 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:

- FOOD, LIQUOR AND HOME CARE
- BANKING
- HEALTHCARE
- INSURANCE
- INDUSTRIAL
- INFRASTRUCTURE
- MEDIA AND SPORT

GROUP STRUCTURE
AT 30 JUNE 2014

REMGRO LIMITED (PRINCIPAL INVESTMENTS)

FOOD, LIQUOR AND HOME CARE	
Unilever South Africa	25.8%
Distell	31.0%
RCL Foods	77.7%
BANKING	
RMBH	27.9%
FirstRand	4.0%
HEALTHCARE	
Mediclinic	42.1%
INSURANCE	
RMI Holdings	30.3%
INDUSTRIAL	
Air Products South Africa	50.0%
Kagiso Tiso Holdings	34.7%
Total South Africa	24.9%
PGSI	37.7%
Wispeco	100%
INFRASTRUCTURE	
Grindrod	22.6%
CIV group	50.7%
SEACOM	25.0%
MEDIA AND SPORT	
Sabido	31.9%
Premier Team Holdings	50.0%
Stellenbosch Academy of Sport	100%
OTHER INVESTMENTS	
Business Partners	42.7%
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

66 years of doing business

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.

1940s

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 date back to the 1940s when Dr Rupert and Mr 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 $33\frac{1}{3}$% and $66\frac{2}{3}$% 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 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 tobacco, financial services, mining and industrial interests, 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 2014, the value of the unbundled BAT shares has increased to R130.0 billion.

2009

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

OUR BUSINESS MODEL

HOW THE INVESTMENTS ARE MANAGED

Remgro only has an interest in two operating subsidiaries, i.e. RCL Foods (listed) and Wispeco (unlisted). Due to its philosophy of decentralised management, both 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 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, capital structure, 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.

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
481 106 370 ordinary shares of no par value Each ordinary share has one vote	35 506 352 B ordinary shares of no par value 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 2014, the unlisted B ordinary shares were entitled to 42.61% (2013: 42.64%) of the total votes of shareholders of the Company.

An analysis of major shareholders appears on pages 120 and 121.

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 sustainable dividend and capital growth.

Remgro's investment strategy

1. Emphasis on investments that will make a significant contribution to Remgro's earnings
2. Significant influence and board representation are integral
3. Preference for unlisted investments
4. Investments in listed entities where Remgro can identify value over the long term
5. Focus on South African investments and other African countries through investee companies
6. Will consider investments in other continents on an opportunistic basis
7. Future sector focus:
   - Financial services
   - Food, liquor and home care
   - Healthcare
   - Infrastructure
   - Media

Investment criteria (inter alia)

1. Prevailing culture and ethics of the Board and management team
2. Expected return on investment greater than Remgro's Weighted Average Cost of Capital
3. Environmental footprint of the enterprise
4. Viability of products and services and their life cycles
5. 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, Wispeco and TSB (directly until 31 December 2013, thereafter indirectly through RCL Foods);
- 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. the Milestone China Funds;
- 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, 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;
- 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 generated 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 26. Also refer to page 30 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 21 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 economic 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.

KEY OBJECTIVES AND PRINCIPAL INTEGRATED RISKS

REMGRO'S KEY OBJECTIVES

Managing with a view to maximising value creation and sustainable growth

1. 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.
2. 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.
3. These risks and opportunities are continuously measured against the risk appetite and risk-bearing capacity determined by the Board.

Doing business ethically

1. 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;
2. Leadership based on ethical foundations results in a culture of ethical and moral behaviour and compliance with laws, rules, codes and standards; and
3. 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, foreign currency risk, labour instability, legislation and regulatory aspects and increased crime, 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:

1. 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.
2. 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.
3. The ability to add value to investee companies by means of skilled and experienced executives.

SIX-YEAR REVIEW AND SHARE STATISTICS

CONSOLIDATED INCOME STATEMENTS

R million	Year ended 30 June 2014	Year ended 30 June 2013 Restated	Year ended 30 June 2012	Fifteen months ended 30 June 2011	Year ended 31 March 2010	2009
Profit/(loss) before taking into account the following	**(18)**	520	1 169	989	1 044	1 218
Non-recurring and capital items and impairments	**73**	(112)	4 126	2 327	(188)	40 345
Consolidated profit before tax	**55**	408	5 295	3 316	856	41 563
Taxation	**(57)**	(261)	(462)	(480)	(309)	(945)
Consolidated profit/(loss) after tax	**(2)**	147	4 833	2 836	547	40 618
Share in after-tax profit of equity accounted investments	**6 853**	4 035	4 532	8 112	2 619	4 806
Net profit after tax	**6 851**	4 182	9 365	10 948	3 166	45 424
Non-controlling interest	**66**	(3)	(81)	(107)	(106)	(94)
Attributable net profit for the period	**6 917**	4 179	9 284	10 841	3 060	45 330
Headline earnings	**6 635**	4 196	5 113	5 555	3 355	4 660
Headline earnings per share (cents)	**1 292.4**	817.1	994.6	1 082.4	690.1	987.7
Headline earnings per share from continuing operations (cents)#	**1 292.4**	817.1	994.6	1 082.4	690.1	671.5
Earnings per share (cents)	**1 347.3**	813.8	1 805.9	2 112.4	629.4	9 607.9
Dividends per share (cents)						
– Ordinary	**389**	346	314	314	209	190

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

R million	30 June 2014	30 June 2013 Restated	30 June 2012	30 June 2011	31 March 2010	2009
Property, plant and equipment, biological agricultural assets and investment properties	**6 157**	5 839	3 621	3 270	3 241	2 866
Investments – Equity accounted	**52 169**	45 408	38 321	34 920	28 052	23 795
Other non-current assets	**9 306**	8 684	2 358	6 933	7 295	5 430
Current assets	**11 876**	12 575	13 727	10 864	9 470	10 025
Total assets	**79 508**	72 506	58 027	55 987	48 058	42 116
Total equity	**68 634**	60 645	54 253	52 330	44 083	38 787
Non-current liabilities	**2 199**	7 827	981	1 481	1 517	1 172
Current liabilities	**8 675**	4 034	2 793	2 176	2 458	2 157
Total equity and liabilities	**79 508**	72 506	58 027	55 987	48 058	42 116
Net asset value per share (Rand)						
(attributable to equity holders)						
– at book value	**128.56**	114.25	103.93	100.37	84.38	80.75
– at intrinsic value	**245.96**	204.83	152.61	135.97	121.64	99.15

CONSOLIDATED STATEMENTS OF CASH FLOWS

R million	**Year ended 30 June 2014**	Year ended 30 June 2013 Restated	Year ended 30 June 2012	Fifteen months ended 30 June 2011	Year ended 31 March 2010	2009
Cash flow generated from returns on investments	**3 006**	3 147	3 372	2 733	1 531	1 642
Taxation paid	**(135)**	(236)	(431)	(407)	(144)	(280)
Cash available from operating activities	**4 245**	4 319	4 254	2 378	1 114	2 245
Dividends paid	**(1 834)**	(1 745)	(1 819)	(1 220)	(1 006)	(2 120)
Cash flow from operating activities	**2 411**	2 574	2 435	1 158	108	125
Net investing activities	**(2 121)**	(4 635)	(495)	(671)	(1 381)	1 053
Net financing activities	**(818)**	(170)	139	87	(5)	10
Net increase/(decrease) in cash and cash equivalents	**(528)**	(2 231)	2 079	574	(1 278)	1 188

SHARE STATISTICS

	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012	Fifteen months ended 30 June 2011	Year ended 31 March 2010	2009
Weighted number of unlisted B ordinary shares ('000)	**35 506**	35 506	35 506	35 506	35 506	35 506
JSE Limited						
Weighted number of Remgro ordinary shares in issue – excluding the unlisted B ordinary shares ('000)	**477 898**	478 020	478 584	477 703	450 647	436 292
Market capitalisation at end of period (R million) – Ordinary shares only	**110 654**	91 386	63 261	53 691	47 148	29 665
Price (cents per share)						
– Last day of period	**23 000**	18 995	13 149	11 160	9 800	6 750
– Highest	**23 000**	20 107	13 649	11 539	10 250	21 401
– Lowest	**18 000**	13 168	10 050	9 100	6 899	6 100
Number of shares traded ('000)	**202 660**	254 250	231 837	311 457	310 748	416 657
Value of shares traded (R million)	**39 935**	41 975	28 131	32 652	26 117	56 990
Shares traded/weighted number of ordinary shares (%)	**42.4**	53.2	48.4	65.2	69.0	95.5
Number of transactions	**501 423**	436 606	351 209	431 614	284 637	300 257

DIRECTORATE AND MEMBERS OF COMMITTEES

NON-EXECUTIVE DIRECTORS

J P RUPERT

E DE LA H HERTZOG

J MALHERBE

EXECUTIVE DIRECTORS

J J DURAND

W E BÜHRMANN

L CROUSE

INDEPENDENT NON-EXECUTIVE DIRECTORS

G T FERREIRA

P K HARRIS

N P MAGEZA

P J MOLEKETI

M MOROBE

F ROBERTSON

H WESSELS

MEMBERS OF COMMITTEES

AUDIT AND RISK COMMITTEE
H Wessels (Chairman)
N P Mageza
P J Moleketi
F Robertson

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

MANAGEMENT BOARD
J J Durand (Chairman); W E Bührmann;
L Crouse; 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

DIRECTORATE AND MEMBERS OF COMMITTEES

NON-EXECUTIVE DIRECTORS

J P RUPERT (64)

APPOINTED: 18 August 2000

CHAIRMAN

Directorships: 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 (64)

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 obtained a Master of Medicine degree, a Fellowship of the Faculty of Anaesthesiologists and a PhD (honoris causa). 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 (58)

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 (66)

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 (64)

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 (59)

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 Anglo American Platinum 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 (57)

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.

M MOROBE (57)

APPOINTED: 18 June 2007

Directorships: Until last year, Mr Morobe served as CEO of Kagiso Media Limited. He has since then assumed the role of Chairman of the Programme to Improve Learner Outcomes (PILO), which is currently a lead service provider to the National Education Collaboration Trust. A committed social and development activist, Mr Morobe has since his release from Robben Island in 1982, continued to involve himself – apart from previous roles in the public service and private sector – with various social causes, mainly relating to youth development, environment and conservation. He also serves on the boards of directors of WWF-SA, Food and Trees for Africa (Chairman), the Steve Biko Foundation and City Year South Africa.

F ROBERTSON (59)

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 (69)

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 (47)

CHIEF EXECUTIVE OFFICER

BAcc (Hons), MPhil (Oxon), CA(SA)
Years of service with the Group: 18

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

W E BÜHRMANN (59)

INVESTMENTS

BComm, CTA, CA(SA)
Years of service with the Group: 27

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

L CROUSE (61)

CHIEF FINANCIAL OFFICER

BComm, CTA, CA(SA)
Years of service with the Group: 6

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

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 2014 the Management Board comprised five members, being all three executive directors as well as Messrs Neville Williams and Pieter Uys.

The schematic presentation presented below in Figure 2 provides more detail on the day-to-day responsibilities and delegated authorities of the individual members of the Management Board.

Figure 1

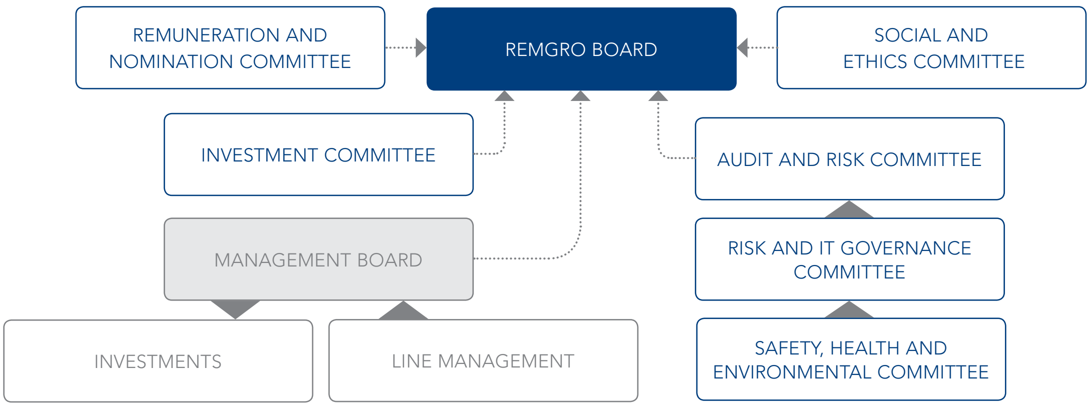
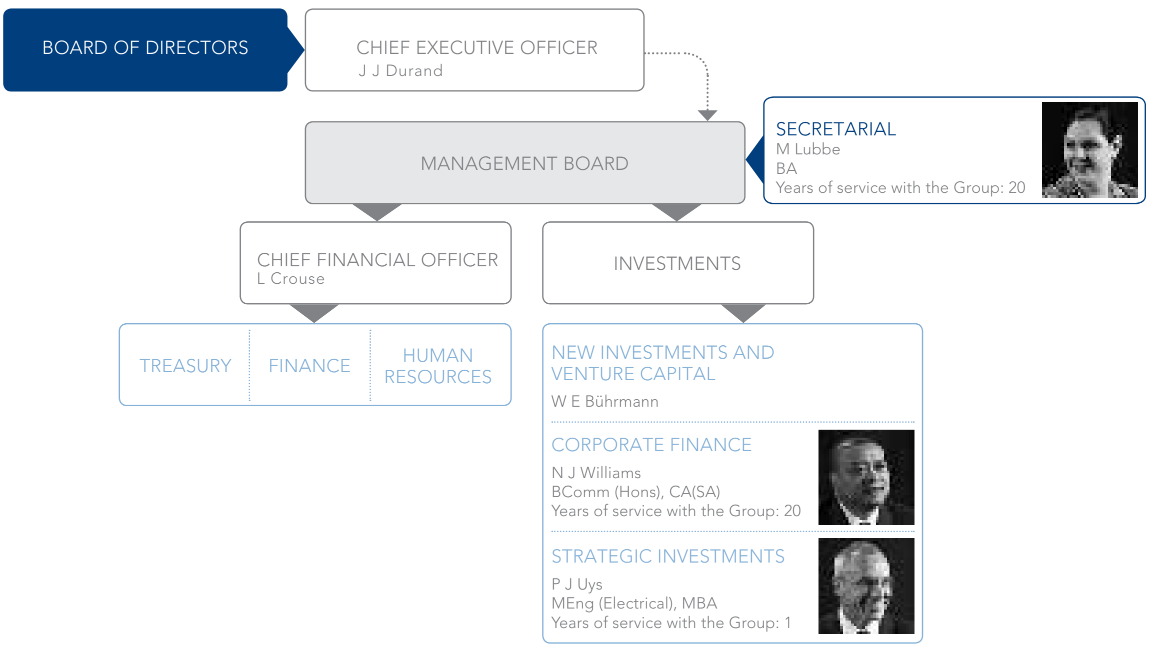


Figure 2



SHAREHOLDERS' DIARY AND COMPANY INFORMATION

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	30 June
Annual General Meeting	Tuesday, 25 November 2014

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. 28

Ordinary dividend per share	233 cents
Last day to trade in order to participate in the dividend	Friday, 7 November 2014
Shares trade ex dividend	Monday, 10 November 2014
Record date	Friday, 14 November 2014
Payment date	Monday, 17 November 2014

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

ECONOMIC OVERVIEW

The South African economy continues to underperform compared to most of the world economies. Unprecedented industrial action has markedly reduced the GDP growth outlook for 2014. External headwinds, including renewed growth concerns in our major trading partners, are also holding back the domestic economy.

Despite some encouraging signs, the global economy is not yet out of the woods. In the United States (US), GDP growth rebounded sharply in the second quarter of 2014 after an unexpectedly poor start to the year. The job market continues to heal, with employment growth averaging above 200 000 over the last six months. At the same time, overall wage growth and broader consumer inflation remain tame. The environment of better underlying growth momentum, which is as yet not threatening price stability, provides the US central bank (Fed) with the leeway to keep their policy interest rate at historic lows in the foreseeable future. However, signs of improved growth mean that financial markets are now more certain that the Fed will start to increase the policy interest rate in the second half of 2015. This has resulted in a significant strengthening of the US dollar against other major and emerging market currencies, including the rand. After reaching fresh record highs in mid-2014, global stock markets have lost ground of late.

Eurozone growth remains pedestrian, but financial markets are a lot more sanguine about future prospects. However, consumer inflation remains very low. This has raised concern that the eurozone may suffer Japan's fate since the 1990s of prolonged weak personal consumption and GDP growth. As a result, the European Central Bank (ECB) injected additional stimulus by cutting the policy interest rate closer to zero. In a bid to unlock the credit channel, the ECB also offered cheap loans to the commercial banking sector.

The outlook for the Chinese economy has arguably become the issue that investors are most concerned about. Given the country's outsized impact on important commodity prices, including iron ore, Chinese growth is crucial from a South African perspective. A major concern is that China's traditional growth model of rapidly rising exports and fixed investment (recently fuelled by credit and rising debts) has run its course. Investments have increasingly become unproductive, while concerns are rife about a potential property sector bubble. Recent weak data releases emphasised that a difficult rebalancing period lies ahead. This is likely to be accompanied by slower growth than was the case in the last decade.

Besides Chinese fortunes, a possible escalation of the standoff between Russia and the West on the Ukraine crisis and faster than expected US policy interest rate rises are important short-term risks for the global economy.

by 50bps in January 2014. This move was followed up by a 25bps increase in July 2014. The decision to raise the repo rate by 25bps instead of the normal 50bps was informed by the deteriorating GDP growth outlook. Further rate hikes are expected in 2015.

Assuming less industrial action and somewhat improved global growth in 2015, domestic GDP growth should pick up again. However, growth is set to remain below South Africa's long-run average of 3.5% in the foreseeable future.

THE INTRINSIC NET ASSET VALUE PER SHARE INCREASED BY 20.1%

Domestically, GDP growth forecasts for 2014 have been halved from around 3% at the end of 2013 towards 1.5%. This mainly reflects the negative impact of the unprecedented five-month strike in the platinum mining sector between January and June. The strike was followed by prolonged industrial action in the metals and engineering sector. Besides the production declines caused by the work stoppages, the loss of income to the striking workers also had a ripple effect through the economy.

Amongst other factors, the weak GDP growth outlook is likely to prevent government from achieving its budget deficit target for 2014/15. Because of this, credit rating agency Standard & Poor's downgraded South Africa's rating to BBB– on 13 June 2014. The unsettled domestic economic environment has been an important driver of a sustained weaker rand exchange rate. After averaging R9.65/$ in 2013, the rand weakened further to an average of R10.70/$ in the first half of 2014 and R10.98/$ in September.

The softer currency has been a major factor in pushing consumer inflation above the South African Reserve Bank's (SARB) target of 6% year on year. In reaction to the expectation that the target breach could be prolonged, the SARB raised the repo policy interest rate

CORPORATE GOVERNANCE AND SUSTAINABILITY

Remgro is fully committed to managing its business in a sustainable way and upholding the highest standards of ethics and corporate governance practices. The Board of Directors is ultimately accountable for the performance of the Company, appreciating that strategy, risk, performance and sustainability are inseparable.

Our governance framework is based on the principles contained in King III and we are satisfied that the Company has met the majority of the principles during the year under review. We further believe that the Board's current members possess the required collective skills, experience and diversity to carry out its responsibilities, to achieve the Group's objectives and create shareholder value over the long term.

FINANCIAL PERFORMANCE AND INVESTMENT ACTIVITIES

For the year under review headline earnings per share increased by 58.2% from 817.1 cents in 2013 to 1 292.4 cents. It should be noted that the results for the comparative 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 year, 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 20.5% from 1 072.6 cents in 2013 to 1 292.4 cents for the year under review.

Remgro's intrinsic net asset value per share increased by 20.1% from R204.83 at 30 June 2013 to R245.96 at 30 June 2014. The biggest contributor to this increase was RMBH/FirstRand, whose share of intrinsic net asset value (before any potential CGT) increased by 35.6% year on year from R21.9 billion to R29.7 billion. As at 30 June 2014, 22% of Remgro's intrinsic net asset value was represented by unlisted investments.

Compared to the high level of corporate activity in the previous year, the 2014 financial year was used to consolidate the position of certain investee companies. In this regard RCL Foods acquired the remaining 35.8% minority interest in Foodcorp and also stabilised its balance sheet by replacing its offshore debt with a local facility. During January 2014 RCL Foods also acquired TSB from Remgro, thereby further diversifying its earnings stream and adding to its already strong portfolio of brands. Remgro's equity interests in Distell, Grindrod, RCL Foods and TSB were diluted as a result of the restructuring of their BEE shareholdings during the year under review.

