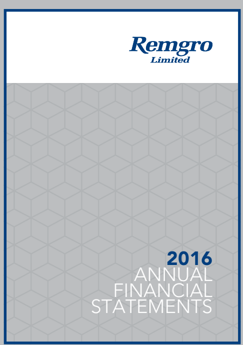
Remgro Limited

2016 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 2016, all of which are available on the Company's website at www.remgro.com.



2016 ANNUAL FINANCIAL STATEMENTS

2016 SUSTAINABLE DEVELOPMENT REPORT

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Cross-reference to relevant sections within this report

Download from our website: www.remgro.com

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REMGRO'S APPROACH TO REPORTING

The 2016 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;
- Our most significant business risks, as identified through our integrated risk management process; and
- Governance processes.

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 58. 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.

Remgro only has two main operating subsidiaries, i.e. RCL Foods Limited (RCL Foods) and Wispeco Holdings Proprietary Limited (Wispeco). As RCL Foods (a 77% subsidiary) is listed on the JSE, detailed information regarding its financial, sustainability and social performance is available on its website at www.rclfoods.com.

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 0.7% 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 101 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 73 for further details.

SIGNIFICANT EVENTS DURING AND AFTER THE END OF REPORTING PERIOD

The most significant investments made during the year under review were the conclusion of Remgro's facilitation of the acquisition of Spire Healthcare Group plc by Mediclinic International Limited (Mediclinic) and subsequent participation in a Mediclinic rights issue, as well as Remgro's subscription of shares in Al Noor Hospitals Group plc (Al Noor) as part of the combination of Mediclinic and Al Noor. In order to fund these transactions, Remgro obtained bridge financing of which the majority was replaced by issuing fixed rate cumulative redeemable preference shares and fixed rate exchangeable bonds.

Refer to the reports of the Chief Executive Officer and Chief Financial Officer on pages 20 and 25 respectively for a brief summary of these transactions and the external funding obtained. Besides the transactions above, 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.

SALIENT FEATURES

INTRINSIC NET ASSET VALUE PER SHARE	ORDINARY DIVIDEND PER SHARE	HEADLINE EARNINGS PER SHARE	HEADLINE EARNINGS PER SHARE, EXCLUDING ONCE-OFF COSTS AND OPTION REMEASUREMENT
+6.1%	**+7.5%**	**-26.4%**	**-7.5%**

FINANCIAL

	Year ended 30 June 2016	Year ended 30 June 2015	*% change*
Headline earnings (million)	**R5 887**	R7 996	*(26.4)*
– per share (cents)	**1 143.9**	1 555.0	*(26.4)*
Headline earnings, excluding once-off costs and option remeasurement (million)	**R7 405**	R7 996	*(7.4)*
– per share (cents)	**1 438.9**	1 555.0	*(7.5)*
Dividends per share			
Ordinary (cents)	**460.00**	428.00	*7.5*
– Interim (cents)	**185.00**	169.00	*9.5*
– Final (cents)	**275.00**	259.00	*6.2*
Intrinsic net asset value per share	**R306.44**	R288.89	*6.1*
Remgro share price at 30 June	**R254.66**	R255.94	*(0.5)*
Percentage discount to intrinsic net asset value (%)	**16.9**	11.4	*48.2*

NON-FINANCIAL

	Year ended 30 June 2016	Year ended 30 June 2015
Spent on corporate social investment (CSI) (R million)		
– At the centre	**24**	18
– Share of CSI spend of investee companies	**102**	91
BBBEE scorecard contributor level	**8**	5
(Refer to page 77 for the amendment of the code system during the year under review)		
Continued participation in carbon disclosure project	**Yes**	Yes
Inclusion in FTSE/JSE Responsible Investment Index (2015: JSE SRI Index)	**Yes**	Yes

GROUP PROFILE

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".

REMGRO*
IS AN INVESTMENT HOLDING COMPANY

* *or the Company*

Our interests consist mainly of investments in the following industries:

GROUP STRUCTURE
AT 30 JUNE 2016

REMGRO LIMITED (PRINCIPAL INVESTMENTS – EQUITY INTEREST HELD)

FOOD, LIQUOR AND HOME CARE

25.8%	Unilever
30.9%	Distell
77.3%	RCL Foods

BANKING

28.2%	RMBH
3.9%	FirstRand

HEALTHCARE

44.6%	Mediclinic

INSURANCE

30.3%	RMI Holdings

INDUSTRIAL

50.0%	Air Products
34.9%	Kagiso Tiso Holdings
24.9%	Total
37.7%	PGSI
100%	Wispeco

INFRASTRUCTURE

23.1%	Grindrod
50.9%	CIV group
30.0%	SEACOM

MEDIA AND SPORT

32.3%	eMedia
50.0%	Premier Team Holdings (Saracens)
50.0%	Blue Bulls
24.9%	Western Province Rugby
100%	Stellenbosch Academy of Sport

OTHER INVESTMENTS

42.8%	Business Partners

TREASURY AND MANAGEMENT SERVICES

100%	Millennia Jersey – Jersey
100%	Remgro Finance Corporation
100%	Remgro Healthcare Holdings
100%	Remgro International – Jersey
100%	Remgro Jersey GBP – Jersey
100%	Remgro Management Services

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

COMPANY HISTORY

68 years of doing business

1940s Remgro's founding history goes back to the forties of the previous century when the founder of the Group, Dr Anton Rupert, established in Johannesburg, South Africa, the tobacco company Voorbrand, forerunner of Rembrandt Group Limited (Rembrandt). Rembrandt was incorporated in 1948.

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

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

1950s Rembrandt was listed on the Johannesburg Stock Exchange in 1956.

1970s In 1972, the overseas tobacco interests of Rembrandt were consolidated in Rothmans International, which was listed on the London Stock Exchange.

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

1980s The separation of local and overseas interests was effected in 1988 with the founding of Compagnie Financière Richemont AG (Richemont) – a Swiss-listed luxury goods group that included brands such as Cartier, Dunhill and Mont Blanc which then also acquired a share in Rothmans International.

1990s During 1993, Rembrandt co-founded South Africa's first cellular telephony company Vodacom, which was eventually disposed of in 2006 by VenFin Limited (VenFin). In 1995, Rembrandt and Richemont consolidated their respective tobacco interests in Rothmans International, at the time the world's fourth largest cigarette manufacturer, which was then delisted, and then in 1999 merged these interests with those of British American Tobacco plc (BAT), the world's second largest cigarette producer. Since then the investment in BAT was held through a joint holding company in which Rembrandt (now Remgro) and Richemont held $33^1/_3$% and $66^2/_3$% respectively. Following the above restructuring, Rembrandt became a pure investment holding company.