ACKNOWLEDGEMENTS

Mr J W Dreyer has retired as an executive director from the Board of Remgro with effect from 31 December 2013. The Board wishes to thank him for his valuable contribution over many years.

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

Stellenbosch
17 September 2014

CHIEF EXECUTIVE OFFICER'S REPORT

JANNIE DURAND | CHIEF EXECUTIVE OFFICER

COMPOUND GROWTH RATE OF 20.8% PER ANNUM OF INTRINSIC NET ASSET VALUE SINCE UNBUNDLING OF BAT IN 2008

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 20.1% from R204.83 at 30 June 2013 to R245.96 at 30 June 2014. Over the same period the JSE all share index has increased by 28.7%, while Remgro's share price grew by 21.1%. Refer to the tables on page 23 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.

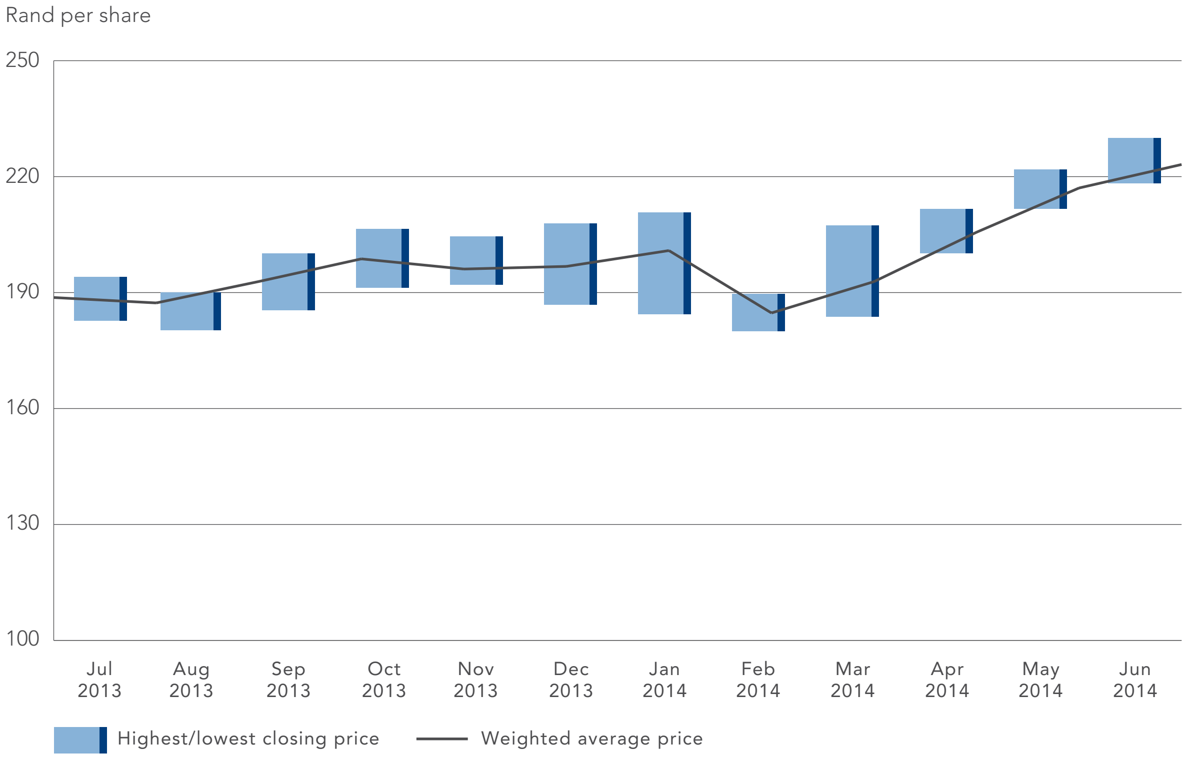
INTRINSIC NET ASSET VALUE

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 was used.

PGSI
The discounted cash flow method was used.

PRIF
The annual external valuation was used.

Sabido
A historical price-earnings ratio was used.

SEACOM
The discounted cash flow method was used.

Total South Africa
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 25 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.

	30 June 2014	30 June 2013	30 June 2012	30 June 2011	31 March 2010	31 March 2009	28 Oct 2008*
Intrinsic net asset value – Rand per share	**245.96**	204.83	152.61	135.97	121.64	99.15	84.34
JSE – All share index	**50 945**	39 578	33 708	31 865	28 748	20 364	18 549
– Fin & Ind 30 index	**63 467**	48 801	35 943	30 834	26 592	18 080	18 649
– Financial 15 index	**14 501**	11 176	9 618	8 128	8 061	5 438	5 527
– Resource 10 index	**56 968**	42 428	47 234	53 933	51 854	38 767	30 617
Remgro share price (Rand)	**230.00**	189.95	131.49	111.60	98.00	67.50	61.00

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

Relative performance	**Year 30 June 2014 (% year on year)**	**Period from 28 October 2008 to 30 June 2014 (% comp per annum)**
Intrinsic net asset value	**20.1**	**20.8**
JSE – All share index	**28.7**	**19.5**
– Fin & Ind 30 index	**30.1**	**24.1**
– Financial 15 index	**29.7**	**18.5**
– Resource 10 index	**34.3**	**11.6**
Remgro share price	**21.1**	**26.4**

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 specific calculation.

	IRR from 28 October 2008 to 30 June 2014 (% comp per annum)
JSE – All share index	**22.9**
– Fin & Ind 30 index	**27.7**
– Financial 15 index	**23.4**
– Resource 10 index	**14.4**
Remgro share	**30.4**

INVESTMENT ACTIVITIES

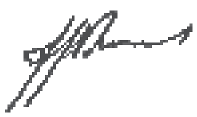
During the year under review RCL Foods acquired the remaining 35.8% interest in Foodcorp for a total consideration of R521 million. During January 2014 RCL Foods also acquired TSB from Remgro for a total purchase consideration of R4.0 billion, which was settled through the issue of 230.9 million new RCL Foods shares to Remgro. RCL Foods also raised an additional R790 million of capital during February 2014 through a pro rata offer to qualifying minority shareholders and issued 19.6 million new RCL Foods shares with the implementation of TSB's BEE scheme at RCL Foods shareholding level and the restructuring of the existing RCL BEE shareholding. The above transactions increased Remgro's effective interest in RCL Foods to 77.7% (2013: 75.9%).

During May 2014 Remgro participated in Grindrod's accelerated bookbuild offering and thereby invested an additional net amount of R551 million in Grindrod. Grindrod also restructured its BEE shareholding and issued 64 million new Grindrod shares to strategic black investors. As a result of these transactions, Remgro's interest in Grindrod decreased to 22.6% (2013: 25.0%).

During January 2014 Distell restructured its BEE transaction and issued 15.0 million new shares to BEE shareholders. This transaction diluted Remgro's effective interest in Distell from 33.4% to 31.0%.

During February 2014 Remgro also exchanged its direct interest of 1.8% in Caxton for a 6.1% indirect interest through special purpose vehicles.

On the international front, we also invested a further R258 million in the Milestone Capital Funds, increasing Remgro's total investment in China to R1.1 billion.



Jannie Durand
Chief Executive Officer

Stellenbosch
17 September 2014

The following table represents the cash effects of Remgro's investing activities for the year to 30 June 2014. These activities exclude the investing activities of Remgro's operating subsidiaries, i.e. RCL Foods Limited and Wispeco Holdings Limited.

Investments made and loans granted	R million
Existing investee companies	
Grindrod	**551**
Unilever South Africa (loan)	**283**
Milestone Capital Funds (offshore)	**258**
CIV group	**67**
PGSI	**47**
Premier Team Holdings	**28**
Other	**113**
	1 347

Investments sold and loans repaid	R million
TSB (loan)	**232**
Britehouse	**14**
Other	**30**
	276

INVESTMENT COMMITMENTS

The table below summarises the investment commitments of Remgro as at 30 June 2014.

Investment commitments	R million
Milestone China Funds (offshore)	**593**
Kagiso Infrastructure Empowerment Fund	**71**
Premier Team Holdings	**37**
Other	**23**
	724

INTRINSIC NET ASSET VALUE

R million	30 June 2014 Book value	30 June 2014 Intrinsic value	30 June 2013 Book value Restated	30 June 2013 Intrinsic value
Food, liquor and home care				
Unilever South Africa	**3 086**	**9 037**	3 099	8 676
Distell[1]	**2 864**	**9 336**	2 623	8 073
RCL Foods	**6 862**	**10 547**	5 121	6 759
TSB	**–**	**–**	1 877	3 964
Banking				
RMBH	**11 225**	**20 743**	10 346	15 541
FirstRand	**3 969**	**8 957**	3 622	6 359
Healthcare				
Mediclinic	**10 597**	**29 316**	7 429	24 640
Insurance				
RMI Holdings	**6 224**	**14 739**	5 645	11 331
Industrial				
Air Products South Africa	**839**	**3 610**	691	3 126
KTH	**2 061**	**2 481**	2 304	2 425
Total South Africa	**1 329**	**1 596**	1 192	1 275
PGSI	**760**	**760**	568	571
Wispeco	**540**	**778**	458	414
Infrastructure				
Grindrod	**3 667**	**4 513**	2 868	3 103
CIV group	**1 657**	**2 282**	1 650	2 305
SEACOM	**569**	**991**	617	1 069
Other infrastructure interests	**829**	**829**	776	776
Media and sport				
Sabido	**974**	**2 528**	929	2 279
Other media and sport interests	**534**	**533**	608	605
Other investments	**2 699**	**2 767**	2 185	2 204
Central treasury – cash at the centre[2]	**3 264**	**3 264**	2 733	2 733
Other net corporate assets	**1 486**	**1 860**	1 289	1 516
Net asset value (NAV)	**66 035**	**131 467**	58 630	109 744
Potential CGT liability[3]		**(5 130)**		(4 628)
NAV after tax	**66 035**	**126 337**	58 630	105 116
Issued shares after deduction of shares repurchased (million)	**513.7**	**513.7**	513.2	513.2
NAV after tax per share (Rand)	**128.56**	**245.96**	114.25	204.83

(1) *Includes the investment in Capevin Holdings Limited.*
(2) *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods, TSB and Wispeco).*
(3) *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.*
(4) *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.*
(5) *Intrinsic net asset values have not been audited.*

CHIEF FINANCIAL OFFICER'S REPORT

LEON CROUSE | CHIEF FINANCIAL OFFICER

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 the previous financial year Mediclinic International Limited (Mediclinic) incurred material once-off charges relating to the comprehensive refinancing of its Swiss and South African debt. Remgro's share of these once-off items included in its results for the year ended 30 June 2013 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.

RESULTS

Headline earnings

Headline earnings for the year to 30 June 2014 amounted to R6 635 million compared to R4 196 million for the year to 30 June 2013, representing an increase of 58.1%, whereas headline earnings per share increased by 58.2% from 817.1 cents to 1 292.4 cents.

However, excluding the effect of the once-off items relating to Mediclinic's refinancing transaction referred to earlier, headline earnings increased by 20.5% from R5 508 million to R6 635 million, whereas headline earnings per share also increased by 20.5% from 1 072.6 cents to 1 292.4 cents, as presented in the table on the next page.

COMPARABLE HEADLINE EARNINGS INCREASED BY 20.5%

SALIENT FEATURES

	Year ended 30 June 2014	Year ended 30 June 2013 Restated	% change
Headline earnings (R million)	**6 635**	4 196	*58.1*
– per share (cents)	**1 292.4**	817.1	*58.2*
Headline earnings, excluding Mediclinic refinancing cost (R million)	**6 635**	5 508	*20.5*
– per share (cents)	**1 292.4**	1 072.6	*20.5*
Earnings (R million)	**6 917**	4 179	*65.5*
– per share (cents)	**1 347.3**	813.8	*65.6*
Dividends per share (cents)			
Ordinary	**389.00**	346.00	*12.4*
– Interim	**156.00**	145.00	*7.6*
– Final	**233.00**	201.00	*15.9*
Intrinsic net asset value per share (Rand)	**245.96**	204.83	*20.1*

CONTRIBUTION TO HEADLINE EARNINGS BY REPORTING PLATFORM

R million	Year ended 30 June 2014	% change	Year ended 30 June 2013 Restated
Food, liquor and home care	**795**	*(29.2)*	1 123
Banking	**2 542**	*22.4*	2 077
Healthcare	**1 489**	*403.3*	(491)
Insurance	**871**	*30.8*	666
Industrial	**700**	*27.7*	548
Infrastructure	**166**	*(15.3)*	196
Media and sport	**64**	*(46.2)*	119
Other investments	**59**	*3.5*	57
Central treasury	**83**	*2 666.7*	3
Other net corporate costs	**(134)**	*(31.4)*	(102)
Headline earnings	**6 635**	*58.1*	4 196
Mediclinic refinancing cost	**–**	–	1 312
Headline earnings, excluding Mediclinic refinancing cost	**6 635**	*20.5*	5 508

Refer to the composition of headline earnings on page 33 for further information.

Commentary on reporting platforms' performance

Food, liquor and home care

The contribution from food, liquor and homecare to Remgro's headline earnings amounted to R795 million (2013: R1 123 million), representing a decrease of 29.2%. This decrease is mainly the result of lower contributions from RCL Foods and TSB. RCL Foods reported a headline loss of R303 million for the year under review (2013: R29 million profit), with Remgro's share of this loss amounting to R239 million (2013: R21 million profit). During the year under review RCL Foods' results were negatively affected by the following items:

- Material foreign exchange losses resulting from the early redemption of Foodcorp's euro-denominated debt
- Once-off BEE costs relating to the restructuring of its BEE shareholding
- Material transaction costs relating to the various corporate actions undertaken during the year
- Continued high levels of cheap competitive chicken imports and high input costs

TSB's contribution to headline earnings amounted to R192 million (2013: R316 million). It should be noted that TSB's contribution only includes its results for the six months ended 31 December 2013 due to the fact that Remgro disposed of its 100% interest in TSB to RCL Foods during January 2014. TSB's headline earnings for the full year amounted to R218 million (2013: R316 million). This decrease is mainly due to lower domestic sales volumes and margins realised due to the negative impact of increased sugar imports. Unilever's contribution to headline earnings decreased by 18.5% to R347 million (2013: R426 million). This decrease is mainly the result of turnover growth being offset by increased supply chain costs, as well as brand and marketing investments and restructuring costs. Distell's contribution to headline earnings, which includes the investment in Capevin Holdings, amounted to R495 million (2013: R360 million). During April 2013, Distell acquired Burn Stewart Distillers Limited and its results for the current year include a favourable remeasurement of R159 million to the contingent consideration payable on the acquisition. In the comparative year Distell's results were negatively affected by new business acquisition costs and an interest provision on excise duty totalling R265 million. Excluding these once-off items, Distell's contribution to Remgro's headline earnings would have decreased by 1.6% to R442 million. Remgro's effective interest in Distell decreased from 33.4% to 31.0%.

Banking

The headline earnings contribution from the banking division amounted to R2 542 million (2013: R2 077 million), representing an increase of 22.4%. Both FirstRand and RMBH reported excellent headline earnings growth of 21.8% and 22.8% respectively, mainly due to growth in both interest income and non-interest income from FNB, RMB and WesBank, as well as a significant reduction in year-on-year credit impairment charges.

Healthcare

Mediclinic's contribution to Remgro's headline earnings amounted to a profit of R1 489 million (2013: R491 million loss). This increase in profit was mainly due to the effect of the once-off items relating to Mediclinic's refinancing transaction in the comparative year referred to earlier. Excluding these once-off items, Mediclinic's contribution to Remgro's headline earnings would have increased by 81.4% from R821 million, mainly due to solid performances from all three operating platforms, as well as a once-off past service cost credit of R192 million relating to its retirement benefit obligations.

Insurance

RMI Holdings is the only investment being reported under insurance interests. RMI Holdings reported an increase of 28.4% in headline earnings, with all three operating platforms, Discovery, MMI Holdings and OUTsurance achieving excellent headline earnings growth of 45.6%, 28.5% and 19.2% respectively.

Industrial

Total South Africa's contribution to Remgro's headline earnings amounted to R233 million (2013: R258 million). This decrease is despite more favourable stock revaluations than in the comparative period, which was set off by an increase in its site rehabilitation cost provision. Remgro's share of the results of KTH amounted to R71 million (2013: R36 million). Wispeco's contribution to Remgro's headline earnings amounted to R107 million (2013: R64 million). This increase in headline earnings is mainly due to improved sales volumes and selling prices, as well as improved production efficiencies. Air Products' and PGSI's contribution to headline earnings amounted to R217 million and R72 million respectively (2013: R180 million and R10 million respectively).

Infrastructure
Grindrod's contribution to Remgro's headline earnings amounted to R108 million (2013: R144 million). This decrease is mainly due to a weaker operating performance from its commodity trading division. These operations are in the process of being wound down and sold according to plan. For the year under review the CIV group contributed R58 million to headline earnings (2013: R59 million). SEACOM reported a headline loss of R26 million for the year under review (2013: R3 million loss), with Remgro's share of this amounting to R6 million (2013: a loss of less than R1 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 R131 million (2013: R148 million). This decrease is mainly due to significant new business development costs incurred during the period under review. PTH's contribution to headline earnings amounted to a loss of R68 million (2013: R37 million loss).

Other investments
The contribution from other investments to headline earnings amounted to R59 million (2013: R57 million), of which Business Partners' contribution was R33 million (2013: R32 million).

Central treasury and other net corporate costs
The contribution from the central treasury division amounted to R83 million (2013: R3 million). This increase is mainly the result of foreign exchange losses of R98 million accounted for in the comparative period on the hedging of the repatriation of a portion of Remgro's offshore cash. Other net corporate costs amounted to R134 million (2013: R102 million). This increase is mainly the result of the net after-tax underwriting fee of R46 million received on the Mediclinic rights offer in the comparative year.

Total earnings
Total earnings increased by 65.5% to R6 917 million (2013: R4 179 million), mainly as a result of the costs associated with the Mediclinic refinancing in the comparative year.

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 (restated)

CASH AT THE CENTRE AND FOREIGN EXCHANGE RATES

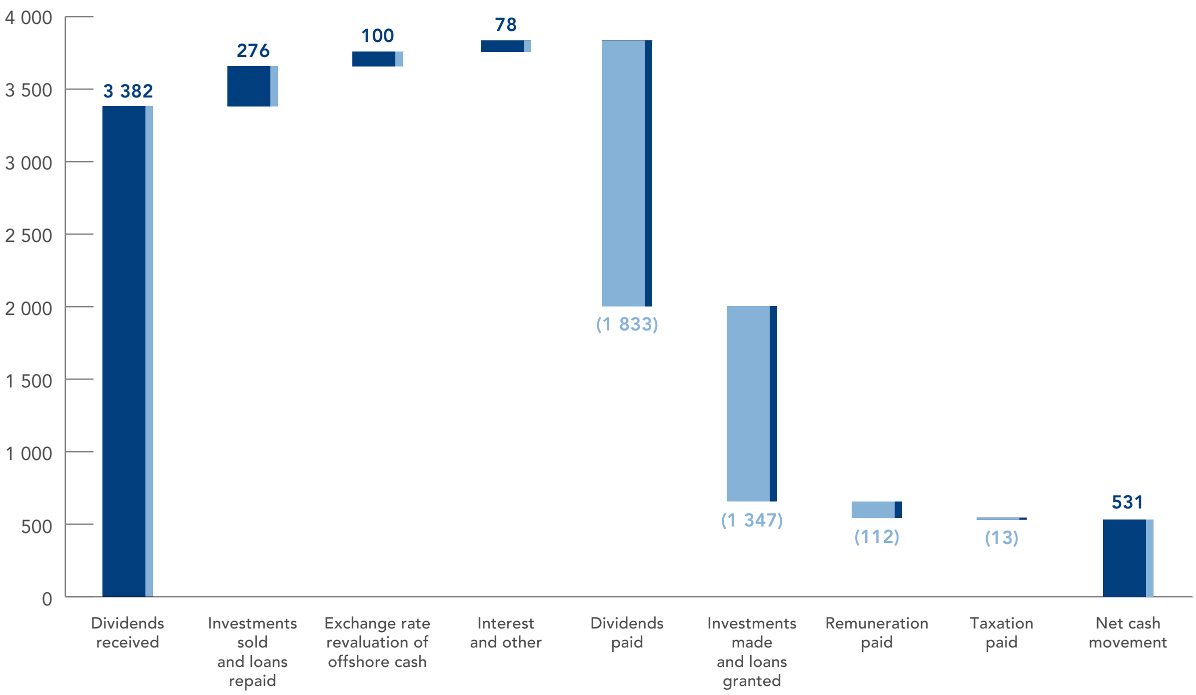
On 30 June 2014 Remgro's cash at the centre amounted to R3 264 million (2013: R2 733 million), of which 32% was invested offshore (2013: 46%). The cash is held in different currencies of which approximately 68% was held in SA rand and 30% in USA dollar.

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 reinvest the offshore cash that was still invested in euro, Swiss franc and British pound in USA dollar. This was done due to the fact that the majority of Remgro's offshore capital commitments are denominated in USA dollar. As a result of the disinvestment from the euro, Swiss franc and British pound, a portion of the cumulative foreign exchange profits that was previously accounted for in equity became realised profits. These profits amounting to R70 million were reclassified to the income statement but were accounted for outside of headline earnings.

As at 30 June 2014 the majority of Remgro's remaining offshore cash is already committed towards the expansion of existing offshore investments.

	30 June 2014			
	Currency value million	**Exchange rate**	**R million**	30 June 2013 R million
USA dollar	**91.8**	**10.6294**	**976**	841
Euro	**3.8**	**14.5531**	**56**	341
British pound	**–**	**18.1738**	**–**	14
Swiss franc	**0.2**	**11.9733**	**2**	35
SA rand			**2 230**	1 502
			3 264	2 733

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



Closing exchange rates	30 June 2014	30 June 2013	Movement %
USD/ZAR	**10.6294**	9.8696	*(7.7)*
EUR/ZAR	**14.5531**	12.8450	*(13.3)*
GBP/ZAR	**18.1738**	15.0185	*(21.0)*
CHF/ZAR	**11.9733**	10.6383	*(12.5)*

Average exchange rates	Year ended 30 June 2014	Year ended 30 June 2013	Movement %
USD/ZAR	**10.3746**	8.8367	*(17.4)*
EUR/ZAR	**14.0811**	11.4383	*(23.1)*
GBP/ZAR	**16.8901**	13.8510	*(21.9)*
CHF/ZAR	**11.4847**	9.4002	*(22.2)*

DIVIDENDS

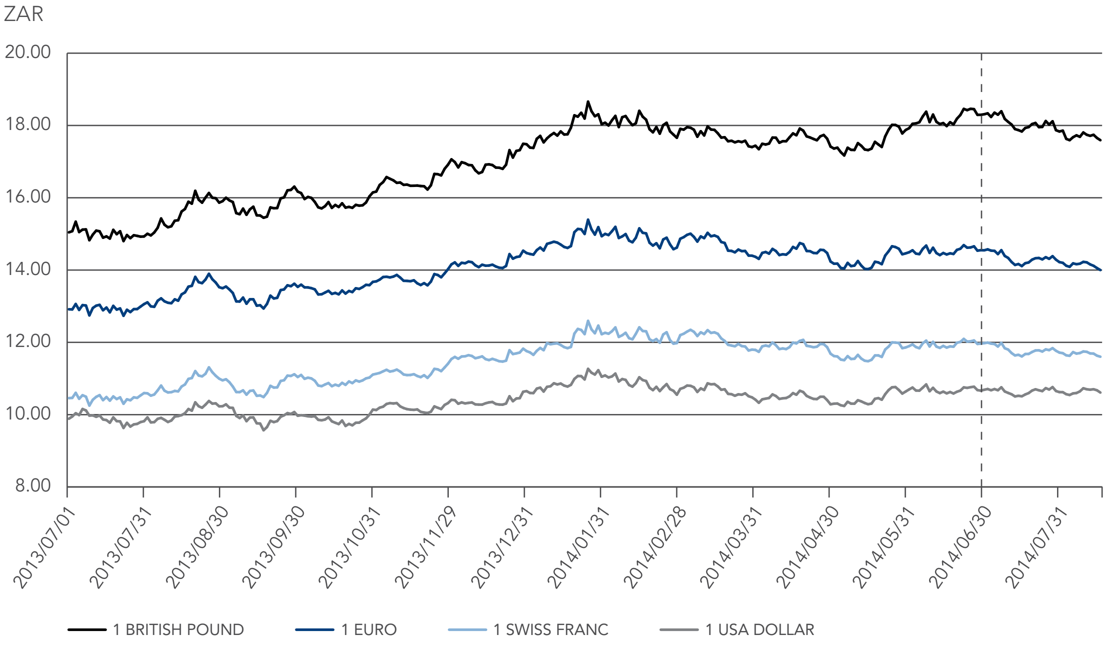
The final dividend per share was determined at 233 cents (2013: 201 cents). Total ordinary dividends per share in respect of the year to 30 June 2014 therefore amounted to 389 cents (2013: 346 cents).

The dividend is covered 3.3 times by headline earnings (excluding Mediclinic refinancing cost) against 3.2 times the previous year.

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 2014 Remgro's available STC credits amounted to R1 824 million which can be offset against future dividend tax obligations of

ZAR VS FOREIGN CURRENCIES REMGRO HOLDS



shareholders. R1 204 million of the STC credits will be utilised for the final dividend of 233 cents per share declared on 17 September 2014.

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 2014 was R245.96 compared to R204.83 on 30 June 2013. Refer to the Chief Executive Officer's Report on page 21 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 *IFRS 10: Consolidated Financial Statements*, *IFRS 11: Joint Arrangements* and the amendments to *IAS 19: Employee Benefits*. The adoption of IFRS 10, IFRS 11 and the revised IAS 19 required a restatement of the comparative results, as more fully set out in note 11 to the summary annual financial statements on page 115.

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 72, as well as in note 31 to the complete annual financial statements on page 68, that is published on the Company's website at www.remgro.com.

Leon Crouse
Chief Financial Officer

Stellenbosch
17 September 2014

COMPOSITION OF HEADLINE EARNINGS

R million	Year ended 30 June 2014	% change	Year ended 30 June 2013 Restated
Food, liquor and home care			
Unilever South Africa	**347**	*(18.5)*	426
Distell[1]	**495**	*37.5*	360
RCL Foods[2]	**(239)**	*(1 238.1)*	21
TSB[2]	**192**	*(39.2)*	316
Banking			
RMBH	**1 793**	*22.8*	1 460
FirstRand	**749**	*21.4*	617
Healthcare			
Mediclinic	**1 489**	*403.3*	(491)
Insurance			
RMI Holdings	**871**	*30.8*	666
Industrial			
Air Products South Africa	**217**	*20.6*	180
KTH	**71**	*97.2*	36
Total South Africa	**233**	*(9.7)*	258
PGSI	**72**	*620.0*	10
Wispeco	**107**	*67.2*	64
Infrastructure			
Grindrod	**108**	*(25.0)*	144
CIV group	**58**	*(1.7)*	59
SEACOM	**(6)**	–	–
Other infrastructure interests	**6**	*185.7*	(7)
Media and sport			
Sabido	**131**	*(11.5)*	148
Other media and sport interests	**(67)**	*(124.1)*	(29)
Other investments	**59**	*3.5*	57
Central treasury	**83**	*2 666.7*	3
Other net corporate costs	**(134)**	*(33.3)*	(102)
Headline earnings	**6 635**	58.1	4 196
Weighted number of shares (million)	**513.4**	–	513.5
Headline earnings per share (cents)	**1 292.4**	*58.2*	817.1

(1) Includes the investment in Capevin Holdings Limited.
(2) TSB's contribution only includes its results for the six months ended 31 December 2013 due to the fact that Remgro disposed of its 100% interest in TSB to RCL Foods during January 2014. TSB's results for the six months ended 30 June 2014 were accounted for by RCL Foods.

INVESTING IN INDUSTRIES THAT HAVE A SOLID TRACK RECORD

CIV HOLDINGS

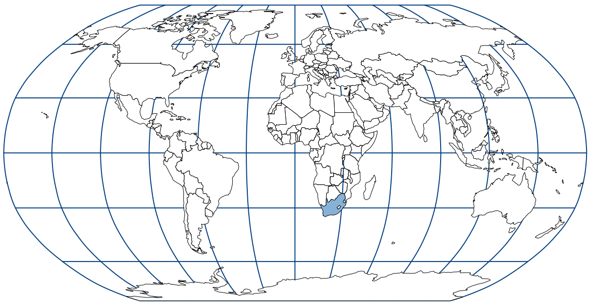
FOOD, LIQUOR AND HOME CARE

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2014 R million	30 June 2013 R million
Unilever South Africa	**347**	426
Distell	**495**	360
RCL Foods	**(239)**	21
TSB*	**192**	316
	795	1 123

** Acquired by RCL Foods during January 2014*

25.8%
effective interest



MAJOR GEOGRAPHIC PRESENCE

Africa

South Africa

Profile

Unilever South Africa 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*.

CORPORATE INFORMATION

Equity valuation at 30 June 2014
R35 096 million

Unlisted

Chief Executive Officer
P Cowan

Remgro nominated directors
J J Durand, J J du Toit

Website
www.unilever.co.za

FINANCIAL HIGHLIGHTS

Unilever South Africa is a private company and its detailed financial information is not disclosed due to restrictions on disclosure as agreed amongst its shareholders.

SUSTAINABILITY MEASURES

CSI/Training spend
R4.1 million

Number of employees
3 440

BBBEE status
Level 6

Environmental aspect
Scope 1 and 2 emissions of 149 058 tonnes CO_2e

UNILEVER SOUTH AFRICA HOLDINGS PROPRIETARY LIMITED (UNILEVER SOUTH AFRICA)

Unilever South Africa has a December year-end, but its results for the twelve months ended 30 June 2014 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 decreased to R347 million (2013: R426 million), as turnover growth was offset by an increase in supply chain costs, as well as brand and marketing investments and restructuring costs in order to drive cost efficiencies.

Unilever South Africa's net profit for the twelve months ended 30 June 2014 decreased to R1 764 million (2013: R1 784 million).

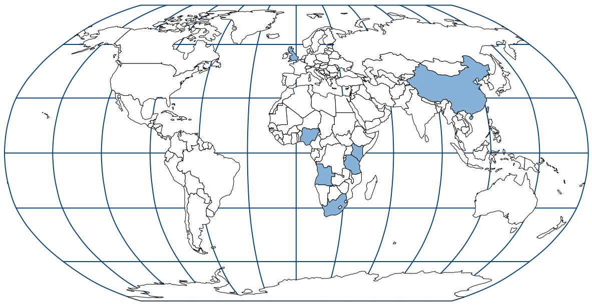
The net profit for the period under review includes a profit on disposal of warehouses of R427 million, while the profit for the comparative period includes a profit on disposal of the *Mrs Ball's* brand amounting to R156 million.

31.0%
total effective interest

DISTELL

Profile

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



MAJOR GEOGRAPHIC PRESENCE	
Africa	Other
South Africa	UK/Europe
Angola	Taiwan
Kenya	China
Tanzania	
Nigeria	

CORPORATE INFORMATION

Market cap at 30 June 2014
R31 001 million

Listed on the JSE Limited

Chief Executive Officer
R M Rushton

Remgro nominated director
J J Durand

Website
www.distell.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2014 R million	Year ended 30 June 2014 %
Revenue	17 740	+13
Operating profit	2 167	+23
Normalised headline earnings	1 366	+2

SUSTAINABILITY MEASURES

CSI/Training spend
R15.7 million

Number of employees
5 284

BBBEE status
Level 5

Environmental aspect
Scope 1 and 2 emissions of 153 646 tonnes CO_2e

DISTELL GROUP LIMITED (DISTELL)

Distell has a June year-end and therefore its results for the twelve months ended 30 June 2014 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 38% to R495 million (2013: R360 million).

Distell reported for its year ended 30 June 2014 that turnover grew by 13% to R17 740 million (2013: R15 726 million) on a sales volume increase of 3.1%. Sales volume in the South African market increased by 2.6%, while revenue increased by 5.2%. International sales volumes and revenue, including Africa, increased by 4.5% and 34.2% respectively, benefiting from a weaker rand. Sub-Saharan African markets, excluding South Africa, contributed 49.6% to international revenue and continued to deliver strong results as volumes grew across all categories.

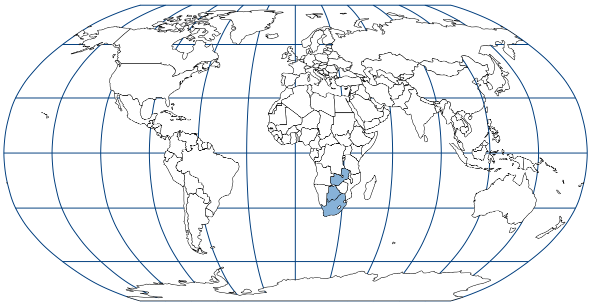
Distell's headline earnings for its year ended 30 June 2014 increased by 40% to R1 514 million (2013: R1 078 million). The increase is mainly attributable to the accounting for a remeasurement of R159 million of the contingent purchase consideration payable on the acquisition of Burn Stewart Distillers Limited during the current year. Normalised headline earnings, which exclude the impact of the aforementioned once-off item during the current year, as well as abnormal excise duty and related interest provisions during the previous year, were slightly higher at R1 366 million (2013: R1 343 million).

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 the results for the period were supported by satisfactory overall revenue growth.

77.7%
effective interest

Profile

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



MAJOR GEOGRAPHIC PRESENCE
Africa
South Africa
Botswana
Zambia

CORPORATE INFORMATION

Market cap at 30 June 2014
R14 687 million

Listed on the JSE Limited

Chief Executive Officer
M Dally

Remgro nominated directors
H J Carse, J J Durand, P R Louw

Website
www.rclfoods.com

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2014 R million	Year ended 30 June 2014 %
Revenue	19 720	+95
Operating profit	534	+220
Headline earnings	(303)	Nm

Nm = Not meaningful

SUSTAINABILITY MEASURES

CSI/Training spend
R27 million

Number of employees
17 958

BBBEE status
Level 5

Environmental aspect
Scope 1 and 2 emissions of 1 189 193 tonnes CO_2e

RCL FOODS LIMITED (RCL FOODS)

RCL Foods acquired a controlling interest of 64.2% in New Foodcorp Holdings Proprietary Limited (Foodcorp) with effect from 1 May 2013 and acquired the remaining 35.8% minority interest in Foodcorp during the year under review. Due to the inclusion of two months of Foodcorp's results during the previous year, as opposed to twelve months for the year under review, the operating results of RCL Foods are not directly comparable to those of the previous year. In addition to the above, RCL Foods has also completed various significant corporate transactions, which include the refinancing of Foodcorp's foreign currency debt, acquisition of TSB Sugar and restructuring of its BEE interest during the year under review, further complicating the comparability of year-on-year earnings.

For the year ended 30 June 2014, the headline earnings of RCL Foods amounted to a loss of R303 million (2013: earnings of R29 million). The results of RCL Foods have mainly been impacted by the following once-off items during the year under review:

- Material foreign exchange losses on the early redemption of Foodcorp's euro-denominated debt;
- Non-recurring BEE costs relating to its BEE restructuring; and
- Transaction costs relating to the various corporate actions.

RCL Foods' total revenue for the year under review increased by 95% to R19 720 million (2013: R10 109 million), with Foodcorp's contribution to revenue amounting to R7 768 million (2013: R1 218 million for the two months since acquisition) and the revenue of the chicken business (Rainbow) increasing by 7% to R8 733 million (2013: R8 144 million). Foodcorp's contribution to operating profit before depreciation and amortisation (EBITDA) amounted to R721 million (2013: R139 million for the two months since acquisition) while Rainbow and Vector, RCL Foods' logistics operations, contributed R204 million (2013: R194 million) and R199 million (2013: R185 million) respectively. Despite the increase in EBITDA from Rainbow, overall profitability and margins in the poultry industry are still challenging and continues to be negatively impacted by high import volumes, constrained consumer spending and high feed costs. TSB Sugar's EBITDA for the six months since acquisition by RCL Foods amounted to R147 million. This reflects strong operating cash generation by all business units.

RCL Foods continues to explore food sector opportunities in strategic growth markets in South Africa and sub-Saharan Africa to build a diversified food business of scale with compelling brands that meet consumer needs.

BANKING

CONTRIBUTION TO HEADLINE EARNINGS

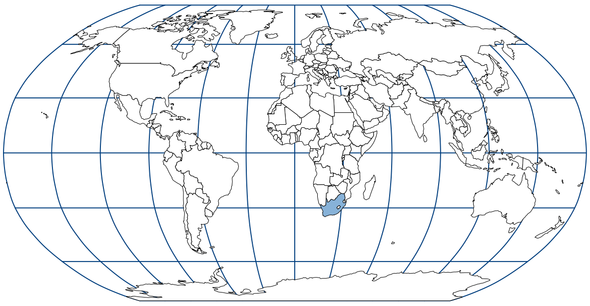
	30 June 2014 R million	30 June 2013 R million
RMBH	**1 793**	1 460
FirstRand	**749**	617
	2 542	2 077

27.9%
effective interest

RMB HOLDINGS

Profile

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



MAJOR GEOGRAPHIC PRESENCE

Africa

South Africa (directly)

Refer to FirstRand for indirect exposure

CORPORATE INFORMATION

Market cap at 30 June 2014
R74 241 million

Listed on the JSE Limited

Chief Executive Officer
P Cooper

Remgro nominated director
L Crouse

Website
www.rmbh.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2014 R million	Year ended 30 June 2014 %
Headline earnings	**6 417**	**+23**

SUSTAINABILITY MEASURES

Refer to FirstRand as RMBH is only an investment holding company.

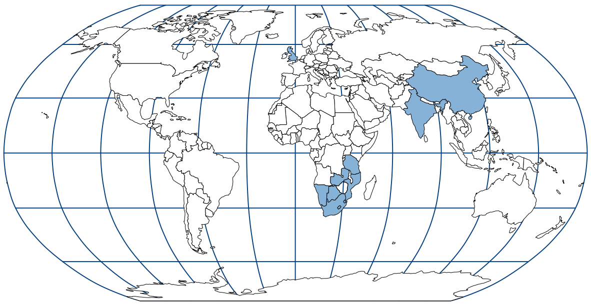
RMB HOLDINGS LIMITED (RMBH)

Since the restructuring of RMBH's banking and insurance interests during 2011, its only asset is a fully diluted interest of 33.9% in FirstRand Limited and its performance is therefore directly related to that of FirstRand Limited.

The contribution of RMBH to Remgro's headline earnings for the year under review increased to R1 793 million (2013: R1 460 million) due to strong operational performances of all three of the main FirstRand brands (FNB, RMB and WesBank).

4.0%
effective direct interest

(total effective interest: 13.7%)



MAJOR GEOGRAPHIC PRESENCE

Africa	Other
South Africa	China
Tanzania	United Kingdom
Zambia	India
Mozambique	
BLNS countries	

Profile

FirstRand provides banking and insurance and investment 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), WesBank and Ashburton Investments.

CORPORATE INFORMATION

Market cap at 30 June 2014
R229 746 million

Listed on the JSE Limited

Chief Executive Officer
S E Nxasana

Remgro nominated directors
L Crouse, J J Durand

Website
www.firstrand.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2014 R million	Year ended 30 June 2014 %
Income	86 562	+16
Operating profit	25 328	+27
Headline earnings	18 671	+22

SUSTAINABILITY MEASURES

CSI/Training spend
R115 million

Number of employees
37 231

BBBEE status
Level 2

Environmental aspect
Total emissions of
271 258 tonnes CO_2e

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. The contribution of FirstRand to Remgro's headline earnings for the year under review increased to R749 million (2013: R617 million).

FirstRand's results for its year ended 30 June 2014 reported that headline earnings increased by 22% to R18 671 million (2013: R15 327 million), as all three franchises delivered strong operational performances and continued to out-perform the market. The group's net interest income and non-interest revenue grew by 23% and 18% respectively year on year as operating cost increases were limited to 15%, reflecting the continued investment in electronic platforms and FirstRand's African operating footprint.

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 21% to R18 663 million (2013: R15 420 million). FNB's contribution to normalised earnings increased by 18% to R9 462 million (2013: R7 998 million). This was driven by continued customer acquisition, loan and deposit growth, strong growth across the African footprint and increased transactional volumes across all of its platforms, particularly its electronic platform. RMB contributed R5 342 million (2013: R4 383 million) to FirstRand's normalised earnings, representing an increase of 22% from the previous year, as its diversified investment banking and corporate portfolios delivered strong profit growth, with a growing contribution from activities in the rest of Africa. The contribution of WesBank to normalised earnings increased by 2% to R2 830 million (2013: R2 774 million), as it continued to grow new business volumes across all portfolios, but was offset by increased credit impairments.

During June 2013 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 and has grown its assets under management to R115 billion at the end of this financial year.

HEALTHCARE

CONTRIBUTION TO HEADLINE EARNINGS

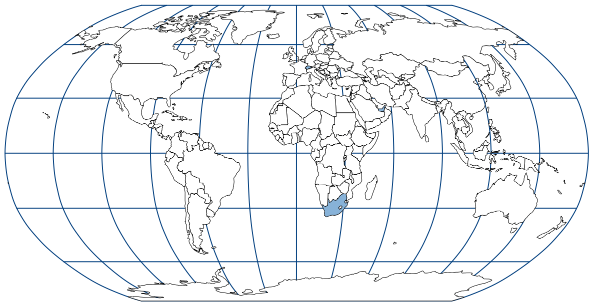
	30 June 2014 R million	30 June 2013 R million
Mediclinic	1 489	(491)

42.1%
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.