2000 The restructuring of Rembrandt was advanced a step further in September 2000 when the South African 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 2016, the value of the unbundled BAT shares has increased to R190.7 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 has a few operating subsidiaries of which the material companies are 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 mainly focused 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 creating of an environment for corporate transactions.

It should be emphasised that the above management philosophy is applied to all investee companies, irrespective of the level of influence 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 manage 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, succession planning 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 Rupert Beleggings Proprietary Limited (previously Rembrandt Trust Proprietary Limited), a company incorporated in South Africa which is the holding vehicle for the Rupert family interests in Remgro. As at 30 June 2016, the unlisted B ordinary shares were entitled to 42.55% (2015: 42.57%) of the total votes of shareholders of the Company.

An analysis of major shareholders appears on pages 112 and 113.

INVESTMENT PHILOSOPHY

Remgro invests in businesses that can deliver superior earnings, cash flow generation 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

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

Investment criteria (*inter alia*)

- Prevailing culture and ethics of the Board and management team
- Expected return on investment greater than Remgro's Weighted Average Cost of Capital
- Environmental footprint of the enterprise
- Viability of products and services and their life cycles
- Social responsibility awareness of the enterprise
- Barriers to entry

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, although deal-making at holding company level could add significant value.

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 and Wispeco;
- Equity accounted results of its investments in associates and joint ventures, e.g. FirstRand, RMBH, RMI and Mediclinic, the four biggest contributors towards net profit;
- Profits realised on the sale/distribution of investments;
- Dividends received from investee companies not classified as subsidiaries, associates and joint ventures, e.g. the Milestone China Funds and the Pembani Remgro Infrastructure Fund;
- Interest received;
- Interest paid;
- 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;
- Profit/loss on the realisation of investments;
- Net corporate costs, including remuneration and other benefits paid to employees;
- Interest paid;
- Taxation paid; and
- Foreign exchange movements.

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 handled, 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 25. Also refer to page 28 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 20 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.

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
1	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.
2	Inability of boards of investee companies to timely identify disruptive technology risks or similar developments in their markets.	The sustainability of investee companies is dependent upon their ability to identify market trends and disruptive technology which can materially impact their businesses.
3	Increased country risk due to social unrest, low economic growth, 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, social instability, power supply risk, water scarcity, 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 2016	Year ended 30 June 2015	Year ended 30 June 2014 Restated	Year ended 30 June 2013	Year ended 30 June 2012	Fifteen months ended 30 June 2011
Profit/(loss) before taking into account the following	**(696)**	1 680	(18)	520	1 169	989
Non-recurring and capital items and impairments	**(105)**	408	73	(112)	4 126	2 327
Consolidated profit/(loss) before tax	**(801)**	2 088	55	408	5 295	3 316
Taxation	**4**	(395)	(57)	(261)	(462)	(480)
Consolidated profit/(loss) after tax	**(797)**	1 693	(2)	147	4 833	2 836
Share in after-tax profit of equity accounted investments	**6 250**	7 228	6 853	4 035	4 532	8 112
Net profit after tax	**5 453**	8 921	6 851	4 182	9 365	10 948
Non-controlling interest	**(67)**	(206)	66	(3)	(81)	(107)
Attributable net profit for the period	**5 386**	8 715	6 917	4 179	9 284	10 841
Headline earnings	**5 887**	7 996	6 635	4 196	5 113	5 555
Headline earnings per share (cents)	**1 143.9**	1 555.0	1 292.4	817.1	994.6	1 082.4
Earnings per share (cents)	**1 046.6**	1 694.9	1 347.3	813.8	1 805.9	2 112.4
Dividends per share (cents)						
– Ordinary	**460**	428	389	346	314	314

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

R million	30 June 2016	30 June 2015	30 June 2014 Restated	30 June 2013	30 June 2012	30 June 2011
Property, plant and equipment, biological agricultural assets and investment properties	**7 024**	6 317	6 157	5 839	3 621	3 270
Investments – Equity accounted	**78 565**	57 831	52 169	45 408	38 321	34 920
Other non-current assets	**9 486**	9 418	9 306	8 684	2 358	6 933
Current assets	**14 086**	21 126	11 876	12 575	13 727	10 864
Total assets	**109 161**	94 692	79 508	72 506	58 027	55 987
Total equity	**81 701**	75 917	68 634	60 645	54 253	52 330
Non-current liabilities	**20 838**	5 404	2 199	7 827	981	1 481
Current liabilities	**6 622**	13 371	8 675	4 034	2 793	2 176
Total equity and liabilities	**109 161**	94 692	79 508	72 506	58 027	55 987
Net asset value per share (Rand) (attributable to equity holders)						
– at book value	**153.17**	142.12	128.56	114.25	103.93	100.37
– at intrinsic value	**306.44**	288.89	245.96	204.83	152.61	135.97

CONSOLIDATED STATEMENTS OF CASH FLOWS

R million	Year ended 30 June 2016	Year ended 30 June 2015	Year ended 30 June 2014 Restated	Year ended 30 June 2013	Year ended 30 June 2012	Fifteen months ended 30 June 2011
Cash flow generated from returns on investments	**4 365**	5 226	3 006	3 147	3 372	2 733
Taxation paid	**(328)**	(397)	(135)	(236)	(431)	(407)
Cash available from operating activities	**4 037**	4 829	4 245	4 319	4 254	2 378
Dividends paid	**(2 358)**	(2 136)	(1 834)	(1 745)	(1 819)	(1 220)
Cash flow from operating activities	**1 679**	2 693	2 411	2 574	2 435	1 158
Net investing activities	**(18 745)**	(1 151)	(2 121)	(4 635)	(495)	(671)
Net financing activities	**16 365**	(1 349)	(818)	(170)	139	87
Net increase/(decrease) in cash and cash equivalents	**(701)**	193	(528)	(2 231)	2 079	574

SHARE STATISTICS

	Year ended 30 June 2016	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012	Fifteen months ended 30 June 2011
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)	**479 128**	478 695	477 898	478 020	478 584	477 703
Market capitalisation at end of period (R million) – ordinary shares only	**122 519**	123 134	110 654	91 386	63 261	53 691
Price (cents per share)						
– Last day of period	**25 466**	25 594	23 000	18 995	13 149	11 160
– Highest	**28 106**	28 190	23 000	20 107	13 649	11 539
– Lowest	**21 455**	21 850	18 000	13 168	10 050	9 100
Number of shares traded ('000)	**281 917**	235 156	202 660	254 250	231 837	311 457
Value of shares traded (R million)	**70 671**	58 994	39 935	41 975	28 131	32 652
Shares traded/weighted number of ordinary shares (%)	**59.0**	49.1	42.4	53.2	48.4	65.2
Number of transactions	**859 300**	780 733	501 423	436 606	351 209	431 614

DIRECTORATE AND MEMBERS OF COMMITTEES

NON-EXECUTIVE DIRECTORS

J P RUPERT (66)

APPOINTED: 18 August 2000

CHAIRMAN

Directorships: Mr Rupert is the Chairman of Compagnie Financière Richemont SA and the Chairman of Reinet Investments Manager SA, the management company of Reinet Investments S.C.A. 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 (66)

APPOINTED: 18 August 2000

DEPUTY CHAIRMAN

Directorships: Non-executive Chairman of Mediclinic International plc. 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 (60)

APPOINTED: 11 October 2006

DEPUTY CHAIRMAN

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 and was appointed as non-executive Co-Deputy Chairman of Remgro in November 2014.

INDEPENDENT NON-EXECUTIVE DIRECTORS

S E N DE BRUYN SEBOTSA (44)

APPOINTED: 16 March 2015

Directorships: Co-founder of Identity Capital Partners Proprietary Limited in 2008. She has 13 years' experience as a director of companies having served on the boards of FirstRand Limited, Anglo American Platinum Limited, Mr Price Group Limited and Dimension Data (South Africa) Proprietary Limited. She is currently a non-executive Director of RMB Holdings Limited, RMI Holdings Limited and Discovery Limited. She was previously a Trustee of the National Empowerment Fund and a member of the Presidential Working Group on BEE. Sonja has contributed to the debate on women's empowerment, BEE, transformation, privatisations and the economy through publications, articles and interviews.

G T FERREIRA (68)

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 and the Remuneration and Nomination Committee.

P K HARRIS (66)

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 and the Investment Committee. He graduated from Stellenbosch University with an MComm in Economics and Finance. He co-founded Rand Consolidated investments, which merged with 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 and CEO until his retirement in 2009.

N P MAGEZA (61)

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.

EXECUTIVE DIRECTORS

J J DURAND (49)

CHIEF EXECUTIVE OFFICER

BAcc (Hons), MPhil (Oxon), CA(SA)
Years of service with the Group: 20

Directorships: Distell Group Limited, FirstRand Limited, Grindrod Limited, Mediclinic International plc, RCL Foods Limited and RMI Holdings Limited.

W E BÜHRMANN (61)

INVESTMENTS

BComm, CTA, CA(SA)
Years of service with the Group: 29

Directorships: Chairman of Invenfin Proprietary Limited as well as a director of Pembani Remgro Infrastructure Managers Proprietary Limited and Unilever South Africa Holdings Proprietary Limited.

N J WILLIAMS (51)

CHIEF FINANCIAL OFFICER

BComm (Hons), CA(SA)
Years of service with the Group: 22

Directorships: Business Partners Limited, eMedia Investments Proprietary Limited, Total South Africa Proprietary Limited and Western Province Rugby Proprietary Limited.

MEMBERS OF COMMITTEES

AUDIT AND RISK COMMITTEE

H Wessels (Chairman);
S E N De Bruyn Sebotsa;
N P Mageza;
P J Moleketi;
F Robertson

INVESTMENT COMMITTEE

J P Rupert (Chairman);
J J Durand; G T Ferreira;
P K Harris; J Malherbe;
N J Williams

MANAGEMENT BOARD

J J Durand (Chairman);
W E Bührmann; P R Louw;
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 R Louw; P J Uys

P J MOLEKETI (59)

APPOINTED: 4 November 2009

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

M MOROBE (59)

APPOINTED: 18 June 2007

Directorships: In 2013, after finishing a seven-year stint as CEO of Kagiso Media Limited, Mr Morobe assumed the role of Chairman and National Director of the Programme to Improve Learner Outcomes (PILO). PILO 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, Chairman of the Financial and Fiscal Commission (1994-2004) 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, and until 2015 on the boards of the Steve Biko Foundation, City Year South Africa and as Chairman of Food and Trees for Africa. Mr Morobe was in 2014 also appointed to the Board of Directors of RMB Holdings Limited.

F ROBERTSON (61)

APPOINTED: 28 March 2001

Directorships: Executive Chairman of Brimstone Investment Corporation Limited. Mr Robertson and his business partner formed Brimstone Investments Corporation Limited, which is now listed on the JSE. He is also Chairman of Commlife Holdings Proprietary Limited, Lion of Africa Insurance Company Limited, Lion of Africa Life Assurance Company Limited, House of Monatic and Sea Harvest Corporation Proprietary Limited. He serves as non-executive director on the boards of Aon Re Africa Proprietary Limited, Old Mutual Emerging Markets Limited, Novus Holdings Limited and Swiss Re Life and Health Africa Limited. He also serves as Chairman of the Board of Trustees of the University of the Western Cape Foundation. He is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee. Fred is the recipient of an Honorary Doctorate in Philosophy from the University of the Western Cape.

H WESSELS (71)

APPOINTED: 22 August 2008

Directorships: Mr Wessels is a director of Keeromstraat 30 Investments Limited, Naspers Investments Limited, Trencor Limited, Peace Parks Foundation, Swiss Re Life and Health Africa Limited 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 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. The Management Board is 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 2016 the Management Board comprised five members, being all three executive directors as well as Messrs Pieter Louw 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