MAJOR GEOGRAPHIC PRESENCE	
Africa	Other
South Africa	Switzerland
	United Arab Emirates

CORPORATE INFORMATION

Market cap at 30 June 2014
R70 903 million

Listed on the JSE Limited

Chief Executive Officer
D P Meintjes

Remgro nominated directors
J J Durand, P J Uys

Website
www.mediclinic.com

FINANCIAL HIGHLIGHTS

	Year ended 31 Mar 2014 R million	Year ended 31 Mar 2014 %
Revenue	30 495	+25
Operating profit	5 505	+33
Normalised headline earnings	3 052	+59

SUSTAINABILITY MEASURES

CSI spend
R33.9 million

Number of employees
26 076

BBBEE status
Level 4

Environmental aspect*
Scope 1 and 2 emissions of 170 415 tonnes CO_2e

* *Mediclinic Southern Africa only.*

MEDICLINIC INTERNATIONAL LIMITED (MEDICLINIC)

Mediclinic has a March year-end and therefore its results for the twelve months to 31 March 2014 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 R1 489 million (2013: headline loss of R491 million). This increase resulted mainly from once-off charges relating to the refinancing of its Swiss and South African debt accounted for during the comparative year, of which Remgro's share of these once-off items amounted to R1 312 million. Excluding these once-off costs, Mediclinic's contribution would have increased by 81% from R821 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. A higher past service cost credit of R192 million (2013: R27 million) on its retirement benefit obligations also contributed, albeit to a lesser extent, to the increase in headline earnings.

Mediclinic's turnover for its year ended 31 March 2014 increased by 25% to R30 495 million (2013: R24 436 million), with strong performances from all three operating platforms.

Mediclinic Southern Africa's revenue increased by 11% to R11 205 million (2013: R10 059 million) for the year under review, mainly due to a 5.9% increase in bed-days sold and a 5.4% increase in the average income per bed-day. Operating income before interest, taxation, depreciation and amortisation (EBITDA) increased by 11% to R2 453 million (2013: R2 163 million) and the Southern African operations contributed R984 million (2013: R901 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 33% to R15 874 million (2013: R11 892 million) and normalised EBITDA, which excludes the effect of a positive adjustment to past service costs of the Hirslanden pension fund and a pre-acquisition Swiss tariff provision charge, was 28% higher at R3 297 million (2013: R2 584 million). The weakening in the average rand/Swiss franc exchange rate for the year positively impacted the financial numbers above, with revenue and normalised EBITDA increasing by 8% and 5% respectively at constant foreign exchange rates.

Mediclinic Middle East owns and operates the Welcare Hospital and the City Hospital in Dubai. Revenue from the Middle East platform increased by 37% to R3 416 million (2013: R2 485 million) for the year under review, while EBITDA increased by 52% to R752 million (2013: R495 million). The weakening in the average rand/UAE dirhams exchange rate for the year positively impacted the financial numbers above, with revenue and EBITDA increasing by 15% and 27% respectively at constant foreign exchange rates. This growth was achieved due to a good performance from all business units, as inpatient hospital admissions, hospital outpatient consultations and visits to the emergency units increased by 4% each. Clinic outpatient consultations increased by 8%.

The group remains uniquely positioned across three diverse international operating platforms and continues to invest for growth across these platforms, with Hirslanden's acquisition of Klinik La Colline in Geneva and Swissana Clinic in Lucerne being announced subsequent to the end of its financial year.

INSURANCE

CONTRIBUTION TO HEADLINE EARNINGS

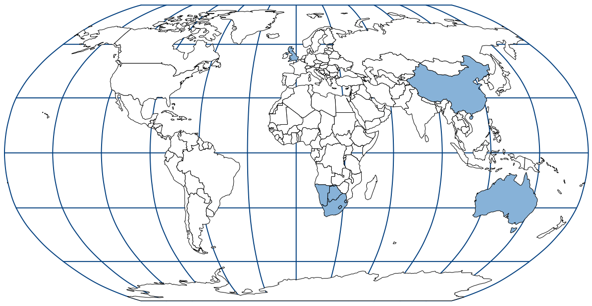
	30 June 2014 R million	30 June 2013 R million
RMI Holdings	**871**	666

30.3%
effective interest

RMI HOLDINGS

Profile

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



MAJOR GEOGRAPHIC PRESENCE

Africa	Other
South Africa	China
BLNS countries	United Kingdom
	Australia

CORPORATE INFORMATION

Market cap at 30 June 2014
R48 701 million

Listed on the JSE Limited

Chief Executive Officer
P Cooper

Remgro nominated director
J J Durand

Website
www.rminsurance.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2014 R million	Year ended 30 June 2014 %
Income	**11 587**	**+25**
Operating profit	**2 482**	**+38**
Headline earnings	**2 879**	**+28**

SUSTAINABILITY MEASURES

Refer to websites of major underlying investments as RMI is only an investment holding company.

www.discovery.co.za
www.mmiholdings.com
www.outsurance.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 were separated and the insurance interests unbundled and listed as RMI on the JSE. The contribution of RMI to Remgro's headline earnings for the year under review increased to R871 million (2013: R666 million).

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 and China. MMI was formed from the merger of Metropolitan and Momentum, focusing on long-term insurance, short-term insurance, asset management, 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 sophisticated risk techniques and innovative financial structures.

RMI's reported headline earnings for its year ended 30 June 2014 increased by 28% to R2 879 million (2013: R2 242 million). OUTsurance, Discovery and MMI contributed R1 229 million (2013: R1 031 million), R802 million (2013: R551 million) and R807 million (2013: R628 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 18% to R3 022 million (2013: R2 566 million). Discovery's contribution to normalised earnings increased by 24% to R866 million (2013: R699 million), as the group's overall new business grew by 15% and its UK operations continued to perform exceptionally well. MMI contributed R899 million (2013: R803 million) to RMI's normalised earnings representing an increase of 12% from the previous year, as all operating divisions performed well and expense savings from the merger was achieved. The contribution of OUTsurance to normalised earnings increased by 18% to R1 219 million (2013: R1 031 million), as the group experienced new business growth of 35% and Youi, the group's direct personal lines business in Australia, performed exceptionally well.

INDUSTRIAL

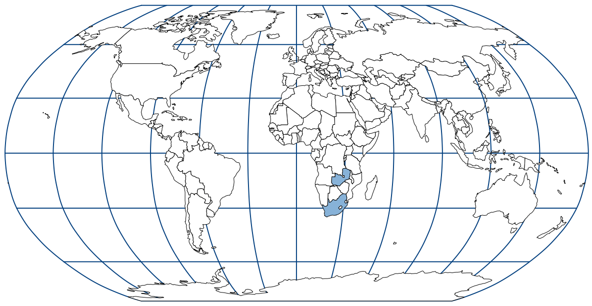
CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2014 R million	30 June 2013 R million
Air Products South Africa	**217**	180
KTH	**71**	36
Total South Africa	**233**	258
PGSI	**72**	10
Wispeco	**107**	64
	700	548

50%
effective interest

Profile

Air Products South Africa 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.



MAJOR GEOGRAPHIC PRESENCE
Africa
South Africa
Zambia

CORPORATE INFORMATION

Equity valuation at 30 June 2014
R7 221 million

Unlisted

Chief Executive Officer
M Hellyar

Remgro nominated directors
H J Carse, N J Williams

Website
www.airproductsafrica.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 Sep 2013 R million	Year ended 30 Sep 2013 %
Revenue	**1 794**	**+10**
Operating profit	**569**	**+7**
Headline earnings	**405**	**+15**

SUSTAINABILITY MEASURES

CSI/Training spend
R2.9 million

Number of employees
540

BBBEE status
Level 3

AIR PRODUCTS SOUTH AFRICA PROPRIETARY LIMITED (AIR PRODUCTS SOUTH AFRICA)

Air Products South Africa has a September year-end, but its results for the twelve months ended 31 March 2014 have been included in Remgro's results for the period under review. Air Products South Africa's contribution to Remgro's headline earnings for the year under review increased by 21% to R217 million (2013: R180 million).

Turnover for Air Products South Africa's twelve months ended 31 March 2014 increased by 13% to R1 902 million (2013: R1 682 million), while the company's operating profit for the same period increased by 18% to R617 million (2013: R525 million). This increase is mainly as a result of increased volumes of bulk liquid and packaged gas products, albeit at a modest pace.

Air Products South Africa is the largest manufacturer of industrial gases in Southern Africa. Air Products South Africa 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.

Although new contracted long-term capacity was brought online during the period, large tonnage gas volumes continue to disappoint. Demand from the steel, chemicals and resources sectors continue to be negatively impacted by low economic activity and disrupted production.

Bulk liquid and cylinder gas volumes have shown modest, but erratic, growth and continue to be negatively impacted by labour unrest in a number of market sectors.

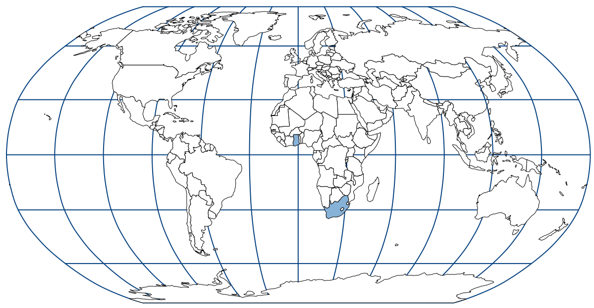
34.7%

effective interest

kth

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.



MAJOR GEOGRAPHIC PRESENCE
Africa
South Africa
Ghana

CORPORATE INFORMATION

Equity valuation at 30 June 2014

R7 685 million

Unlisted

Chief Executive Officer

V Nkonyeni

Remgro nominated directors

J J du Toit, P J Uys

Website

www.kagiso.com

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2014 R million	Year ended 30 June 2014 %
Revenue	1 583	+17
Operating profit	178	+46
Headline earnings	215	+99

SUSTAINABILITY MEASURES

CSI/Training spend

R3.8 million

Number of employees

44

BBBEE status

Level 3

KAGISO TISO HOLDINGS PROPRIETARY LIMITED (KTH)

KTH is a leading black-owned investment company with 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 2014 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 R71 million (2013: R36 million).

KTH's net profit attributable to equity owners has, however, decreased to a loss of R97 million (2013: R428 million profit) mainly due to net impairments on certain investments of R257 million (2013: R36 million) and a non-recurring gain of R233 million on disposal of investments during the previous year, which are both accounted for outside of headline earnings. Income from equity accounted investments increased by R80 million to R604 million, with major contributions from its investments in MMI Holdings Limited and Kagiso Strategic Investments Limited. Operating profit increased by R56 million due to strong performances from Kagiso Media and Kagiso Asset Management, but it was partially offset by higher net finance costs due to the full impact on finance costs for the current period related to the raising of bonds in the previous year and the incurring of debt to partially finance the buyout of minorities of Kagiso Media.

Results for the year under review were also impacted by positive fair value adjustments on equity investments in Exxaro Resources Limited (Exxaro) and AECI Limited as well as preference shares in MMI Holdings Limited, offset by negative adjustments on Adcock Ingram Holdings Limited and Aveng Limited.

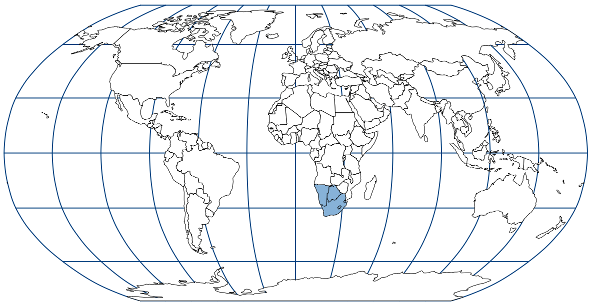
KTH has a well-defined investment and business strategy, a sound asset and capital base and an experienced and diverse management team which positions the group as a leading black-owned and managed investment company.

24.9%
effective interest

TOTAL

Profile

Subsidiary of Total (France). Total South Africa'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 South Africa Proprietary Limited (Natref).



MAJOR GEOGRAPHIC PRESENCE
Africa
South Africa
BLNS countries

CORPORATE INFORMATION

Equity valuation at 30 June 2014
R6 410 million

Unlisted

Chief Executive Officer
C M R J des Closières

Remgro nominated directors
L Crouse, N J Williams

Website
www.total.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 Dec 2013 R million	Year ended 31 Dec 2013 %
Revenue	40 268	+19
Operating profit	1 261	+36
Headline earnings	939	+52

SUSTAINABILITY MEASURES

CSI/Training spend
R31.2 million

Number of employees
807

BBBEE status
Level 2

Environmental aspect*
Scope 1 and 2 emissions of 12 574 tonnes CO_2e

* *Excludes emissions from Natref*

TOTAL SOUTH AFRICA PROPRIETARY LIMITED (TOTAL SOUTH AFRICA)

Total South Africa has a December year-end, but its results for the twelve months ended 30 June 2014 have been included in Remgro's results for the year under review. Total South Africa's contribution to Remgro's headline earnings for the year under review amounted to R233 million (2013: R258 million).

Total South Africa's turnover for the twelve months ended 30 June 2014 increased by 18.7% to R44 818 million (2013: R37 767 million), while operating profit decreased to R1 232 million (2013: R1 400 million). The results were negatively impacted by an increase of R200 million in the site rehabilitation provision during the current period, slightly offset by higher stock revaluation gains of R94 million (2013: R64 million), as the international oil price increased from US $103 per barrel, at 30 June 2013, to US $114 per barrel at 30 June 2014.

The increase in turnover is mainly due to the increase in the retail margin of 35 cents per litre, announced by the Department of Energy in December 2013. Retail sales of petroleum products in the period under review increased by 2.2% compared to the previous period.

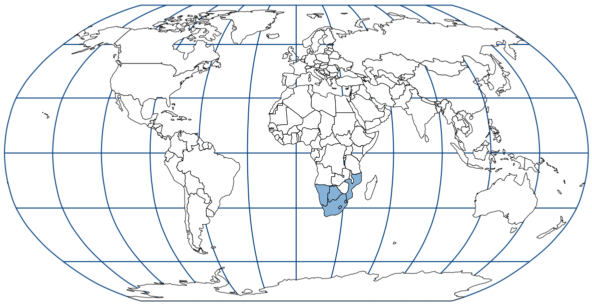
The company is intensifying its investments regarding the health, safety, environment and quality constraints, at its depots as well as at its service stations. In particular, Total South Africa has continued its project to make sure all its service stations are fully compliant with Total Group norms,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

Natref (in which Total South Africa has an interest of 36.4%) experienced an improvement in refining margins by the end of the period under review, when compared to the twelve months ended 30 June 2013, due to favourable foreign exchange rate impacts. However, this was offset by the negative market effect caused by unfavourable market prices for gas oil and gasoline products.

37.7%
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.



MAJOR GEOGRAPHIC PRESENCE	
Africa	Other
South Africa	Exports to India and Europe
BLNS countries	
Mozambique	

CORPORATE INFORMATION

Equity valuation at 30 June 2014
R2 015 million

Unlisted

Chief Executive Officer
C Bromley

Remgro nominated director
J J du Toit

Website
www.pggroup.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 Dec 2013 R million	Year ended 31 Dec 2013 %
Revenue	3 510	+9
Operating profit	214	+167
Headline earnings	55	Nm

Nm = Not meaningful

SUSTAINABILITY MEASURES

CSI/Training spend
R23.4 million

Number of employees
4 320

BBBEE status
Level 6

Environmental aspect
Total GHG emissions of 237 488 tonnes CO_2e

PGSI LIMITED (PGSI)

PGSI has a December year-end, but its results for the twelve months ended 30 June 2014 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 R72 million (2013: R10 million), which includes a positive fair value adjustment of R38 million (2013: negative adjustment of R7 million) on the conversion right attached to PGSI preference shares. This conversion right was exercised during the year under review, increasing Remgro's interest in PGSI from 28.5% to 37.7%.

PGSI's turnover for the period under review increased by 7.3% from R3 398 million to R3 645 million, while its operating profit increased to R250 million (2013: R100 million). The increase in operating profit was driven by slightly improved economic conditions both in the global and domestic markets combined with a number of business initiatives to contain overhead costs, improve overall market performance and to drive manufacturing efficiencies.

The main operating subsidiary in South Africa, PG Group, supplies glass to the building and automotive industries. Conditions in the building industry remain fragile, where there is significant excess capacity servicing both the commercial and residential sectors. The group's expansion into Africa has assisted the growth in sales. The business has focused on rationalising its operations and its distribution network to reduce overhead costs and focus on higher margin products. This has resulted in growth in building glass profits through the period under review, and an ongoing review of the current structures is expected to further reduce costs going forward. The automotive glass business has been assisted by the weaker rand which has had a positive impact on the results, increasing export profitability and increasing competitiveness in the local market. The aftermarket sector, which is very competitive, remains vulnerable given the contraction in the economy following the continued strike action. Furthermore, the relatively high inflation and increased interest rates have impacted consumer confidence, resulting in negative growth in new car sales in the last six months. The export vehicle build has shown marginal growth in the period under review.

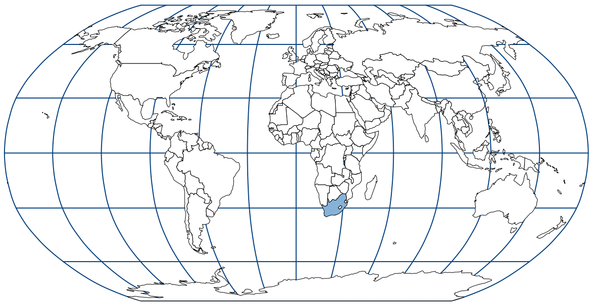
The difficult market conditions have been further exacerbated by increases in energy and labour costs. The current levels of the rand will have a positive impact on the business, with improved export profitability and reduced imported volumes. The group is reviewing its structures to focus on substantially reducing the cost of servicing its customers and increasing yields at all manufacturing facilities aided by a technical agreement signed with Saint Gobain of France. The benefits of these strategies are expected to deliver positive growth in the years ahead.

100%
effective interest

WISPECO Aluminium

Profile

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



MAJOR GEOGRAPHIC PRESENCE

Africa

South Africa

CORPORATE INFORMATION

Equity valuation at 30 June 2014
R778 million

Unlisted

Chief Executive Officer
H Rolfes

Remgro nominated directors
S J de Villiers, J J du Toit

Website
www.wispeco.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2014 R million	Year ended 30 June 2014 %
Revenue	1 486	+25
Operating profit	141	+61
Headline earnings	107	+67

SUSTAINABILITY MEASURES

CSI/Training spend
R9 million

Number of employees
1 047

BBBEE status
Level 4

Environmental aspect
Scope 1 and 2 emissions of 49 705 tonnes CO_2e

WISPECO HOLDINGS PROPRIETARY LIMITED (WISPECO)

Turnover for the year ending 30 June 2014 increased by 25% to R1 486 million (2013: R1 193 million). This growth in turnover was driven by increased sales volumes and higher sales prices resulting from input cost increases and a weaker local currency. Headline earnings for the year increased by 67% to R107 million (2013: R64 million). This improvement was achieved as a result of the higher sales volume, which in turn supported higher gross margins through economies of scale and continuous improvement in production efficiencies.

Processing of recycled aluminium remains an important focus area for Wispeco. A decision was taken to increase throughput in the recycling of post-industrial and post-consumer scrap for the production of in-house extrusion billet. More than half of Wispeco's extrusion output is now produced from recycled aluminium. Recycling of aluminium requires a mere 5% of the energy to produce virgin aluminium from alumina, resulting in the accreditation of the EcoSpecifier green rating to Wispeco's products.

Wispeco continues to strive for world-class standards in all of its operating divisions. Management actively drives productivity improvement programmes at all levels in the organisation. The company acquired new premises in Alrode and will be installing two further extrusion press lines over the next 18 months. A key focus area remains the development of industry skills and in this regard 179 people were trained during the past year, including 10 deaf youths from previously disadvantaged communities.

INFRASTRUCTURE

CONTRIBUTION TO HEADLINE EARNINGS

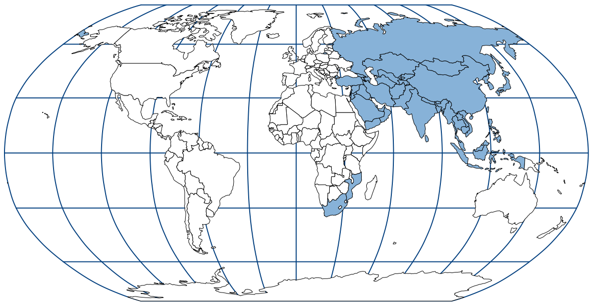
	30 June 2014 R million	30 June 2013 R million
Grindrod	**108**	144
CIV group	**58**	59
SEACOM	**(6)**	–
Other	**6**	(7)
	166	196

22.6%
effective interest

GRINDROD LIMITED

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.



MAJOR GEOGRAPHIC PRESENCE	
Africa	Other
South Africa	Asia
Mozambique	

CORPORATE INFORMATION

Market cap at 30 June 2014
R20 255 million

Listed on the JSE Limited

Chief Executive Officer
A Olivier

Remgro nominated director
J J Durand

Website
www.grindrod.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 Dec 2013 R million	Year ended 31 Dec 2013 %
Revenue	**15 662**	**–43**
Operating profit	**424**	**–18**
Headline earnings	**702**	**+16**

SUSTAINABILITY MEASURES

CSI/Training spend
R33.5 million

Number of employees
7 675

BBBEE status
Level 3

Environmental aspect
Total GHG emissions of 512 376 tonnes CO_2e

GRINDROD LIMITED (GRINDROD)

Grindrod has a December year-end, but its results for the twelve months to 30 June 2014 have been included in Remgro's results for the year under review. Headline earnings attributable to Remgro for the year under review amounted to R108 million (2013: R144 million). This decrease is mainly attributable to lower profit from its trading division due to poor results in the agricultural commodities sector.

Grindrod's reported net profit for the six months to 30 June 2014 increased by 30% to R694 million (2013: R533 million). The net profit for the period under review includes a once-off profit of R431 million generated as a result of the change in control on the acquisition of interests previously held by the group's long-term BBBEE partners and an impairment of R80 million on the transport fleet. Headline earnings which, inter alia, exclude the impact of the aforementioned item, however, decreased by 29% to R321 million (2013: R450 million). This decrease is mainly attributable to weaker operating performances from the commodity trading division and these operations are in the process of being wound down and sold according to plan.

Capital expenditure for the six months to 30 June 2014 amounted to R1.4 billion, of which 94% 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. Following its capital raising during the period under review, the group is confident that it has adequate funding for all capital commitments through its cash resources and bank facilities.

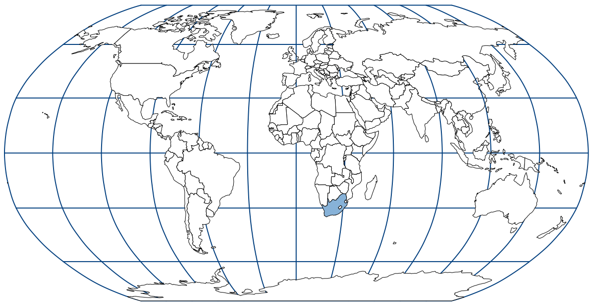
50.7%

effective interest

CIV HOLDINGS

Profile

CIV Holdings is an investment holding company with its major asset being Dark Fibre Africa (DFA) that builds, owns, maintains and monitors infrastructure suitable to carry services such as fibre-optic networks.



MAJOR GEOGRAPHIC PRESENCE

Africa

South Africa

CORPORATE INFORMATION

Equity valuation of CIV Holdings at 30 June 2014

R4 022 million

Unlisted

Chief Executive Officer of DFA

G Smit

Remgro nominated directors

L Crouse, P J Uys

Website

www.dfafrica.co.za

FINANCIAL HIGHLIGHTS*

	Year ended 31 Mar 2014 R million	Year ended 31 Mar 2014 %
Revenue	879	+29
Operating profit	311	+54
Headline earnings	37	+77

SUSTAINABILITY MEASURES*

CSI/Training spend

R7.2 million

Number of employees

305

BBBEE status

Level 2

Environmental aspect

Scope 1 and 2 emissions of 942 tonnes CO_2e

* *Information relates only to DFA as it is the major operating subsidiary.*

COMMUNITY INVESTMENT VENTURES HOLDINGS PROPRIETARY LIMITED (CIV GROUP)

Remgro has an effective interest of 50.7% in the CIV group, which is active in the telecommunications and information technology sectors. A restructuring of the CIV group has been implemented with effect from 1 April 2014, reducing the multiple entry points of investors to a single entry point through CIV Holdings Proprietary Limited. 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. 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 2014 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 R58 million (2013: R59 million), of which the major contributors were DFA (R30 million) and CIE Telecommunications (R16 million).

DFA's revenue for its year ended 31 March 2014 increased by 29% to R879 million (2013: R683 million) mainly as a result of solid growth of 38% in annuity revenue. DFA has thus far secured a healthy annuity income in excess of R55 million per month with the majority thereof being on long-term contracts with customers. DFA lowered its average cost of funding through the refinancing of its debt of R3.5 billion with a consortium of lenders from a project finance structure to a more corporate debt-type structure consisting of R2.5 billion of long-term debt and R1 billion of short-term debt. One of the main operating challenges that DFA faces is the slower than anticipated site build/last mile by customers that affects DFA's ability to link mobile operator base station sites or enterprise customers to the fibre network, which causes a delay in annuity revenue generation to offset increasing depreciation and finance charges incurred on network rollout costs. To reduce the risk of the slow last mile roll out DFA acquired Conduct Telecommunication on 1 April 2014. Conduct specialises on the last mile build and has completed dark fibre infra-structure access to more than 900 buildings. Most of

DFA's customers extended their initial contract periods of five years to either 10 or 15 years. The network uptime for the period under review was an excellent 99.99%.

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 book value of the fibre-optic network is in excess of R4.6 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, including East London, Polokwane, Tlokwe, Emalahleni and George to name a few. The Johannesburg ring is regarded as one of the most important communication rings in Africa. At 31 March 2014, a total distance of 7 759 km (2013: 7 340) 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 and built a route to link the North West province to Gauteng during the year.

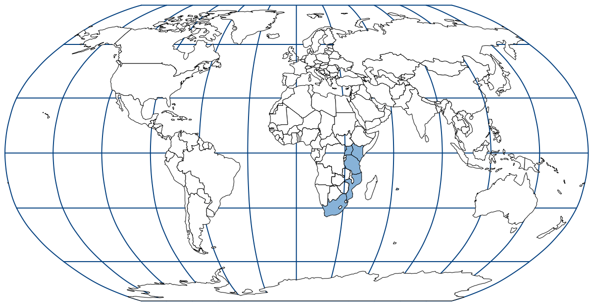
In 2010 DFA commenced with the fibre-to-tower project linking mobile operators' base stations to the core communication rings, and the project will continue through 2014 and beyond as demand for mobile backhaul increases due to, amongst others, a strong growth in data demand by smartphones and Long Term Evolution technology. Mobile backhaul is a major growth driver for DFA due to the increased demand for mobile broadband. DFA has 5 618 (2013: 4 276) base transceiver station sites on the network that cover three of the four mobile operators. DFA monitors and maintains a total of 7 348 (2013: 4 665) customer circuits. The next growth drivers for DFA will be the enterprise market and the public sector which have shown a definite increase in demand in the last 12 months. DFA is also part of a consortium that will provide fibre connectivity to the Gauteng government.

DFA has signed commercial lease agreements with 56 (2013: 41) customers that have Electronic Communication Network 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 which is a lump sum in advance, or on an annuity basis with multi-year contracts of mostly up to 15 years. Presently, approximately 68% of total revenue is annuity revenue. The future value of the current annuity contract base is in excess of R8 billion.

25%
effective interest

Profile

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



MAJOR GEOGRAPHIC PRESENCE	
Africa	
South Africa	Tanzania
Mauritius	Kenya
Mozambique	Uganda

CORPORATE INFORMATION	FINANCIAL HIGHLIGHTS	SUSTAINABILITY MEASURES
Equity valuation at 30 June 2014 R3 303 million **Unlisted** **Chief Executive Officer** B M Herlihy **Remgro nominated directors** H J Carse, P J Uys **Website** www.seacom.mu	SEACOM is a private company and its detailed financial information is not disclosed due to restrictions on disclosure as agreed amongst its shareholders.	**CSI/Training spend** R1 million **Number of employees** 110

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, but its results for the twelve months ended 30 June 2014 have been included in Remgro's results for the year under review. SEACOM's contribution to Remgro's headline earnings for the year under review amounted to a loss of R6 million (2013: Rnil). SEACOM is, however, cash flow positive and Remgro has received dividends of R81 million from SEACOM during the year under review, bringing the cumulative dividends received since the acquisition of VenFin Limited to R361 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 indefeasible right of use agreements, including maintenance charges, whereby the revenue is accounted for over the full term of 15 or 20 years.

SEACOM maintains a proactive approach to ensuring profitability, by implementing various cost-saving initiatives and more diversified product offerings in response to increased competition from competing cable systems.

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% (PRIMCO) &
73% (PRIF)
effective interest

MEDIA AND SPORT

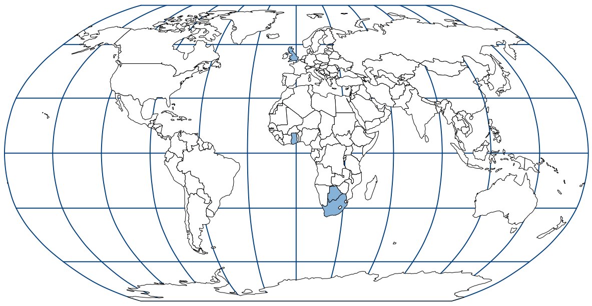
CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2014 R million	30 June 2013 R million
Sabido	**131**	148
Other	**(67)**	(29)
	64	119

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.



MAJOR GEOGRAPHIC PRESENCE

Africa	Other
South Africa	United Kingdom
Botswana	
Ghana	

CORPORATE INFORMATION

Equity valuation at 30 June 2014
R7 925 million

Unlisted

Chief Executive Officer
M Golding

Remgro nominated directors
H J Carse, N J Williams

Website
www.etv.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 Mar 2014 R million	Year ended 31 Mar 2014 %
Revenue	**2 364**	**+12**
Operating profit	**670**	**–9**
Headline earnings	**414**	**–12**

SUSTAINABILITY MEASURES

CSI/Training spend
R13 million

Number of employees
1 606

BBBEE status
Level 2

Environmental aspect
Scope 1 and 2 emissions of 6 301 tonnes CO_2e

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), free-to-air satellite platform Platco Digital, Gauteng-based radio station, Yfm, and various studio facilities and production businesses.

Sabido has a March year-end and therefore its results for the twelve months to 31 March 2014 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 R131 million (2013: R148 million).

The decrease in Sabido's results was mainly attributable to increased costs relating to the launch of three new businesses – a free-to-air direct-to-home (DTH) satellite platform under the brand name Openview HD, five new e.tv channels and the online news business enca.com. All three initiatives are in line with the group's multi-channel, multi-platform and multi-territory strategy.

While e.tv exceeded its revenue targets for the year under review, free-to-air television advertising revenue is under increasing pressure. The ongoing delay in the launch of digital terrestrial television (DTT) has resulted in a significant shift in audiences and advertising revenue to pay-TV as audiences seek out multi-channel offerings beyond the current four-channel analogue terrestrial offering. The launch of Openview HD in October 2013 was aimed at providing a multi-channel free-to-air alternative to pay-TV in an attempt to stem the losses of audiences and revenue to pay-TV.

eNCA, Sabido's 24-hour news channel, continued to benefit from subscriber growth in the DStv Compact platform. Despite the launch of two new South African 24-hour news channels, eNCA retained its position as the premier news service on DStv. enca.com, the group's online news offering, achieved record highs during the passing of former President Nelson Mandela, with over 675 000 unique browsers during December 2013.

Television and music content businesses, Sabido Productions, Natural History Unit and Lalela Music, had good operating performances, but publishing business Jacana struggled amidst difficult trading conditions.

Facilities business Sasani performed better than expected and was operating at full capacity, while Cape Town Film Studios had a satisfactory performance and continues to show satisfactory occupancy levels. The performance of the post-production and equipment rental business, Silverline 360, improved significantly although the closure of the Filmlab (owing to the digitisation of cinemas across South Africa) had a negative impact on its results during the current year.

OTHER MEDIA AND SPORT INTERESTS

THE BLUE BULLS COMPANY PROPRIETARY LIMITED (BLUE BULLS)

Profile

Blue Bulls manages the Blue Bulls professional Rugby Union, Loftus Versfeld and certain amateur and management actions and activities of the Blue Bulls Rugby Union.

Website: **www.thebulls.co.za**

50%
effective interest

PREMIER TEAM HOLDINGS LIMITED (PTH) and SARACENS COPTHALL LLP

Profile

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

Saracens Copthall owns a sport stadium in North West London.

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**

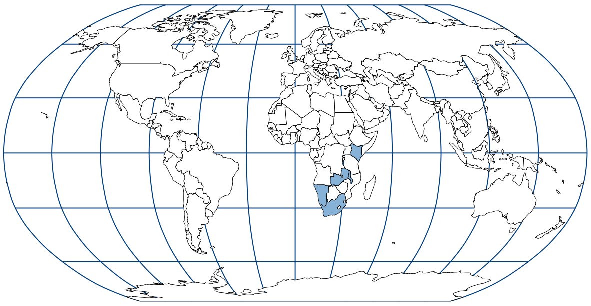
24.9%
effective interest

OTHER INVESTMENTS

CONTRIBUTION TO HEADLINE EARNINGS

	30 June 2014 R million	30 June 2013 R million
Business Partners	**33**	32
Other	**26**	25
	59	57

42.7%
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.

MAJOR GEOGRAPHIC PRESENCE

Africa

South Africa	Zambia
Kenya	Malawi
Namibia	

CORPORATE INFORMATION

Equity valuation at 30 June 2014
R2 435 million

Unlisted

Chief Executive Officer
N Martin

Remgro nominated directors
F Knoetze, N J Williams

Website
www.businesspartners.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 Mar 2014 R million	Year ended 31 Mar 2014 %
Revenue	**470**	**+10**
Operating profit	**206**	**+11**
Headline earnings	**78**	**–12**

SUSTAINABILITY MEASURES

CSI/Training spend
R6.1 million

Number of employees
276

BBBEE status
Level 3

Environmental aspect
Total emissions of 1 448 tonnes CO_2e

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

Business Partners has a March year-end and therefore its results for the twelve months to 31 March 2014 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 R33 million (2013: R32 million). This increase is partly due to Remgro's increased shareholding in Business Partners from 29.9% to 42.5% in the second half of the previous year.

Headline earnings of Business Partners for the twelve months ended 31 March 2014 amounted to R78 million (2013: R89 million), representing a decrease of 12% compared to the previous year. The decrease is mainly as a result of higher staff costs due to increases in post-retirement benefits and provisions, as well as increased financing costs due to higher average borrowings.

During the year under review, funding for 313 (2013: 251) investment projects amounting to R865 million (2013: R601 million) was disbursed, while the risk in the investment portfolio has improved as non-performing loans decreased from 17.9% of the portfolio at 31 March 2013 to 16.3% at 31 March 2014.

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) (Indirectly held through FundCo and BidCo structure)

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**

6.1%

effective indirect 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**

8.7%

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 2014 R million	30 June 2013 R million
Central treasury	**83**	3
Net corporate cost	**(134)**	(102)
	(51)	(99)

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 R83 million (2013: R3 million). The increase resulted mainly from foreign exchange losses of R98 million on the hedging of the repatriation of funds from Remgro's offshore cash portfolio accounted for in the comparative year.

Net corporate costs amounted to R134 million (2013: R102 million) and were largely impacted by the receipt of an after-tax underwriting fee of R46 million from Mediclinic, relating to its rights offer in the comparative year.

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, joint ventures 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 are 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. Since the disposal of TSB to RCL Foods during January 2014, Remgro's main wholly owned operating subsidiary is Wispeco. Wispeco is operated and managed as an independent entity with an autonomous board of directors, however, the composition of its board 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 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, joint ventures 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 Chairman receives no remuneration or fees from Remgro.
- 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 is 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 Integrated 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.

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.

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 Wispeco, are incorporated.

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 14 to 15 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 three 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 six 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 3 December 2013. 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 46 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 those 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 thirteen 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 evaluation process includes an assessment by each Board member of the Company Secretary's eligibility, skills, knowledge and execution of duties. 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 16.

The Board confirms that the Company Secretary maintains an arm's length relationship with the Board and the directors, taking into account that the Company secretary is not a director of the Company and is not related to any of 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 71.

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 89 to 96 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 25 November 2014.

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 71.

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 Committee of Remgro's only remaining wholly owned operating subsidiary, Wispeco, reports 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 coordinated.

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 2014 is included in the Integrated Annual Report on pages 99 to 100.

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 71.

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 investment decisions amounting to more than R500 million.

There was only one physical meeting held by the Investment Committee during the year under review. All other decisions were approved by written resolution.

Management Board

The Management Board consists of all three 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 71.

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 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 71.

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 2014 is included in the Integrated Annual Report on pages 78 to 79.

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 72 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.

ATTENDANCE AT MEETINGS

	Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Management Board	Investment Committee
Number of meetings held[1]	5	4	1	2	10	1
Attendance by directors						
Non-executive directors						
J P Rupert	5	–	1	–	–	1
E de la H Hertzog	5	–	–	–	–	–
J Malherbe	5	–	–	–	–	–
Independent non-executive directors						
G T Ferreira	5	–	1	–	–	1
P K Harris	5	–	1	–	–	1
N P Mageza	5	4	–	–	–	–
P J Moleketi	4	4	–	–	–	–
M Morobe	5	–	–	–	–	–
F Robertson	5	3	1	–	–	–
H Wessels	5	4	–	2	–	–
Executive directors and Management Board						
J J Durand	5	–	–	–	10	1
W E Bührmann	5	–	–	–	10	–
L Crouse	5	–	–	–	9	1
J W Dreyer[2]	2	–	–	–	5	–
P J Uys	–	–	–	2	10	–
N J Williams	–	–	–	2	9	–

(1) *There was only one physical meeting held by the Investment Committee during the year under review. All other decisions were approved by written resolution.*
(2) *Mr J W Dreyer retired as a director with effect from 31 December 2013.*

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, this report 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 proposed 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 OBJECTIVES	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.
Maintaining 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 meet 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.	Appropriate control structures supported by skilled and experienced legal and corporate tax specialists.
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. The early identification of abnormal investee risk profiles through internal processes.

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

KEY CONTROL OBJECTIVES	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.	Skilled and experienced managers regularly review policies and practices governing internal controls designed to ensure the consistent achievement of relevant objectives.
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 and linked to realised returns on treasury funds ▸ Terms of trade with banks are reviewed to ensure adequate risk sharing ▸ Payment systems are secured ▸ Information is secured ▸ 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	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.
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.	Employment of tax experts and consultation with independent tax and legal professionals. 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. Effective Social and Ethics Committee. 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).

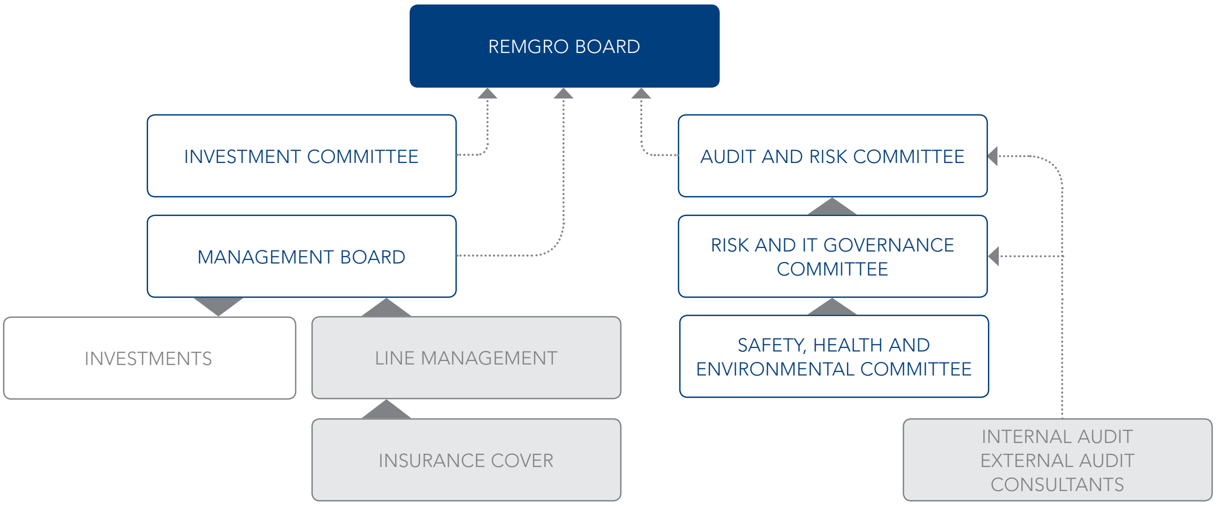
Remgro, being a responsible investor, ensures that proper corporate governance is implemented and maintained in all entities it invests in via the above processes.