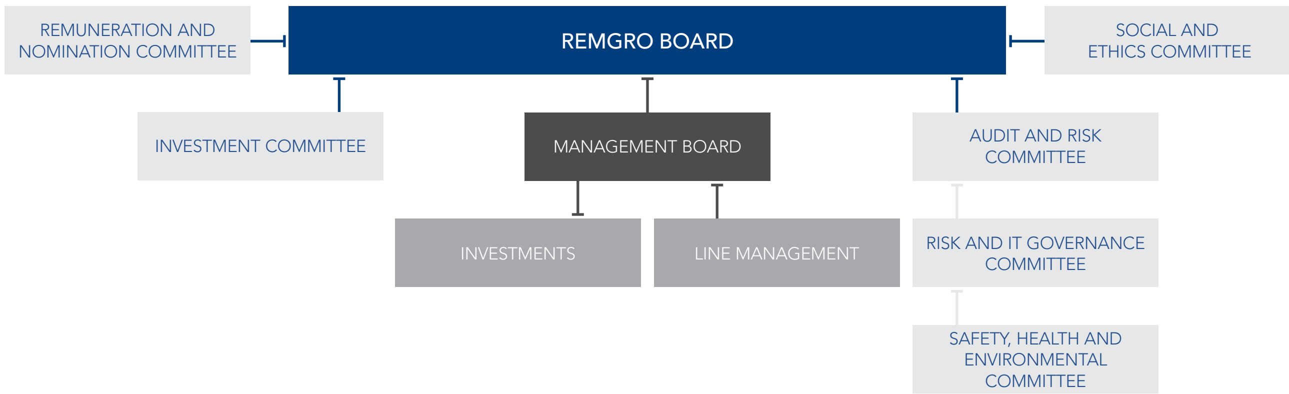
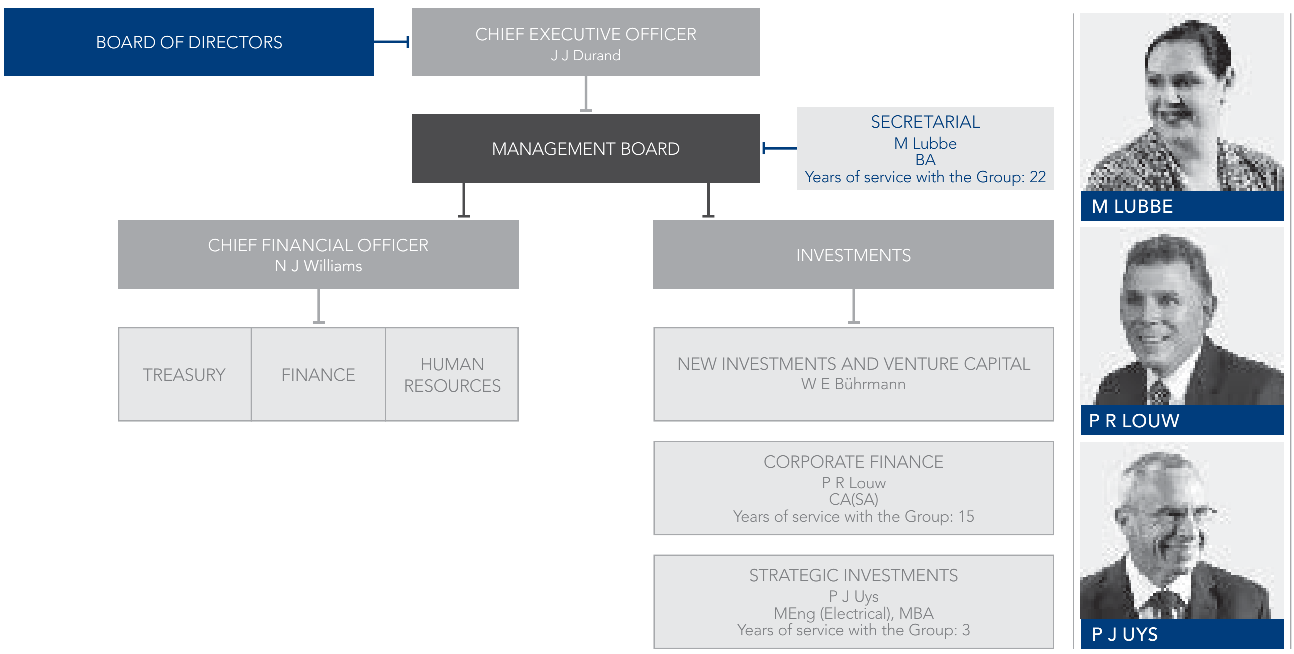


Figure 2



SHAREHOLDERS' DIARY AND COMPANY INFORMATION

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	30 June
Annual General Meeting	Thursday, 1 December 2016

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. 32

Ordinary dividend per share	275 cents
Last day to trade in order to participate in the dividend	Tuesday, 15 November 2016
Shares trade ex dividend	Wednesday, 16 November 2016
Record date	Friday, 18 November 2016
Payment date	Monday, 21 November 2016

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

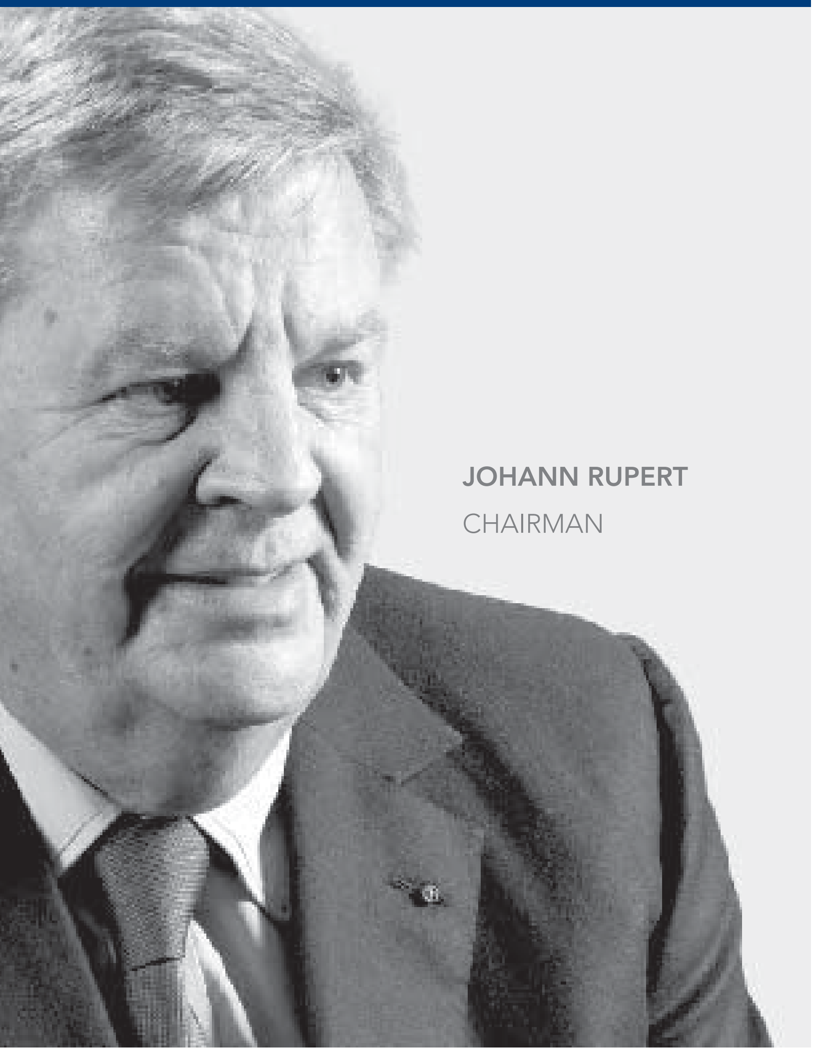
Listing
JSE Limited
Sector: Industrials – Diversified Industrials

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

Website
www.remgro.com

CHAIRMAN'S REPORT

Remgro manages its business sustainably and upholds the highest standards of ethics and corporate governance practices



JOHANN RUPERT
CHAIRMAN

ECONOMIC OVERVIEW

The South African economy had a worse than expected start to 2016 with GDP weakening further in the first quarter of 2016. Seasonally adjusted, GDP declined by 0.6% year-on-year (y-o-y). The economy was still growing at 2.3% y-o-y in the first quarter of 2015, so the loss of growth momentum has been dramatic. Measured from the production side, the weakness has been focused in the primary (mining and agriculture) sectors, while the growth in manufacturing output has also been subpar for some time. The expenditure data shows that the growth in real fixed investment outlays fell away sharply at the start of the year. To a lesser extent, this is also true for consumer spending growth.

GDP growth rebounded in the second quarter to 0.7% y-o-y, but this still implies zero growth in the first half of 2016. Looking forward, both global and domestic dynamics suggest that GDP growth will remain poor for the rest of 2016. On the global front, lingering softness in the Chinese economy and the uncertainty created by the UK's decision to leave the EU (Brexit), imply that South Africa is unlikely to receive much growth support from the rest of the world. This environment is not conducive to strong export growth. However, exports were boosted by increased shipments of precious metals and vehicles in the second quarter. Especially vehicle exports are expected to remain strong during the remainder of 2016. Domestically, an expected renewed inflation acceleration in the second half of 2016, weak employment growth and low consumer confidence are expected to ensure consumer spending remains under pressure. On a more positive note, consumers received a reprieve in early August when the petrol price declined by almost R1/litre with a modest further decrease in September. Depressed business confidence through the third quarter of 2016 implies that private fixed investment is unlikely to recover over the short term.

These factors suggest that GDP is likely to be flat and may even experience an outright decline in 2016. However, the better than expected second quarter GDP data has put some mild upside risk to the GDP outlook. In particular, the likelihood of a technical recession (two consecutive quarters of GDP decline) in the second half of the year has been reduced. Among other impacts, the weak GDP outlook is likely to have fiscal implications, i.e. the budget deficit is projected to be higher than the Treasury expected in February.

Despite the adverse growth environment and Brexit shock, the rand exchange rate was initially resilient in the third quarter (July and August) as the US Federal Reserve was expected to postpone any further US policy interest rate hike(s). On average, the rand was also stronger than expected against the USA dollar in the second quarter of 2016. This can partly be explained by the decision by all the major credit rating agencies to keep South Africa's ratings unchanged. More recently, Fitch announced a realignment of credit ratings with the result that South Africa's local currency rating – the rating for debt issued in local currency – was cut to BBB-. As with the foreign currency rating, this implies that the rating is only one notch above speculative grade. The local currency rating is important as it largely determines whether South African bonds remain part of key global benchmarks, including the World Government Bond Index (WGBI). Despite this announcement, the rand strengthened further towards the R13/$ level in early August. Towards the end of August, renewed uncertainty about the future of the Minister of Finance erased the earlier gains in the rand.

The inflation outlook has improved somewhat as recent better than expected food price and overall CPI trends are expected to offset a higher assumption for the international oil price through 2017. Headline CPI is projected to average 6.4% in 2016, slowing towards 6% in 2017.

The expectation that inflation should moderate in 2017 and the subdued growth outlook suggest that the South African Reserve Bank (SARB) may continue to keep the repo policy interest rate at its current level of 7% in the foreseeable future. However, the July MPC statement made it clear that the SARB is not yet convinced that we have reached the end of interest rate increases. The MPC argued that the decision to keep the interest rate on hold in July should be seen as a delay in further monetary policy tightening as opposed to the end of rate hikes.

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

Remgro's intrinsic net asset value per share increased by 6.1% from R288.89 at 30 June 2015 to R306.44 at 30 June 2016. The biggest contributor to this increase was Mediclinic, whose share of intrinsic net asset value (before any potential CGT) increased by 89.9% year on year from R36.7 billion to R69.7 billion. As at 30 June 2016, 17% of Remgro's intrinsic net asset value was represented by unlisted investments (2015: 18%).

The most significant investments made during the year under review were the conclusion of Remgro's facilitation of the acquisition of Spire Healthcare Group plc (Spire) by Mediclinic International Limited (Mediclinic) and subsequent participation in a Mediclinic rights issue, as well as Remgro's subscription of shares in Al Noor Hospitals Group plc (Al Noor) as part of the combination of Mediclinic and Al Noor. In order to fund these transactions Remgro obtained bridge financing of R7.8 billion in South Africa and £400.0 million abroad. The majority of the bridge financing was replaced by the issue of fixed rate cumulative redeemable preference shares amounting to R7.9 billion and the issue of exchangeable bonds amounting to £350.0 million. The bonds are exchangeable into Mediclinic International plc shares and/or cash.

For the year to 30 June 2016, headline earnings and headline earnings per share decreased by 26.4% from R7 996 million to R5 887 million and from 1 555.0 cents to 1 143.9 cents respectively. This decrease is mainly due to the once-off transaction costs incurred with the Mediclinic rights issue and Al Noor transaction amounting to R788 million, as well as a fair value adjustment of R730 million, relating to the increase in value of the exchange option (accounted for as a derivative liability) of the exchangeable bond. Excluding these items, headline earnings decreased by 7.4% from R7 996 million to R7 405 million, whereas headline earnings per share decreased by 7.5% from 1 555.0 cents to 1 438.9 cents.

DIRECTORATE

Mr Neville Williams was appointed as Chief Financial Officer on 1 April 2016, replacing Mr Leon Crouse who retired in March 2016.

The Board wishes to welcome Mr Williams as a director to the Company.

ACKNOWLEDGEMENTS

We extend our sincere appreciation to all who contributed to the performance of the Group over the past year: the shareholders for their continued confidence; the managing directors and all colleagues in the various group companies for their co-operation and support; all other directors, officials and employees for their dedication; and all parties concerned for services rendered.

Johann Rupert.

Johann Rupert
Chairman

Stellenbosch
20 September 2016

CHIEF EXECUTIVE OFFICER'S REPORT

Remgro's intrinsic net asset value per share increased by 6.1%

JANNIE DURAND

CHIEF EXECUTIVE OFFICER

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 6.1% from R288.89 at 30 June 2015 to R306.44 at 30 June 2016. Over the same period the JSE all share index has increased by 0.8%, while Remgro's share price decreased by 0.5%. Refer to the tables on page 22 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 other wholly owned 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