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 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 categories 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 reassessed given prevailing market 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 investments, net excess cash and no debt at the holding company level, 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

The Company reviews its IT Governance Policy annually, 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. Members of senior management of the Company are informed on a regular basis of all relevant new legislation and amendments. Compliance controls also 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 are 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 elect to outsource the function.

When required, specialist skills are insourced 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 are 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 2014.

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
N J Williams	2	2
P J Uys	2	2

** Abridged curriculum vitae of all the directors of the Company are set out on pages 14 to 15 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 16.*

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.

Since the disposal of TSB to RCL Foods during January 2014, Remgro's main wholly owned operating subsidiary is Wispeco. Wispeco has established its own Social and Ethics Committee which operates independently from this committee. Remgro's representatives on the board of Wispeco also attend the meetings of that committee, *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 80 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 and published on the Company's website, 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 abridged Sustainable Development Report included in the Integrated Annual Report and the detailed Sustainable Development Report published on the Company's website, 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 25 November 2014. In the notice of the Annual General Meeting included in the Integrated Annual Report on page 123, shareholders are referred to this report by the committee, read with the detailed Sustainable Development Report published on the Company's website. 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
17 September 2014

ABRIDGED SUSTAINABLE DEVELOPMENT REPORT

"A prerequisite for survival is adaptability and a willingness to serve."

(Dr Anton Rupert)

INTRODUCTION

Remgro's current value system incorporates the guidelines drawn up by its founder, Dr Rupert, nearly 60 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 Climate Disclosure and Performance Leadership Indices	Continued membership of the Ethics Institute of South Africa	Maintaining our level 5 contributor status in terms of the BBBEE scorecard

View this full report online at www.remgro.com

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 reviews, 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

EXTERNAL ASSURANCE

We acknowledge the increasing requirements from investors and regulatory and other guidelines, such as King III 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 above. 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 reassessed to determine the way forward on external assurance.

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 70 and 78 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 were no incidents of fraud or irregularities.

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

Remgro Ethics Hotline 0800 86 4726
or email ethicsline@kpmg.co.za

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 that 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 potentially conflicted.

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 in the detailed Sustainable Development Report published on the Company's website at www.remgro.com.

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, associates and joint venture initiatives in this regard. To the extent that Remgro's subsidiaries, joint ventures and associates implemented BBBEE, Remgro's shareholders effectively participate in BBBEE initiatives and the associated costs and benefits thereof.

Remgro measures its BBBEE status against the generic scorecard criteria set by the Department of Trade and Industry. In terms of the latest assessment of Remgro's BBBEE status performed during August 2014, Remgro obtained a score of 58.25, thereby retaining its level 5 contributor status. The details of the assessment are fully set out in Figure 1.

It should be noted that the assessment includes the BBBEE initiatives of Remgro's main independent operating subsidiaries, RCL Foods (including Foodcorp and TSB Sugar) 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 120 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 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.

Figure 1

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	**3.11**
Employment equity	Weighted employment equity analyses	15	**3.71**
Skills development	Skills development expenditure as a proportion of total payroll	15	**6.44**
Preferential procurement	Procurement from black-owned and empowered enterprises as a proportion of total assets	20	**15.53**
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	**58.25**

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 five 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 86.

Remgro's summarised employment equity report as at 31 August 2013 is presented in Figure 2 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 details regarding the Company's CSI initiatives are provided on page 87.

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 investee companies is presented in the "Investment reviews" section on page 34.

Further details regarding the BBBEE status of Remgro's operating subsidiaries are provided in the section dealing with "Sustainability at operating subsidiaries" in the detailed Sustainability Development Report published on the Company's website at www.remgro.com.

Figure 2

SUMMARISED EMPLOYMENT EQUITY REPORT (as at 31 August 2013)

	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	0	0	0	**6**
Senior management	1	0	0	13	0	0	0	3	0	0	**17**
Professionally qualified and experienced specialists and mid-management	0	1	2	20	0	0	0	8	0	0	**31**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	4	5	1	10	1	8	0	33	0	0	**62**
Semi-skilled and discretionary decision-making	18	26	0	1	7	9	0	0	0	0	**61**
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	**0**
Total permanent	**23**	**33**	**3**	**49**	**8**	**17**	**0**	**44**	**0**	**0**	**177**
Temporary employees	0	1	0	0	0	0	0	0	0	0	**1**
Grand total	**23**	**34**	**3**	**49**	**8**	**17**	**0**	**44**	**0**	**0**	**178**

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 173 people being employed as at 30 June 2014 (2013: 175 employees). Refer to Figure 3 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 9.8%, compared to 8.0% for the comparative year to 30 June 2013. 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 4.0% for 2014 and 2.9% for 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 89 where Remgro's remuneration approach is set out in detail.

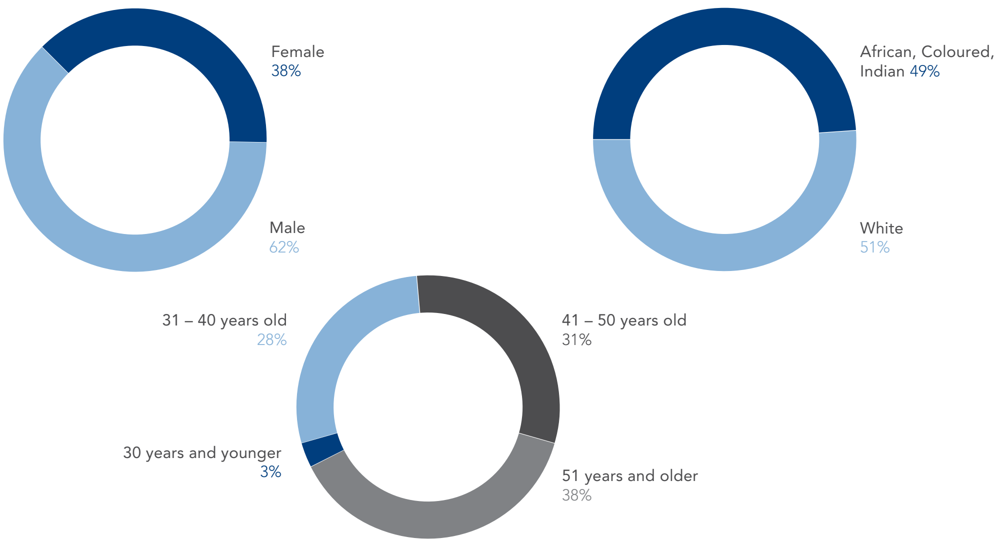
Remgro offers retirement benefits to its employees in the form of a defined-benefit (closed fund) and a defined-contribution fund that are administered independently of the finances of the Company. In addition, employees are also offered medical insurance and study assistance.

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

Figure 3

COMPOSITION OF EMPLOYEES (as at 30 June 2014)



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, the Companies Act and the Competition Act were 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 in the section on "Sustainability at operating subsidiaries" in the detailed Sustainable Development Report published on the Company's website at www.remgro.com.

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, training and education
- 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 R23 million (2013: R14 million), as set out in the table below.

Summary of CSI spend	**Year 30 June 2014 R million**	Year 30 June 2013 R million
Community development	**8**	4
Cultural development	**3**	2
Entrepreneurship, training and education	**9**	4
Environment	**1**	2
Healthcare	**1**	1
Sport development	**1**	1
	23	14

Further details regarding Remgro's CSI initiatives can be found in the detailed Sustainable Development Report published on the Company's website at www.remgro.com.

SUSTAINABILITY AT OPERATING SUBSIDIARIES

Remgro's two main operating subsidiaries, namely RCL Foods and Wispeco, are operated and managed on a decentralised basis as independent entities with autonomous boards of directors.

Please refer to the detailed Sustainable Development Report published on the Company's website at www.remgro.com for further details regarding the social and environmental performance of these subsidiaries.

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 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 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.

Further details regarding Remgro's initiatives to minimise its impact on the environment is presented in the detailed Sustainability Development Report published on the Company's website at www.remgro.com.

FEEDBACK

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

The Company Secretary
Mariza Lubbe
Tel: +27 (0)21 888 3311, Fax: +27 (0)86 581 0061
Email: ml@remgro.com
Postal address: PO Box 456, Stellenbosch 7599

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 once during the year and details on the attendance of the meeting are set out in the Corporate Governance Report on page 71.

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 25 November 2014.

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 7.5% (2013: 21.0%), compared to an average salary increase paid to general staff of 7.1% (2013: 7.1%). As previously reported, 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 in 2013, were 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.

Remgro currently has one long-term incentive plan, i.e. the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme). The SAR Scheme is an equity settled scheme and 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 their rights to 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, 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, 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 the SAR Scheme, refer to pages 94 to 96.

If it is assumed that all of the participants to the SAR Scheme exercise all options awarded to them on 1 July 2014, 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 2014 of R230.00. 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 2014 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 2013 were approved by shareholders on 3 December 2013.

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. Since his retirement Dr Hertzog receives 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 2014 and 30 June 2013 are presented in the table below.

Type of fee (R)	**Fee for the year ended 30 June 2014**	Fee for the year ended 30 June 2013
Board member	**228 000**	213 000
Chairman of the Audit and Risk Committee	**153 000**	143 000
Member of the Audit and Risk Committee	**77 000**	72 000
Member of the Remuneration and Nomination Committee	**38 000**	35 500
Chairman of the Social and Ethics Committee	**38 000**	35 500

The proposed fee structure payable to non-executive directors for the year ending 30 June 2015 is presented in the table below.

Type of fee (R)	Proposed fee for the year ending 30 June 2015
Board member	245 000
Chairman of the Audit and Risk Committee	165 000
Member of the Audit and Risk Committee	83 000
Member of the Remuneration and Nomination Committee	41 000
Chairman of the Social and Ethics Committee	41 000

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 SAR Scheme is 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 93 to 96 was audited)

Fixed pay

R'000	30 June 2014 Fees	Salaries	Retire-ment fund	Other benefits[9]	Total	30 June 2013 Fees	Salaries	Retire-ment fund	Other benefits	Total
Executive										
W E Bührmann	228	2 492	489	266	3 475	213	2 302	499	257	3 271
L Crouse	228	5 842	1 204	279	7 553	213	5 411	1 115	263	7 002
J W Dreyer[1]	114	1 409	279	28	1 830	213	2 407	520	124	3 264
J J Durand	228	7 617	1 556	283	9 684	213	7 080	1 447	265	9 005
J A Preller[2]	–	–	–	–	–	160	1 049	233	268	1 710
Subtotal	798	17 360	3 528	856	22 542	1 012	18 249	3 814	1 177	24 252
Non-executive (independent)										
G T Ferreira	266	–	–	–	266	249	–	–	–	249
P K Harris	266	–	–	–	266	249	–	–	–	249
N P Mageza[3]	305	–	–	–	305	285	–	–	–	285
P J Moleketi	305	–	–	–	305	285	–	–	–	285
M Morobe	228	–	–	–	228	213	–	–	–	213
M A Ramphele[4]	–	–	–	–	–	124	–	–	–	124
F Robertson	343	–	–	–	343	321	–	–	–	321
H Wessels[5]	535	–	–	–	535	482	–	–	–	482
Subtotal	2 248	–	–	–	2 248	2 208	–	–	–	2 208
Non-executive (non-independent)										
P E Beyers[6]	–	–	–	–	–	124	484	114	79	801
E de la H Hertzog[7]	228	–	–	–	228	213	319	50	15	597
J Malherbe	228	–	–	–	228	213	–	–	–	213
J P Rupert[8]	–	–	–	–	–	–	–	–	–	–
Subtotal	456	–	–	–	456	550	803	164	94	1 611
Total	3 502	17 360	3 528	856	25 246	3 770	19 052	3 978	1 271	28 071

(1) Mr J W Dreyer retired as executive director with effect from 31 December 2013.
(2) Mrs J A Preller retired as executive director with effect from 31 March 2013.
(3) During the year under review Mr N P Mageza also received R389 000 (2013: R335 000) as director's fees from RCL Foods Limited, a subsidiary company of Remgro Limited.
(4) Mrs M A Ramphele resigned as non-executive director with effect from 31 January 2013.
(5) 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 R116 100 was also paid to Mr H Wessels during the year under review (2013: R90 000) for his attendance of meetings of subcommittees of the Audit and Risk Committee.
(6) Mr P E Beyers retired as non-executive director with effect from 31 January 2013.
(7) 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.
(8) Mr J P Rupert receives no emoluments.
(9) Benefits include medical aid contributions and vehicle benefits.

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

Participant	Balance of SARs accepted as at 30 June 2013	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 2014
Executive									
W E Bührmann	98 405			64.00	98 405	30/09/2013	194.60	12 852	–
	124 771			65.50					124 771
	23 548			97.55					23 548
	98 817			147.25					98 817
		25 485	1 386	191.70					25 485
L Crouse	418 108			65.60					418 108
	51 865			97.55					51 865
	283 952			147.25					283 952
		79 144	4 303	191.70					79 144
J J Durand	108 236			78.30					108 236
	7 572			75.38					7 572
	235 895			97.55					235 895
	271 258			147.25					271 258
		93 128	5 064	191.70					93 128
J W Dreyer[2]	180 180			65.50	90 090	17/10/2013	201.50	12 252	90 090
Subtotal	1 902 607	197 757	10 753		188 495			25 104	1 911 869
Non-executive									
J Malherbe	50 506			78.30					50 506
	6 949			75.38					6 949
Subtotal	57 455	–	–		–			–	57 455
Total	1 960 062	197 757	10 753		188 495			25 104	1 969 324

(1) SARs were offered on 4 December 2013.
(2) Mr J W Dreyer retired as executive director with effect from 31 December 2013. In terms of the rules of the SAR Scheme, participants going into retirement are entitled to exercise all their 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 the grant date), whichever is the earlier.
(3) It refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.

Remgro 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[1] (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.*

PRESCRIBED OFFICERS

Fixed pay

R'000	30 June 2014 Salaries	30 June 2014 Retire-ment fund	30 June 2014 Other benefits[1]	30 June 2014 Total	30 June 2013 Salaries	30 June 2013 Retire-ment fund	30 June 2013 Other benefits[1]	30 June 2013 Total
P J Uys[2]	**3 930**	**796**	**281**	**5 007**	907	196	66	1 169
N J Williams	**2 188**	**434**	**281**	**2 903**	2 030	403	264	2 697
Total	**6 118**	**1 230**	**562**	**7 910**	2 937	599	330	3 866

[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 2013*	***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 2014***
P J Uys	218 400			**183.15**					**218 400**
		3 325	**181**	**191.70**					**3 325**
N J Williams	7 555			**75.38**	**7 555**	**04/10/2013**	**194.61**	**901**	**–**
	36 152			**78.30**	**18 076**	**11/12/2013**	**197.00**	**2 146**	**18 076**
	4 259			**82.60**	**4 259**	**04/10/2013**	**194.61**	**477**	**–**
	38 652			**97.55**					**38 652**
	81 901			**147.25**					**81 901**
		22 221	**1 208**	**191.70**					**22 221**
	386 919	**25 546**	**1 389**		**29 890**			**3 524**	**382 575**

[1] *SARs were offered on 4 December 2013.*
[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 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.*

2014 SUMMARY FINANCIAL STATEMENTS

CONTENTS

AUDIT AND RISK COMMITTEE REPORT
TO THE SHAREHOLDERS OF REMGRO LIMITED

This report by the Audit and Risk Committee (the committee), as appointed by the 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 2014.

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	3

** Abridged curriculum vitae of all the directors of the Company are set out on pages 14 and 15 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.

Since the disposal of TSB to RCL Foods during January 2014, Remgro's principal remaining wholly owned operating subsidiary is Wispeco. Wispeco's Audit and Risk Committee functions as a subcommittee of the committee and reports to this committee at each meeting by way of inclusion of the minutes of the meetings held by it in the committee's agenda. The committee has also 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 2014
- 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 therefore 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.

AUDIT AND RISK COMMITTEE REPORT
TO THE SHAREHOLDERS OF REMGRO LIMITED

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. 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 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 15 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, Mediclinic, RMB Holdings, RMI Holdings, SEACOM and Business Partners. TSB makes use of its own internal audit division, but used Remgro's internal audit function to perform independent quality reviews of its work until its disposal to RCL Foods during January 2014.

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 and regulatory requirements. The committee is satisfied that there has been no material non-compliance with laws and regulations.

The committee is also satisfied that it has complied with all its legal, regulatory and other responsibilities during the year under review.

Recommendation to the Board

The committee has reviewed and considered the Integrated Annual Report, including the complete annual financial statements and sustainable development report published on the Company's website, and has recommended it for approval by the Board.

Herman Wessels
Chairman of the Audit and Risk Committee

Stellenbosch
17 September 2014

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2014

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 2014**	30 June 2013 Restated
Headline earnings (R million)	**6 635**	4 196
– per share (cents)	**1 292.4**	817.1
– diluted (cents)	**1 270.3**	805.0
Earnings – net profit for the year (R million)	**6 917**	4 179
– per share (cents)	**1 347.3**	813.8
– diluted (cents)	**1 325.7**	800.6
Dividends (R million)	**2 010**	1 787
– ordinary – per share (cents)	**389.00**	346.00

A final dividend of 233 cents (2013: 201 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. The final dividend of 233 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:

RCL Foods Limited (RCL Foods)

During the previous financial year RCL Foods acquired an effective 64.2% interest in New Foodcorp Holdings Proprietary Limited (Foodcorp). During the year under review RCL Foods acquired the remaining 35.8% interest in Foodcorp in two separate transactions from Foodcorp management and Capitau Investment Advisors Proprietary Limited for a total cash consideration of R520.7 million.

During January 2014 RCL Foods also acquired 100% of the shares in TSB Sugar RSA Proprietary Limited and TSB International Proprietary Limited (collectively referred to as TSB) from Remgro for a total purchase consideration of R4.0 billion. The purchase consideration was settled on 17 January 2014 through the issue of 230.9 million new RCL Foods shares to Remgro at a price of R17.32 per share.

As part of the announcement referred to above RCL Foods also announced its intention to restructure its existing BEE notional vendor financed shareholding, as well as implement TSB's BEE scheme at the RCL Foods shareholding level. RCL Foods further also proposed a capital raising in the amount of R2.5 billion through a combination of a pro rata offer to existing minority shareholders (excluding Remgro and RCL Foods' existing BEE parties) and a specific issue of new shares via a placement to qualifying investors.

RCL Foods' shareholders approved the BEE transactions and capital raising referred to above on 16 January 2014. The results of the pro rata offer was announced on 5 February 2014, indicating that R790 million was raised. On 19 February 2014 RCL Foods announced that the placement of new shares to raise the balance of the R2.5 billion referred to above has been delayed, subject to market conditions, its cash/gearing situation as well as the anticipated timing of investment cash flows.

The TSB BEE transaction and the restructuring of RCL Foods' existing BEE shareholding were implemented on 3 April 2014 and 26 May 2014 respectively. As part of these transactions RCL Foods issued an additional 19.6 million new RCL Foods shares.

On 30 June 2014, Remgro's effective interest in RCL Foods was 77.7% (2013: 75.9%).

PG Group of Companies (PGSI)

PGSI is the foreign holding company of the Plate Glass group. During the year under review, in participation of two rights offers, Remgro invested a further R47.1 million in PGSI.

During June 2009 Remgro invested R129.6 million in PGSI cumulative, redeemable preference shares. The preference shares had a term of five years. Together with its investment in the PGSI preference shares, Remgro also acquired the right to use the proceeds on redemption to subscribe for new ordinary shares in PGSI. During June 2014 the preference shares were redeemed and Remgro used the proceeds to subscribe for 8.3 million new ordinary shares in PGSI.

The above transactions increased Remgro's interest in PGSI to 37.7% (2013: 25.3%).

Grindrod Limited (Grindrod)

During May 2014 Grindrod issued 96 million new Grindrod shares through an accelerated bookbuild offering to qualifying investors, thereby raising an additional R2.4 billion of capital. As part of this process, Remgro acquired a further 26.1 million shares in Grindrod for a total amount of R652 million, or R25.00 per share.

After the completion of the Grindrod bookbuild, Remgro and Grindrod Investments Proprietary Limited, who was also allocated Grindrod shares in terms of the bookbuild, offered qualifying Grindrod shareholders the opportunity to participate in a clawback offer, also at a price of R25.00 per Grindrod share. In terms of the clawback offer Remgro disposed of 4.0 million of the shares acquired in terms of the bookbuild for a total consideration of R101.1 million.

During June 2014 Grindrod issued a further 64 million shares to a consortium of strategic black investors. This issue of shares, as well as the bookbuild offering referred to above, reduced Remgro's effective interest in Grindrod to 22.6% (2013: 25.0%).