INTRINSIC NET ASSET VALUE PER SHARE

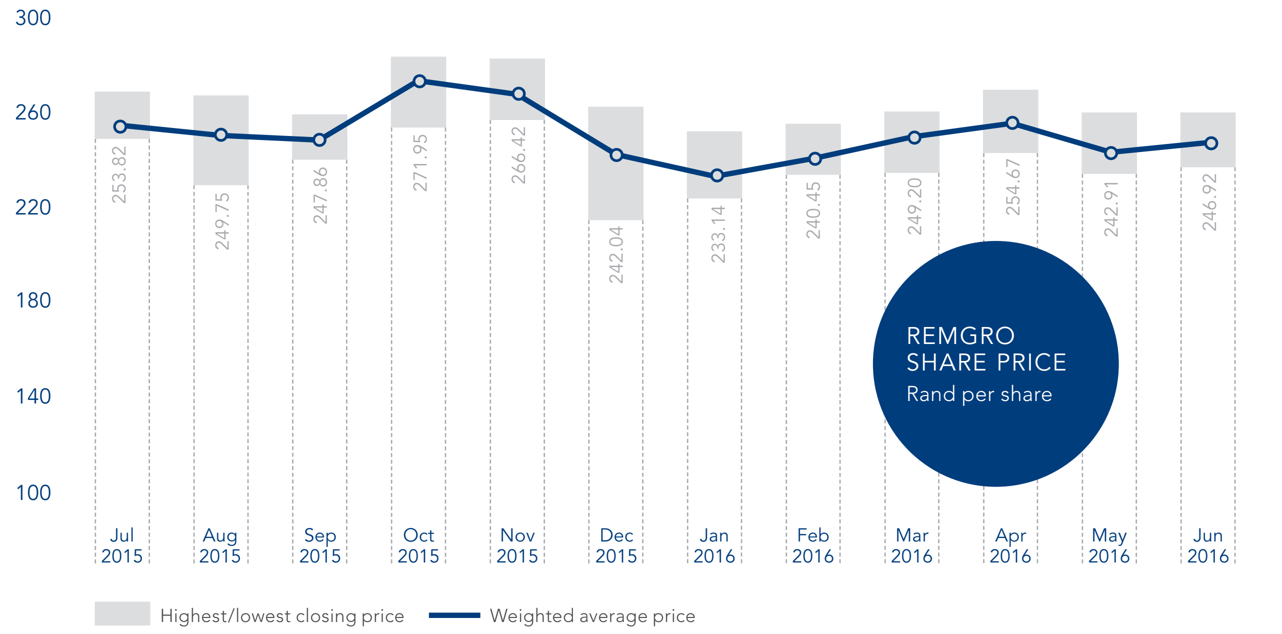
+6.1%

JSE ALL SHARE INDEX

+0.8%

REMGRO'S SHARE PRICE

-0.5%



It is Remgro's policy 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

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.

eMEDIA

A comparable market price was used.

SEACOM

The discounted cash flow method was used.

TOTAL

The discounted cash flow method was used.

UNILEVER

The discounted cash flow method was used.

WISPECO

The discounted cash flow method was used.

Refer to the table on page 24 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. Dividends paid by Remgro were not taken into account.

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011	31 March 2010
Intrinsic net asset value – Rand per share	**306.44**	288.89	245.96	204.83	152.61	135.97	121.64
JSE – All share index	**52 218**	51 807	50 945	39 578	33 708	31 865	28 748
– Fin & Ind 30 index	**73 134**	71 344	63 467	48 801	35 943	30 834	26 592
– Financial 15 index	**14 715**	16 498	14 501	11 176	9 618	8 128	8 061
– Resource 10 index	**30 302**	39 130	56 968	42 428	47 234	53 933	51 854
Remgro share price (Rand)	**254.66**	255.94	230.00	189.95	131.49	111.60	98.00

Relative performance	Year 30 June 2016 (% year on year)	Period from 28 October 2008 to 30 June 2016 (% compounded per annum)
Intrinsic net asset value	**6.1**	**18.3**
JSE – All share index	**0.8**	**14.4**
– Fin & Ind 30 index	**2.5**	**19.5**
– Financial 15 index	**(10.8)**	**13.6**
– Resource 10 index	**(22.5)**	**(0.1)**
Remgro share price	**(0.5)**	**20.5**

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

	IRR from 28 October 2008 to 30 June 2016 (% compounded per annum)
JSE – All share index	**17.8**
– Fin & Ind 30 index	**22.9**
– Financial 15 index	**18.3**
– Resource 10 index	**2.8**
Remgro share	**23.5**

The following table compares the value at 30 June 2016 of R100 invested on 28 October 2008 in either the relevant index or a Remgro share. 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.

	R100 invested on 28 October 2008 until 30 June 2016 (Rand)
JSE – All share index	**351**
– Fin & Ind 30 index	**488**
– Financial 15 index	**362**
– Resource 20 index	**123**
Remgro share	**507**

INVESTMENT ACTIVITIES

During June 2015 Remgro acquired a 29.9% shareholding in Spire Healthcare Group plc (Spire) for a total purchase consideration of £431.7 million. The transaction was concluded early in July 2015 and Remgro financed the transaction through a combination of its own cash and external funding. Simultaneously, Remgro and Mediclinic International Limited (Mediclinic) concluded an agreement whereby Mediclinic would acquire Remgro's interest in Spire, subject to Mediclinic raising the appropriate funds in order to conclude such a transaction. During August 2015 Mediclinic raised R10.0 billion through a rights issue in terms of which 111.1 million new Mediclinic shares were issued at a price of R90.00 per share. Remgro, by following its rights and by underwriting the balance of the rights issue, subscribed for an additional 51.3 million Mediclinic shares totalling R4.6 billion. Following the successful conclusion of the rights issue, Mediclinic acquired Remgro's shareholding in Spire during August 2015 for an amount of R8.6 billion, equal to the purchase price, transaction and funding costs.

On 15 February 2016 Mediclinic and Al Noor Hospitals Group plc (Al Noor) combined their respective businesses pursuant to which Al Noor acquired 100% of the issued share capital of Mediclinic. However, given the relative size of Mediclinic and Al Noor, the combination was classified as a reverse takeover of Al Noor. The combined group was renamed Mediclinic International plc (Mediclinic plc) and retained its premium listing on the Main Market of the London Stock Exchange (LSE). Mediclinic plc also obtained an inward secondary listing on the main board of the Johannesburg Stock Exchange (JSE). Mediclinic shareholders received 0.625 Al Noor shares for every Mediclinic share held by them, based on the five-day volume weighted average price up to and including 1 October 2015 of the Mediclinic shares on the JSE and of the Al Noor shares on the LSE (which was £5.20 and £8.32, respectively). In addition to the Al Noor shares received by Remgro and as an indivisible component of the combination, Remgro also subscribed for an additional 72.1 million shares in Al Noor at a subscription price of £8.32 per share for an aggregate amount of £600.0 million.

During the year under review Remgro committed a further R150.0 million to Pembani Remgro Infrastructure Fund (PRIF), bringing the total committed funds to R650.0 million. As a result of the additional commitment and PRIF's successful second and third closes, Remgro invested a further net amount of R28.6 million in PRIF, thereby increasing its cumulative investment in PRIF to R211.9 million.

On the international front, Remgro also invested a further \$14 million in the Milestone Capital Funds, increasing Remgro's total investment in China to \$202 million. Despite the current problems in the Chinese economy, Remgro believes that its partnership with the Milestone Funds will produce value over the long term.

The following table represents the cash effects of Remgro's investing activities for the year to 30 June 2016. 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	
Mediclinic (Al Noor)	**12 891**
Mediclinic (rights issue)	**4 621**
Milestone Capital Funds (offshore)	**194**
Invenfin	**99**
PRIF	**56**
Premier Team Holdings	**47**
Other	**6**
	17 914

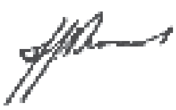
Investments sold and loans repaid	R million
Britehouse	**84**
Kagiso Infrastructure Empowerment Fund	**31**
PRIF	**27**
Other	**15**
	157

The acquisition and disposal of Spire to Mediclinic are excluded from the above tables as it was cash neutral.

INVESTMENT COMMITMENTS

The table below summarises the investment commitments of Remgro as at 30 June 2016.

Investment commitments	R million
PRIF	**438**
CIV group	**428**
Milestone Capital Funds (offshore)	**133**
Invenfin	**130**
Other	**11**
	1 140



Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2016

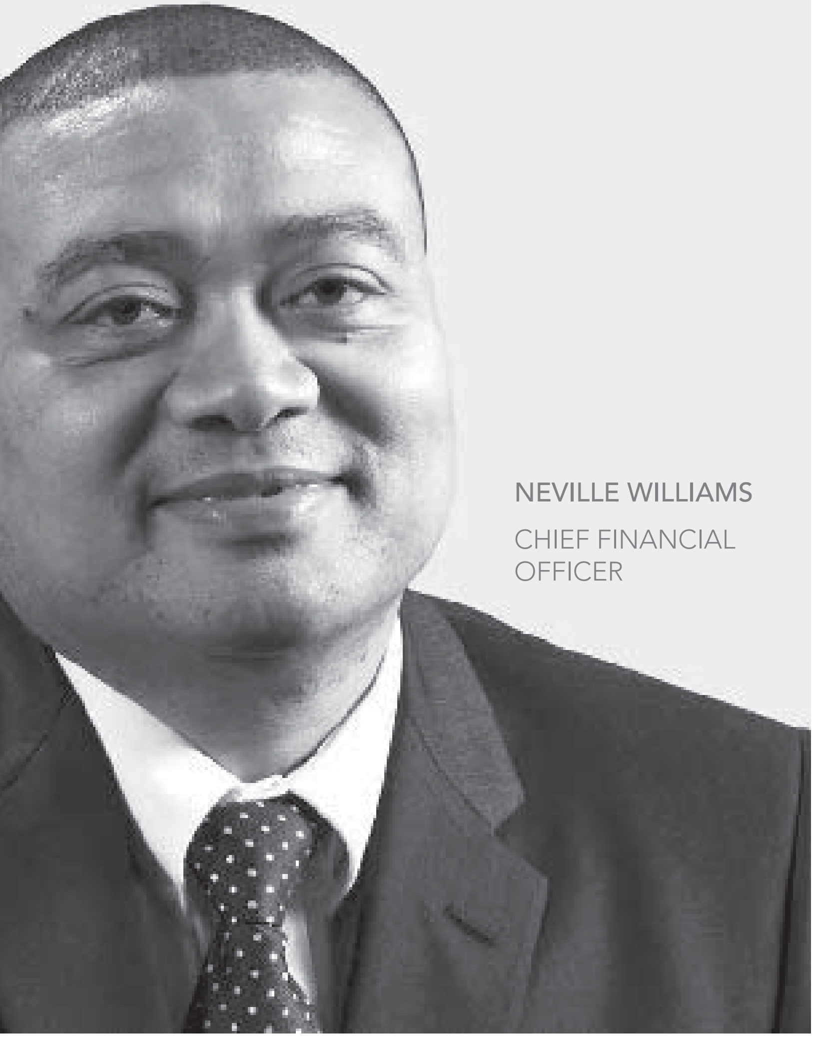
INTRINSIC NET ASSET VALUE

R million	30 June 2016 Book value	30 June 2016 Intrinsic value	30 June 2015 Book value	30 June 2015 Intrinsic value
Food, liquor and home care				
Unilever	3 589	10 650	3 384	8 688
Distell[(1)]	3 500	10 723	3 157	11 098
RCL Foods	7 294	9 278	7 346	11 514
Banking				
RMBH	13 132	22 356	12 267	26 409
FirstRand	4 652	9 857	4 300	11 720
Healthcare				
Mediclinic	33 629	69 691	13 227	36 727
Insurance				
RMI Holdings	7 157	18 526	6 717	19 096
Industrial				
Air Products	933	4 241	882	4 164
KTH	1 631	2 723	1 876	2 696
Total	1 575	1 879	1 428	1 785
PGSI	734	734	672	672
Wispeco	702	1 055	603	920
Infrastructure				
Grindrod	1 986	1 986	4 016	2 329
CIV group	1 871	3 166	1 795	2 797
SEACOM	655	1 043	566	1 001
Other infrastructure interests	540	540	480	480
Media and sport				
eMedia	1 116	1 342	1 126	2 094
Other media and sport interests	328	328	374	382
Other investments	3 737	3 717	3 047	3 266
Central treasury				
Cash at the centre[(2)]	3 778	3 778	4 019	4 019
Debt at the centre	(16 452)	(16 452)		
Other net corporate assets	2 779	3 149	1 832	2 224
Net asset value (NAV)	78 866	164 310	73 114	154 081
Potential CGT liability[(3)]		(6 526)		(5 466)
NAV after tax	78 866	157 784	73 114	148 615
Issued shares after deduction of shares repurchased (million)	514.9	514.9	514.4	514.4
NAV after tax per share (Rand)	153.17	306.44	142.12	288.89
Remgro share price (Rand)		254.66		255.94
Percentage discount to NAV		16.9		11.4

(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 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. The increase in the potential CGT liability is mainly the result of the increased CGT inclusion rate. 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

Remgro's headline earnings on a comparable basis increased by 2.6%



NEVILLE WILLIAMS

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.

RESULTS

HEADLINE EARNINGS

For the year to 30 June 2016, headline earnings and headline earnings per share decreased by 26.4% from R7 996 million to R5 887 million and from 1 555.0 cents to 1 143.9 cents respectively, as presented in the table on page 26.