The CIV group

Previously Remgro's interests in the CIV group consisted of its investments in Dark Fibre Africa Proprietary Limited (Dark Fibre Africa), CIV Fibre Network Solutions Proprietary Limited (CIV FNS), CIE Telecommunications Proprietary Limited (CIE Telecommunications), CIV Power Proprietary Limited (CIV Power), as well as Central Lake Trading No. 77 Proprietary Limited (Central Lake).

On 1 April 2014 the CIV group was restructured in order to simplify its holding structure from multiple entry points to a single entry point in order to align the interests of all shareholders. Consequently Remgro exchanged its interests in Dark Fibre Africa, CIV FNS, CIE Telecommunications, CIV Power and Central Lake for a direct investment in Community Investment Ventures Holdings Proprietary Limited (CIVH). The restructuring did not change Remgro's interest in Dark Fibre Africa materially and accordingly the earnings contribution of CIVH in the future will be comparable with that of the combined contribution of the investee companies prior to the restructuring.

As part of the restructuring Remgro invested R67.3 million in CIVH and on 30 June 2014 Remgro's effective interest in CIVH was 50.7% (2013: effective interest in the CIV group of 43.8%). For accounting purposes the investment in CIVH is classified as a joint venture.

Distell Group Limited (Distell)

As part of the restructuring of its BEE transaction and in order to maintain its current BEE rating, Distell issued 15.0 million new ordinary shares to BEE shareholders during January 2014. This issue of shares resulted in Remgro's total interest in Distell, which includes the indirect interest held through Capevin Holdings, to dilute from 33.4% to 31.0%.

ElementOne Limited (ElementOne)

On 29 November 2013, a consortium led by Rand Merchant Bank and Remgro, through a new special purpose vehicle (Main Street 1132 Proprietary Limited, or Bidco) made a firm offer to acquire 100% of ElementOne. As consideration for their shares in the company, ElementOne shareholders were offered R22.507 per ElementOne share, to be settled through the payment of a combination of cash and shares in Caxton and CTP Publishers and Printers Limited (Caxton).

On 7 February 2014 it was announced that all conditions precedent applicable to the transaction were fulfilled and on 25 February 2014 the transaction was implemented. Remgro did not provide any funding for the transaction, but following the transaction and the broader restructuring of the Caxton control structure, it has effectively exchanged its 1.8% direct interest for a 6.1% indirect interest in Caxton.

Milestone China Opportunities Fund III (Milestone III)

During the year under review Remgro invested a further $25.2 million in Milestone III, thereby increasing its cumulative investment to $53.4 million. As at 30 June 2014 the remaining commitment to Milestone III amounted to $46.6 million.

Other smaller investments, amounting to R77 million, were made during the year under review in, inter alia, Milestone China Opportunities Fund II and Premier Team Holdings Limited.

There were no significant transactions subsequent to 30 June 2014.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2014 were as follows:

R million	30 June 2014 Local	30 June 2014 Offshore	30 June 2014 Total	30 June 2013 Restated
Per consolidated statement of financial position	**2 958**	**699**	**3 657**	4 188
Investment in money market funds	**746**	**425**	**1 171**	1 140
Less: Cash of operating subsidiaries	**(1 491)**	**(73)**	**(1 564)**	(2 595)
Cash at the centre	**2 213**	**1 051**	**3 264**	2 733

On 30 June 2014, approximately 40% (R425 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 14 to the annual financial statements that is published on the Company's website at www.remgro.com for further details.

GROUP FINANCIAL REVIEW

Changes in accounting policy

With effect from 1 July 2013 Remgro adopted *IFRS 10: Consolidated Financial Statements, IFRS 11: Joint Arrangements* and the revised *IAS 19: Employee Benefits*. These accounting standards have to be applied retrospectively in terms of their transitional provisions and accordingly the reported results of the comparative year presented were restated, with the cumulative effect as at 1 July 2012 being accounted for as an adjustment to opening equity.

IFRS 10 and IFRS 11

These new accounting standards broaden the definition of "control" and consequently "joint control" and accordingly all rights in relation to investee companies must be considered in order to determine whether the investment should be classified as a subsidiary, associate or joint venture.

Remgro reclassified its investments in Distell and the CIV group as joint ventures, while previously they were accounted for as associates. The change in classification had no impact on the Group's measurement of the investments as the equity method is used to account for both associates and joint ventures. In the case of TSB Sugar Holdings Proprietary Limited (TSB) certain of its investee companies that were previously classified as joint ventures (and accordingly equity accounted) were reclassified as subsidiaries. Kagiso Tiso Holdings Proprietary Limited also reclassified certain of its investments previously accounted for at fair value, as associates. These include the investment in MMI Holdings Limited that was previously accounted for at fair value through profit and loss.

IAS 19

The revised IAS 19 introduced significant changes in the accounting treatment for defined benefit post retirement plans. The most significant change of the amended IAS 19 relates to the elimination of the option to defer the recognition of past service costs and actuarial gains and losses. These remeasurements are now required to be accounted for in full in the income statement and in other comprehensive income, respectively, in the period in which they arise. The accounting standard also replaced interest cost and expected return on plan assets with a net interest amount that is equal to the discount rate used for determining retirement benefit obligations.

The application of the revised IAS 19 affected Remgro and its subsidiaries, RCL Foods and TSB, as well as certain significant associates like FirstRand Limited, RMB Holdings Limited and Mediclinic International Limited (Mediclinic).

Refer to note 11 for full detail on the restatement of comparative numbers.

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 2014		30 June 2013 Restated	
	R million	**R per share**	R million	R per share
Equity employed				
Attributable to equity holders	**66 035**	**128.56**	58 630	114.25
Employment of equity				
Food, liquor and home care	**12 812**	**24.94**	12 720	24.79
Banking	**15 194**	**29.58**	13 968	27.22
Healthcare	**10 597**	**20.63**	7 429	14.47
Insurance	**6 224**	**12.12**	5 645	11.00
Industrial	**5 529**	**10.76**	5 213	10.16
Infrastructure	**6 722**	**13.09**	5 911	11.52
Media and sport	**1 508**	**2.94**	1 537	2.99
Other investments	**2 699**	**5.26**	2 185	4.26
Central treasury – cash at the centre	**3 264**	**6.35**	2 733	5.33
Other net corporate assets	**1 486**	**2.89**	1 289	2.51
	66 035	**128.56**	58 630	114.25

Income statement

	30 June 2014 R million	30 June 2014 %	30 June 2013 Restated R million	30 June 2013 Restated %
Source of headline earnings				
Food, liquor and home care	**795**	**12**	1 123	27
Banking	**2 542**	**38**	2 077	49
Healthcare	**1 489**	**22**	(491)	(12)
Insurance	**871**	**13**	666	16
Industrial	**700**	**11**	548	13
Infrastructure	**166**	**3**	196	5
Media and sport	**64**	**1**	119	3
Other investments	**59**	**1**	57	1
Central treasury	**83**	**1**	3	–
Other net corporate costs	**(134)**	**(2)**	(102)	(2)
	6 635	**100**	4 196	100

R million	30 June 2014	30 June 2013 Restated
Composition of headline earnings		
Subsidiary companies	**(4)**	215
Profits	**355**	377
Losses	**(359)**	(162)
Associated companies and joint ventures	**6 639**	3 981
Profits	**6 725**	4 520
Losses	**(86)**	(539)
	6 635	4 196

SHARE SCHEMES

Remgro currently has one long-term incentive plan, i.e. the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme). 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 that is published on the Company's website at www.remgro.com for full details on the SAR Scheme.

TREASURY SHARES

At 30 June 2013, 3 433 101 Remgro ordinary shares (0.7%) were held as treasury shares by a wholly owned subsidiary company of Remgro. As previously reported, these shares were acquired for the purpose of hedging Remgro's share incentive scheme.

During the year under review no Remgro ordinary shares were repurchased, while 472 335 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised the rights granted to them.

At 30 June 2014, 2 960 766 Remgro ordinary shares (0.6%) 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 42.61% (2013: 42.64%) of the total votes.

An analysis of the shareholders appears on pages 120 and 121.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2014

DIRECTORS

The names of the directors appear on pages 14 to 15.

Mr J W Dreyer has retired as an executive director from the Board of Remgro with effect from 31 December 2013.

The Board wishes to thank him for his valuable contribution over many years.

In terms of the provision of the Memorandum of Incorporation, Messrs L Crouse, P K Harris, N P Mageza, P J Moleketi and Dr E de la H Hertzog retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 30 June 2014, 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 2.52% (2013: 2.56%).

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 122.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R3.5 million (2013: 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, and the Listings Requirements of the JSE Limited.

A special resolution to grant this general authority to the Board is incorporated in the notice of the Annual General Meeting that appears on page 123.

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 233 cents (2013: 201 cents). Total ordinary dividends per share in respect of the year to 30 June 2014 therefore amount to 389 cents (2013: 346 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. 28

Notice is hereby given that a final gross dividend of 233 cents (2013: 201 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 2014.

The total dividend per share for the year ended 30 June 2014 therefore amounts to 389 cents, compared to 346 cents for the year ended 30 June 2013.

The Company will be utilising STC credits amounting to 233 cents per ordinary share and 233 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, 17 November 2014, to shareholders of the Company registered at the close of business on Friday, 14 November 2014.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 10 November 2014, and Friday, 14 November 2014, 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 17.

APPROVAL

The complete annual financial statements published on the Company's website at www.remgro.com, as well as the summary annual financial statements set out on pages 108 to 122 have been approved by the Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
17 September 2014

INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF REMGRO LIMITED

The summary consolidated financial statements of Remgro Limited, set out on pages 108 to 122 of the Integrated Annual Report, which comprise the summary consolidated statement of financial position as at 30 June 2014, the summary consolidated income statement and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Remgro Limited for the year ended 30 June 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 17 September 2014. Our auditor's report on the audited consolidated financial statements contained an "Other Matter" paragraph: "Other reports required by the Companies Act" (refer below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Remgro Limited.

Directors' responsibility for the summary consolidated financial statements

The Company's directors are responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the JSE Limited's (JSE) requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such international control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Remgro Limited for the year ended 30 June 2014 are consistent, in all material respects, with those consolidated financial statements, in accordance with the JSE's requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The "Other reports required by the Companies Act" paragraph in our audit report dated 17 September 2014 states that as part of our audit of the consolidated financial statements for the year ended 30 June 2014, we have read the Directors' Report, the Audit Committee's 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 financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: N H Döman
Registered Auditor

Stellenbosch
17 September 2014

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2014

R million	Notes	30 June 2014	30 June 2013 Restated	1 July 2012 Restated
ASSETS				
Non-current assets				
Property, plant and equipment		**5 616**	5 390	3 502
Biological agricultural assets		**499**	407	318
Investment properties		**42**	42	37
Intangible assets		**5 811**	5 831	356
Investments – Equity accounted	4	**52 169**	45 408	38 123
– Other	4	**2 642**	2 168	1 587
Retirement benefits		**210**	184	164
Loans		**629**	497	115
Deferred taxation		**14**	4	7
		67 632	59 931	44 209
Current assets		**11 876**	12 575	13 678
Inventories		**2 408**	2 533	2 004
Biological agricultural assets		**539**	537	476
Debtors and short-term loans		**3 330**	2 929	2 059
Investments in money market funds		**1 171**	1 140	2 344
Cash and cash equivalents		**3 657**	4 188	6 485
Other current assets		**17**	472	136
		11 122	11 799	13 504
Assets held for sale		**754**	776	174
Total assets		**79 508**	72 506	57 887
EQUITY AND LIABILITIES				
Stated and issued capital		**3 605**	3 605	8
Share premium		**–**	–	3 597
Reserves		**62 802**	55 456	49 735
Treasury shares		**(372)**	(431)	(169)
Shareholders' equity		**66 035**	58 630	53 171
Non-controlling interest		**2 599**	2 015	849
Total equity		**68 634**	60 645	54 020
Non-current liabilities		**2 199**	7 827	1 068
Retirement benefits		**258**	265	213
Long-term loans		**436**	5 849	138
Deferred taxation		**1 505**	1 713	717
Current liabilities		**8 675**	4 034	2 799
Trade and other payables		**3 791**	3 429	2 487
Short-term loans		**4 661**	399	293
Other current liabilities		**37**	27	19
		8 489	3 855	2 799
Liabilities held for sale		**186**	179	–
Total equity and liabilities		**79 508**	72 506	57 887

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

R million	Notes	30 June 2014	30 June 2013 Restated
Sales		**24 621**	16 446
Inventory expenses		**(15 374)**	(11 610)
Staff costs		**(3 747)**	(2 707)
Depreciation		**(592)**	(428)
Other net operating expenses		**(4 238)**	(1 306)
Trading profit		**670**	415
Dividend income		**43**	34
Interest received		**326**	252
Finance costs		**(1 057)**	(181)
Negative goodwill		**–**	196
Net impairment of investments, loans, assets and goodwill		**22**	(158)
Profit/(loss) on sale of investments		**51**	(150)
Consolidated profit before tax		**55**	408
Taxation		**(57)**	(261)
Consolidated profit/(loss) after tax		**(2)**	147
Share of after-tax profit of equity accounted investments	9	**6 853**	4 035
Net profit for the year		**6 851**	4 182
Attributable to:			
Equity holders		**6 917**	4 179
Non-controlling interest		**(66)**	(3)
		6 851	4 182

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

R million	30 June 2014	30 June 2013 Restated
Net profit for the year	**6 851**	4 182
Other comprehensive income, net of tax	**2 444**	3 372
Items that may be reclassified subsequently to the income statement:		
Exchange rate adjustments	**298**	889
Fair value adjustments for the year	**346**	(189)
Deferred taxation on fair value adjustments	**(43)**	(6)
Reclassification of other comprehensive income to the income statement	**(176)**	223
Other comprehensive income of equity accounted investments	**2 015**	2 904
Items that will not be reclassified to the income statement:		
Actuarial gains and losses	**23**	8
Deferred taxation on actuarial gains and losses	**(6)**	(2)
Change in reserves of equity accounted investments	**(13)**	(455)
Total comprehensive income for the year	**9 295**	7 554
Total comprehensive income attributable to:		
Equity holders	**9 357**	7 553
Non-controlling interest	**(62)**	1
	9 295	7 554

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

R million	30 June 2014	30 June 2013 Restated
Balance at 1 July (as previously reported)	**60 645**	54 253
Effect of changes in accounting policies	**–**	(233)
Balance at 1 July (restated)	**60 645**	54 020
Total comprehensive income for the year	**9 295**	7 554
Dividends paid	**(1 834)**	(1 745)
Investment in subsidiaries	**(529)**	–
Business acquired	**–**	331
Capital invested by minorities	**876**	822
Other movements	**114**	1
Purchase of treasury shares by wholly owned subsidiary	**–**	(405)
Long-term share incentive scheme reserve	**67**	67
Balance at the end of the year	**68 634**	60 645

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

R million	30 June 2014	30 June 2013 Restated
Cash generated from operations	**898**	1 040
Taxation paid	**(135)**	(236)
Dividends received	**3 372**	2 917
Cash available from operating activities	**4 135**	3 721
Dividends paid	**(1 834)**	(1 745)
Net cash inflow from operating activities	**2 301**	1 976
Investing activities	**(2 121)**	(4 635)
Financing activities	**(818)**	(170)
Net increase/(decrease) in cash and cash equivalents	**(638)**	(2 829)
Exchange rate profit on foreign cash	**110**	598
Cash and cash equivalents at the beginning of the year	**4 164**	6 395
Cash and cash equivalents at the end of the year	**3 636**	4 164
Cash and cash equivalents – per statement of financial position	**3 657**	4 188
Bank overdraft	**(21)**	(24)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) for summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by *IAS 34: Interim Financial Reporting.*

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, with the exception of the implementation of *IFRS 10: Consolidated Financial Statements, IFRS 11: Joint Arrangements* and the amendments to *IAS 19: Employee Benefits.* The adoption of IFRS 10, IFRS 11 and the revised IAS 19 required a restatement of the comparative results, as more fully set out in note 11 on page 115. The financial statements have been prepared under the supervision of the Chief Financial Officer, Leon Crouse CA(SA).

The summary consolidated financial statements do not contain all the information and disclosures required in the consolidated financial statements. The summary consolidated financial statements have been extracted from the audited consolidated financial statements upon which PricewaterhouseCoopers Inc. has issued an unqualified report. The audited consolidated financial statements and the unqualified audit report are available for inspection at the registered office of the Company.

2. RECONCILIATION OF HEADLINE EARNINGS

R million	30 June 2014	30 June 2013 Restated
Net profit for the year attributable to equity holders	**6 917**	4 179
Plus/(minus):		
– Negative goodwill	**–**	(196)
– Net impairment of equity accounted investments	**(92)**	29
– Impairment of other investments	**80**	112
– Net impairment of property, plant and equipment	**(5)**	10
– Recycling of foreign currency translation reserves	**(32)**	154
– Loss on sale of equity accounted investments	**83**	20
– Profit on sale of other investments	**(98)**	(24)
– Net surplus on disposal of property, plant and equipment	**(12)**	(12)
– Non-headline earnings items included in equity accounted earnings of equity accounted investments	**(244)**	(13)
– Net (surplus)/loss on disposal of property, plant and equipment	**(131)**	8
– Profit on the sale of investments	**(174)**	(117)
– Net impairment of investments, assets and goodwill	**262**	162
– Other non-recurring and capital items	**(201)**	(66)
– Taxation effect of adjustments	**33**	(63)
– Non-controlling interest	**5**	–
Headline earnings	**6 635**	4 196
Mediclinic refinancing cost	**–**	1 312
Headline earnings, excluding Mediclinic refinancing cost	**6 635**	5 508

3. EARNINGS AND DIVIDENDS

Cents	30 June 2014	30 June 2013 Restated
Headline earnings per share		
– Basic	1 292.4	817.1
– Diluted	1 270.3	805.0
Headline earnings per share, excluding Mediclinic refinancing cost		
– Basic	1 292.4	1 072.6
– Diluted	1 270.3	1 055.5
Earnings per share		
– Basic	1 347.3	813.8
– Diluted	1 325.7	800.6
Dividends per share		
Ordinary	389.00	346.00
– Interim	156.00	145.00
– Final	233.00	201.00

4. INVESTMENTS

(Refer annexures A and B)

R million	30 June 2014	30 June 2013 Restated
Listed investments		
Associated		
– Book value	36 601	30 758
– Market value	79 734	62 232
Other		
– Book value	880	823
– Market value	880	823
Unlisted investments		
Associated		
– Book value	11 090	10 693
– Directors' valuation (unaudited)	22 497	20 727
Joint ventures		
– Book value	4 478	3 957
– Directors' valuation (unaudited)	11 063	9 673
Other		
– Book value	1 762	1 345
– Directors' valuation	1 762	1 345

	30 June 2014	30 June 2013 Restated
5. ADDITIONS TO AND REPLACEMENT OF PROPERTY, PLANT AND EQUIPMENT	852	730
6. CAPITAL AND INVESTMENT COMMITMENTS (Including amounts authorised, but not yet contracted for)	1 105	1 439
7. GUARANTEES AND CONTINGENT LIABILITIES	306	348
8. DIVIDENDS RECEIVED FROM EQUITY ACCOUNTED INVESTMENTS SET OFF AGAINST INVESTMENTS	3 568	2 891

9. EQUITY ACCOUNTED INVESTMENTS

R million	30 June 2014	30 June 2013 Restated
Share of after-tax profit of equity accounted investments		
Profit before taking into account impairments, non-recurring and capital items	**8 584**	5 405
Net impairment of investments, assets and goodwill	**(262)**	(162)
Profit on the sale of investments	**174**	117
Other non-recurring and capital items	**201**	66
Profit before tax and non-controlling interest	**8 697**	5 426
Taxation	**(1 558)**	(1 199)
Non-controlling interest	**(286)**	(192)
	6 853	4 035

10. FAIR VALUE REMEASUREMENTS

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, being discounted cash flow, liquidation valuation and actual net asset value of the investment.
- Derivative instruments: The fair value of derivative instruments is determined by using mark-to-market valuations.

Financial instruments measured at fair value 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 following tables illustrate the fair values of financial assets and liabilities that are measured at fair value, by hierarchy level:

R million	*Level 1*	*Level 2*	*Level 3*	Total
30 June 2014				
Assets				
Available-for-sale	**880**	**–**	**1 762**	**2 642**
Derivative instruments	**–**	**3**	**–**	**3**
Investment in money market funds	**1 171**	**–**	**–**	**1 171**
	2 051	**3**	**1 762**	**3 816**
Liabilities				
Derivative instruments	**–**	**10**	**–**	**10**
30 June 2013 (restated)				
Assets				
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
	1 963	364	1 418	3 745
Liabilities				
Derivative instruments	–	26	–	26

10. FAIR VALUE REMEASUREMENTS (continued)

The following tables illustrate the reconciliation of the carrying value of level 3 assets from the beginning to the end of the year:

R million	*Available-for-sale*	*Assets at fair value through profit and loss*	*Derivative instruments*	Total
30 June 2014				
Balances at the beginning of the year	**1 285**	**60**	**73**	**1 418**
Additions	**277**	**23**	**–**	**300**
Disposals	**(3)**	**–**	**(111)**	**(114)**
Exchange rate adjustments	**64**	**–**	**–**	**64**
Transfer to equity accounted investments	**–**	**(83)**	**–**	**(83)**
Fair value adjustments through profit and loss	**–**	**–**	**38**	**38**
Fair value adjustments through comprehensive income	**139**	**–**	**–**	**139**
Balances at the end of the year	**1 762**	**–**	**–**	**1 762**
30 June 2013 (restated)				
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

There were no transfers between the different levels.

11. RESTATEMENT OF COMPARATIVE NUMBERS

Refer to "Changes in accounting policy" in the Report of the Board of Directors for further detail.

Restatement of comparative numbers for the 2013 financial year

R million	For the year ended 30/06/2013 as previously reported	IFRS 10 and IFRS 11 adjustments	IAS 19 adjustments	**For the year ended 30/06/2013 Restated**
Impact on income statement				
Sales	16 446	20	–	**16 466**
Inventory expenses*	(11 519)	(91)	–	**(11 610)**
Staff costs	(2 681)	(29)	3	**(2 707)**
Depreciation	(424)	(4)	–	**(428)**
Other net operating expenses*	(1 460)	154	–	**(1 306)**
Interest received	250	2	–	**252**
Finance costs	(173)	(8)	–	**(181)**
Net impairment of investments, loans, assets and goodwill	(152)	(6)	–	**(158)**
Loss on sale of investments	(154)	–	4	**(150)**
Taxation	(249)	(10)	(2)	**(261)**
Share of after-tax profit of equity accounted investments	4 313	(197)	(81)	**4 035**
Net profit for the year	4 427	(169)	(76)	**4 182**
Attributable to:				
Equity holders	4 438	(183)	(76)	**4 179**
Non-controlling interest	(11)	14	–	**3**
		(169)	(76)	
Impact on headline earnings				
Headline earnings	4 387	(108)	(83)	**4 196**
Headline earnings, excluding Mediclinic refinancing cost	5 699	(108)	(83)	**5 508**
Impact on earnings per share (cents)				
Headline earnings per share	854.3	(21.0)	(16.2)	**817.1**
Headline earnings per share, excluding Mediclinic refinancing cost	1 109.8	(21.0)	(16.2)	**1 072.6**
Earnings per share	864.2	(35.6)	(14.8)	**813.8**
Impact on statement of comprehensive income				
Net profit for the year	4 427	(169)	(76)	**4 182**
Items that may be reclassified subsequently to the income statement:				
Other comprehensive income of equity accounted investments	2 938	(25)	(9)	**2 904**
Items that will not be reclassified to the income statement:				
Actuarial gains and losses	–	–	8	**8**
Deferred taxation on actuarial gains and losses	–	–	(2)	**(2)**
Change in reserves of equity accounted investments	(543)	27	61	**(455)**
Total comprehensive income for the year	7 739	(167)	(18)	**7 554**
Total comprehensive income attributable to:				
Equity holders	7 750	(181)	(16)	**7 553**
Non-controlling interest	(11)	14	(2)	**1**
		(167)	(18)	

* *The amounts previously reported in the 2013 Income Statement for "inventory expenses" and "other net operating expenses" were restated. Previously "inventory expenses" were understated and "other net operating expenses" overstated by R723 million. The restatement had no impact on trading profit, earnings or headline earnings.*

11. RESTATEMENT OF COMPARATIVE NUMBERS (continued)

Refer to "Changes in accounting policy" in the Report of the Board of Directors for further detail (continued)

Restatement of comparative numbers for the 2013 financial year (continued)

R million	As at 30/06/2013 as previously reported	IFRS 10 and IFRS 11 adjustments	IAS 19 adjustments	**As at 30/06/2013 Restated**
Impact on statement of financial position				
ASSETS				
Property, plant and equipment	5 354	36	–	**5 390**
Biological agricultural assets	107	300	–	**407**
Investments – Equity accounted	45 954	(234)	(312)	**45 408**
Deferred taxation	9	–	(5)	**4**
Inventories	2 528	5	–	**2 533**
Debtors and short-term loans	2 939	(10)	–	**2 929**
Cash and cash equivalents	4 221	(33)	–	**4 188**
Total assets	72 759	64	(317)	**72 506**
LIABILITIES				
Retirement benefits	266	1	(2)	**265**
Long-term loans	5 774	75	–	**5 849**
Deferred taxation	1 661	56	(4)	**1 713**
Trade and other payables	3 424	5	–	**3 429**
Short-term loans	361	38	–	**399**
Taxation	3	(2)	–	**1**
Total liabilities	11 694	173	(6)	**11 861**
EQUITY				
Equity reserves				
Opening balance	9 367	10	(287)	**9 090**
Adjustments for the year	3 689	(194)	(26)	**3 469**
Other reserves				
Opening balance	669	–	1	**670**
Adjustments for the year	220	–	(1)	**219**
Distributable reserves				
Opening balance	39 725	–	(7)	**39 718**
Adjustments for the year	2 162	13	11	**2 186**
Non-controlling interest				
Opening balance	799	50	–	**849**
Adjustments for the year	1 156	12	(2)	**1 166**
Total equity	61 065	(109)	(311)	**60 645**
Impact on statement of cash flows				
Cash flows from operating activities	1 999	(23)	–	**1 976**
Cash flows from investing activities	(4 558)	(77)	–	**(4 635)**
Cash flows from financing activities	(236)	66	–	**(170)**
Cash and cash equivalents at the beginning of the year	6 394	1	–	**6 395**
Cash and cash equivalents at the end of the year	4 197	(33)	–	**4 164**

11. RESTATEMENT OF COMPARATIVE NUMBERS (continued)

Refer to "Changes in accounting policy" in the Report of the Board of Directors for further detail (continued)

Restatement of comparative numbers as at 1 July 2012

R million	As at 01/07/2012 as previously reported	IFRS 10 and IFRS 11 adjustments	IAS 19 adjustments	As at 01/07/2012 Restated
Impact on statement of financial position				
ASSETS				
Property, plant and equipment	3 485	17	–	**3 502**
Biological agricultural assets	99	219	–	**318**
Investments – Equity accounted	38 451	(42)	(286)	**38 123**
Deferred taxation	6	–	1	**7**
Inventories	2 002	2	–	**2 004**
Debtors and short-term loans	2 071	(12)	–	**2 059**
Cash and cash equivalents	6 484	1	–	**6 485**
Assets held for sale	214	(40)	–	**174**
Total assets	58 027	145	(285)	**57 887**
LIABILITIES				
Retirement benefits	203	1	9	**213**
Long-term loans	105	33	–	**138**
Deferred taxation	673	45	(1)	**717**
Trade and other payables	2 493	(6)	–	**2 487**
Short-term loans	279	14	–	**293**
Taxation	9	(2)	–	**7**
Total liabilities	3 774	85	8	**3 867**
EQUITY				
Equity reserves	9 367	10	(287)	**9 090**
Other reserves	669	–	1	**670**
Distributable reserves	39 725	–	(7)	**39 718**
Non-controlling interest	799	50	–	**849**
Total equity	54 253	60	(293)	**54 020**

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 30 JUNE 2014

NAME OF COMPANY

Incorporated in South Africa unless otherwise stated		Share capital R (unless otherwise stated)	Effective interest 30 June 2014 %	Effective interest 30 June 2013 %
Eikenlust Proprietary Limited		100	**100.0**	100.0
Entek Investments Proprietary Limited		16 029 279	**100.0**	67.4
Financial Securities Proprietary Limited		250 000	**100.0**	100.0
Historical Homes of South Africa Limited		555 000	**57.9**	55.0
Industrial Electronic Investments Proprietary Limited		1 000	**100.0**	100.0
Industrial Partnership Investments Proprietary Limited		125 000	**100.0**	100.0
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
RCL Foods Limited	*	9 955 700 293	**77.7**	75.9
Remgro Finance Corporation Proprietary Limited		958 430	**100.0**	100.0
Remgro International Holdings Proprietary Limited		2	**100.0**	100.0
Remgro International Limited – Jersey		2 050 855 000	**100.0**	100.0
Remgro Investment Corporation Proprietary Limited		100	**100.0**	100.0
Remgro Loan Corporation Proprietary Limited		700	**100.0**	100.0
Remgro Management Services Limited		100	**100.0**	100.0
Remgro South Africa Proprietary Limited		48 614	**100.0**	100.0
Remgro USA Limited – Jersey	(USD)	2	**100.0**	100.0
Remont Proprietary Limited		100	**100.0**	100.0
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		7 532 040 746	**100.0**	100.0
TTR Holdings Proprietary Limited		7	**100.0**	100.0
VenFin Holdings Limited – Jersey	(EUR)	79 533 052	**100.0**	100.0
VenFin Proprietary Limited		2 849 304 076	**100.0**	100.0
VenFin Media Investments Proprietary Limited		2	**100.0**	100.0
Remgro Sport Investments Proprietary Limited		100	**100.0**	100.0
Wispeco Holdings Proprietary Limited		11 641 000	**100.0**	100.0

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

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

ANNEXURE B

PRINCIPAL INVESTMENTS AT 30 JUNE 2014

NAME OF COMPANY		LISTED				UNLISTED			
		30 June 2014		30 June 2013		**30 June 2014**		30 June 2013	
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	(1)	**136 978 200**	**15.6**	136 978 200	15.6				
– indirectly held by Capevin Holdings Limited through Remgro-Capevin Investments Proprietary Limited:									
– Distell Group Limited (15%)			**4.2**		4.5				
Remgro-Capevin Investments Proprietary Limited						**50**	**50.0**	50	50.0
– held by Remgro-Capevin Investments Proprietary Limited:									
– Distell Group Limited (54%)			**26.9**		28.9				
Banking									
RMB Holdings Limited		**394 431 450**	**27.9**	394 431 450	27.9				
– held by RMB Holdings Limited:									
– FirstRand Limited (35%)			**9.7**		9.8				
FirstRand Limited	(1)	**219 805 470**	**4.0**	219 805 470	4.0				
Healthcare									
Mediclinic International Limited		**358 869 121**	**42.1**	358 869 121	44.4				
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**	322 892	34.7
Total South Africa Proprietary Limited						**12 872 450**	**24.9**	12 872 450	24.9
PGSI Limited – BVI						**26 297 697**	**37.7**	14 969 421	28.5
PGSI Limited preference shares						**–**	**–**	129 607 022	91.7
Infrastructure									
Grindrod Limited		**169 802 800**	**22.6**	147 767 261	25.0				
Community Investment Ventures Holdings Proprietary Limited	(2)					**145 001**	**50.7**		
CIV Fibre Network Solutions Proprietary Limited	(2)					**–**	**–**	216	30.0
CIE Telecommunications Proprietary Limited	(2)					**–**	**–**	90 000	30.0
CIV Power Proprietary Limited	(2)					**–**	**–**	90 000	30.0
Central Lake Trading No. 77 Proprietary Limited	(2)					**67 419**	**44.8**	67 419	44.8
Dark Fibre Africa Proprietary Limited	(2)					**–**	**–**	85 926	23.0
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	31.9
Other investments									
Business Partners Limited						**73 794 623**	**42.7**	73 579 172	42.5

All these investments were equity accounted.

(1) *Remgro rebutted the presumption that it does not have significant influence in these investments.*

(2) *The CIV group includes the investments in Community Investment Ventures Holdings Proprietary Limited, 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.*

BVI – British Virgin Islands

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

SHAREHOLDERS' INFORMATION

STATISTICS AT 30 JUNE 2014

	30 June 2014		30 June 2013	
	%	**Number of shares**	%	Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Commissioner	**17.63**	**84 799 544**	17.55	84 453 766
Other	**82.37**	**396 306 826**	82.45	396 652 604
	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 2014.

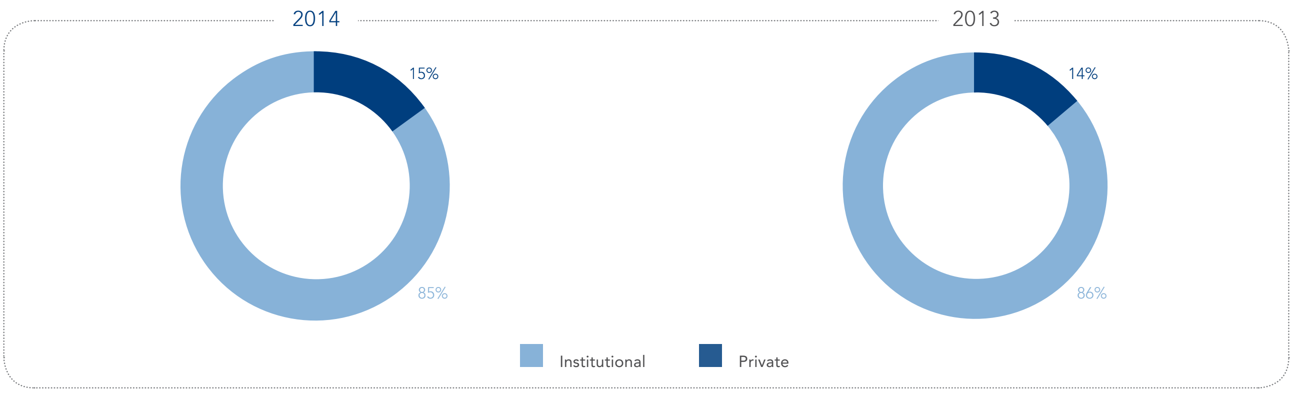
	30 June 2014	30 June 2013	30 June 2012	30 June 2011
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	**53 874**	49 487	46 220	43 859
Percentage of shareholders	**99.83**	99.85	99.94	99.94
Number of shares	**464 263 605**	464 305 068	466 239 333	464 666 249
Percentage of shares issued	**96.50**	96.51	96.91	96.58
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	**91**	73	29	29
Percentage of shareholders	**0.17**	0.15	0.06	0.06
Number of shares	**16 842 765**	16 801 302	14 867 037	16 440 121
Percentage of shares issued	**3.50**	3.49	3.09	3.42
Number of shareholders	**53 965**	49 560	46 249	43 888

Shares held by directors of the Company's subsidiaries and their associates were reported under public shareholders before 2013. Therefore the distribution of shareholders for the year under review is only comparable to the previous year.

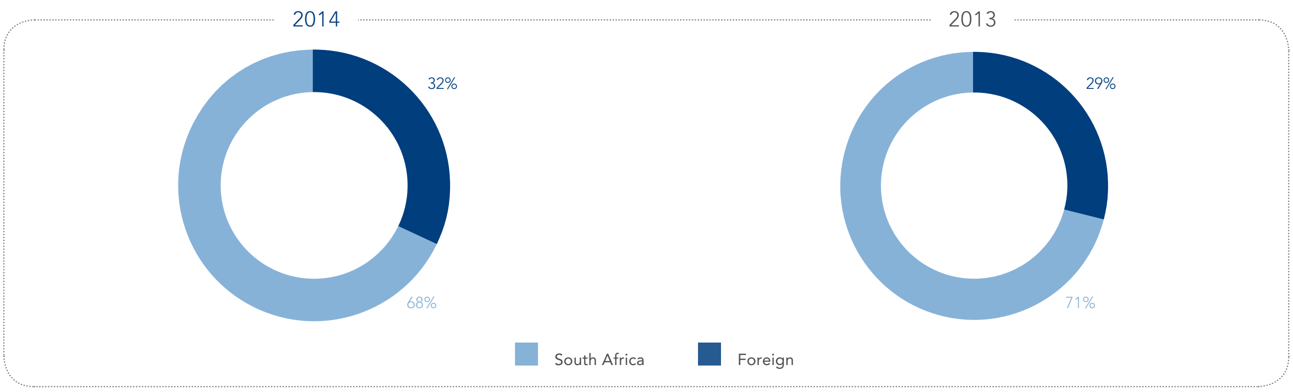
	30 June 2014	30 June 2013	30 June 2012	30 June 2011
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of no par value (since 2013)				
Issued at the beginning of the year	**481 106 370**	481 106 370	481 106 370	481 106 370
– Unlisted B ordinary shares of no par value (since 2013)	**35 506 352**	35 506 352	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	**(2 960 766)**	(3 433 101)	(2 279 155)	(2 918 266)
	513 651 956	513 179 621	514 333 567	513 694 456
Weighted number of shares	**513 404 676**	513 526 699	514 090 014	513 209 003

ADDITIONAL INFORMATION

Institutional and private shareholding in Remgro Limited ordinary shares



Foreign 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 2014				
W E Bührmann	**264 000**	**–**	**–**	**264 000**
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	**1 130**	**1 445**	**1 180**	**3 755**
F Robertson	**–**	**5 000**	**–**	**5 000**
J P Rupert	**–**	**–**	**6 867 150**	**6 867 150**
H Wessels	**–**	**–**	**4 500**	**4 500**
	715 345	**2 770 082**	**8 623 615**	**12 109 042**

On 31 December 2013, when Mr J W Dreyer retired, his indirect beneficial holding was 227 336 ordinary shares in Remgro Limited and his associate held 2 776 shares in Remgro Limited.

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.

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.

NOTICE TO SHAREHOLDERS

The 2014 Annual General Meeting of Remgro Limited (the Company) will be held on Tuesday, 25 November 2014, 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 2014 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 2015, is Mr N H Döman.

3. ELECTION OF DIRECTOR

Ordinary Resolution Number 3

Resolved that Mr L Crouse 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 P K Harris 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 Dr E de la H Hertzog 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 N P Mageza 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 P J Moleketi 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 14 and 15 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 2015.

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 2015.

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 2015.

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 2015.

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 2015 be determined on the following basis:

Type of fee (R)	Proposed fee for the year ending 30 June 2015	Fee for the year ended 30 June 2014
Board member	245 000	**228 000**
Chairman of the Audit and Risk Committee	165 000	**153 000**
Member of the Audit and Risk Committee	83 000	**77 000**
Member of the Remuneration and Nomination Committee	41 000	**38 000**
Member of the Social and Ethics Committee	41 000	**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 2015.

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;
- 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 as at the beginning of the financial year, 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 14 to 15);
- Major shareholders (page 120);
- Directors' interests in securities (page 122); and
- Share capital of the Company (pages 50 of the Annual Financial Statements and 122 of the Integrated Annual Report).

The directors, whose names are set out on pages 14 and 15 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 twelve-month period.

There has been no material change in the financial or trading position of the Company and the Group that has occurred since the end of the last financial period for which either audited annual financial statements or unaudited interim reports have been published.

14. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES AND CORPORATIONS

Special Resolution Number 3

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 3), 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 3

The reason for and the effect of Special Resolution Number 3 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 3 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 3 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, exceed 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.

15. REPORT BY SOCIAL AND ETHICS COMMITTEE

The Company's Social and Ethics Committee Report, included on page 78 of the Integrated Annual Report, read with the detailed Sustainable Development Report published on the Company's website at www.remgro.com, 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 3 are set out in the explanatory notes to this Notice of the Annual General Meeting 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 this Notice of the Annual General Meeting is Friday, 17 October 2014.

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, 14 November 2014, 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, 7 November 2014.

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 3 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, 21 November 2014, 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
17 September 2014

EXPLANATORY NOTES TO THE NOTICE TO SHAREHOLDERS

ORDINARY RESOLUTIONS

Ordinary Resolution Number 1

Approval of annual financial statements

In terms of the provisions of section 30(3)(d) of the Companies Act (No. 71 of 2008), as amended (Companies Act), the Company's annual financial statements and Group annual financial statements have to be presented to the shareholders at the Annual General Meeting for consideration.

The complete 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 2014 are published on the Company's website at www.remgro.com. The Report by the Board of Directors, the Independent Auditor's Report, the Audit and Risk Committee Report and the abridged annual financial statements are included in the Integrated Annual Report on pages 101, 107, 99 and 109 to 111 respectively.

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 14 and 15 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 14 and 15 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 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 2014 Annual General Meeting of the Company to be held on Tuesday, 25 November 2014, 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 L Crouse			
4. Election of director – Mr P K Harris			
5. Election of director – Dr E de la H Hertzog			
6. Election of director – Mr N P Mageza			
7. Election of director – Mr P J Moleketi			
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 provide financial assistance to related and inter-related companies and corporations			

Signed at ______________________ on ______________________ 2014

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, 21 November 2014, 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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