Included in headline earnings for the year under review are once-off transaction costs incurred with the Mediclinic rights issue and Al Noor Hospitals Group plc (Al Noor) transaction amounting to R788 million, of which R402 million is Remgro's own costs and R386 million is Remgro's share of Mediclinic's transaction costs ("once-off costs"), as well as a fair value adjustment of R730 million, relating to the increase in value of the bondholders' exchange option (accounted for as a derivative liability) of the bonds ("option remeasurement") that were issued during March 2016 to partially refinance the foreign bridge funding that was raised for the Al Noor transaction. The bonds are exchangeable into Mediclinic plc shares and/or cash and fair value adjustments on the option (reflecting *inter alia* the movement in the underlying Mediclinic plc share price) are expected to cause volatility in headline earnings during its five-year term. Excluding these items, headline earnings decreased by 7.4% from R7 996 million to R7 405 million, whereas headline earnings per share decreased by 7.5% from 1 555.0 cents to 1 438.9 cents.

It should furthermore be noted that headline earnings includes other once-off items, which cause comparability of the results to be challenging. These are:

- Additional finance cost incurred with the Mediclinic rights issue and Al Noor transaction that were accounted for the three months to 30 June 2016 amounting to R245 million, whilst the equity accounted earnings for Mediclinic was recognised only for the period until 31 March 2016, since the Group lags Mediclinic's reporting period by three months;
- Facilitation and underwriting fees of R99 million received from Mediclinic in the 2015 financial year;
- Transaction and funding costs relating to the Spire Healthcare Group plc (Spire) transaction amounting to R115 million (2015: R38 million); whereas the recoupment of R153 million is included in profit on the sale of Spire to Mediclinic, outside headline earnings;
- Positive impact on RCL Foods' results with the release of a R163 million provision raised for uncertain tax disputes, as well as a R119 million gain on the exercise of the Zam Chick and Zamhatch put options (Remgro's portion being R218 million);

- Positive impact on Mediclinic's profit in the comparative year due to Swiss prior year tax adjustments of R712 million (Remgro's portion being R300 million);
- Positive impact on RMI's profit in the comparative year with the release of a put option liability at Discovery of R415 million (Remgro's portion being R126 million); and
- PRIF distributions of R170 million in the comparative year due to first close versus R18 million in the year under review resulting from the second and third closes.

Excluding all the aforementioned items, Remgro's comparable headline earnings increased by 2.6% from R7 339 million to R7 529 million mainly due to better operating performances by its banking, insurance, healthcare and industrial platforms, offset by lower earnings from RCL Foods, as well as Grindrod.

COMMENTARY ON REPORTING PLATFORMS' PERFORMANCE

FOOD, LIQUOR AND HOME CARE

The contribution from food, liquor and home care to Remgro's headline earnings amounted to R1 618 million (2015: R1 531 million), representing an increase of 5.7%. RCL Foods' contribution to Remgro's headline earnings decreased by 12.8% to R658 million (2015: R755 million). During the year under review RCL Foods' results were positively impacted by the release of a R163 million provision raised for uncertain tax disputes as part of the Foodcorp acquisition, as well as a R119 million gain on the exercise of the Zam Chick and Zamhatch put options. Excluding these remeasurements, RCL Foods' contribution to Remgro's headline earnings would have decreased by 41.7% to R440 million. This decrease is mainly due to lower contributions from the Sugar and Chicken businesses. The Chicken business was impacted by a massive oversupply in the local market caused by local production and dumping, while the Sugar business remained under pressure due to the severe drought conditions. Unilever's contribution to Remgro's headline earnings increased by 39.3% to R461 million (2015: R331 million). This increase is mainly the result of revenue growth and margin improvement. Distell's contribution to headline earnings, which includes the investment in Capevin Holdings, amounted to R499 million (2015: R445 million). This increase is mainly the result of revenue growth and efficiency improvements across the business. Distell experienced strong performances from all product categories and also benefited from a weaker rand against the major currencies in which it trades.

SALIENT FEATURES

	Year ended 30 June 2016	Year ended 30 June 2015	% change
Headline earnings (R million)	**5 887**	7 996	*(26.4)*
– per share (cents)	**1 143.9**	1 555.0	*(26.4)*
Headline earnings, excluding once-off costs and option remeasurement (R million)	**7 405**	7 996	*(7.4)*
– per share (cents)	**1 438.9**	1 555.0	*(7.5)*
Earnings (R million)	**5 386**	8 715	*(38.2)*
– per share (cents)	**1 046.6**	1 694.9	*(38.3)*
Dividends per share (cents)			
Ordinary	**460.00**	428.00	*7.5*
– Interim	**185.00**	169.00	*9.5*
– Final	**275.00**	259.00	*6.2*
Intrinsic net asset value per share (Rand)	**306.44**	288.89	*6.1*

CONTRIBUTION TO HEADLINE EARNINGS BY REPORTING PLATFORM

R million	Year ended 30 June 2016	% change	Year ended 30 June 2015
Food, liquor and home care	**1 618**	*5.7*	1 531
Banking	**2 989**	*5.1*	2 845
Healthcare	**1 566**	*(9.7)*	1 734
Insurance	**888**	*(9.9)*	986
Industrial	**517**	*35.7*	381
Infrastructure	**6**	*(98.5)*	392
Media and sport	**(36)**	*(125.0)*	(16)
Other investments	**67**	*(20.2)*	84
Central treasury			
– Finance income	**125**	*12.6*	111
– Finance costs	**(1 602)**	–	–
Other net corporate costs	**(251)**	*(382.7)*	(52)
Headline earnings	**5 887**	*(26.4)*	7 996
Once-off costs	**788**	–	–
Option remeasurement	**730**	–	–
Headline earnings, excluding once-off costs and option remeasurement	**7 405**	*(7.4)*	7 996

Refer to the composition of headline earnings on page 31 for further information.

BANKING

The headline earnings contribution from the banking division amounted to R2 989 million (2015: R2 845 million), representing an increase of 5.1%. FirstRand and RMBH reported headline earnings growth of 5.9% and 4.5% respectively. On a normalised basis, FirstRand and RMBH reported earnings growth of 7.4% and 7.0% respectively, mainly due to growth in both interest income and non-interest income from FNB, RMB and WesBank, partly offset by an increase in credit impairment charges, which reflect the deteriorating macro-economic environment.

HEALTHCARE

Mediclinic's contribution to Remgro's headline earnings amounted to R1 566 million (2015: R1 734 million). It should be noted that Mediclinic's results for the year under review include once-off transaction costs incurred with the Al Noor transaction of R891 million, while the comparative period included positive Swiss prior year tax adjustments of R712 million. Excluding these once-off items Mediclinic's contribution to Remgro's headline earnings would have increased by 36.1% from R1 434 million to R1 952 million. This increase is mainly due to solid performances by all three operating platforms, as well as the positive effect of the weaker rand.

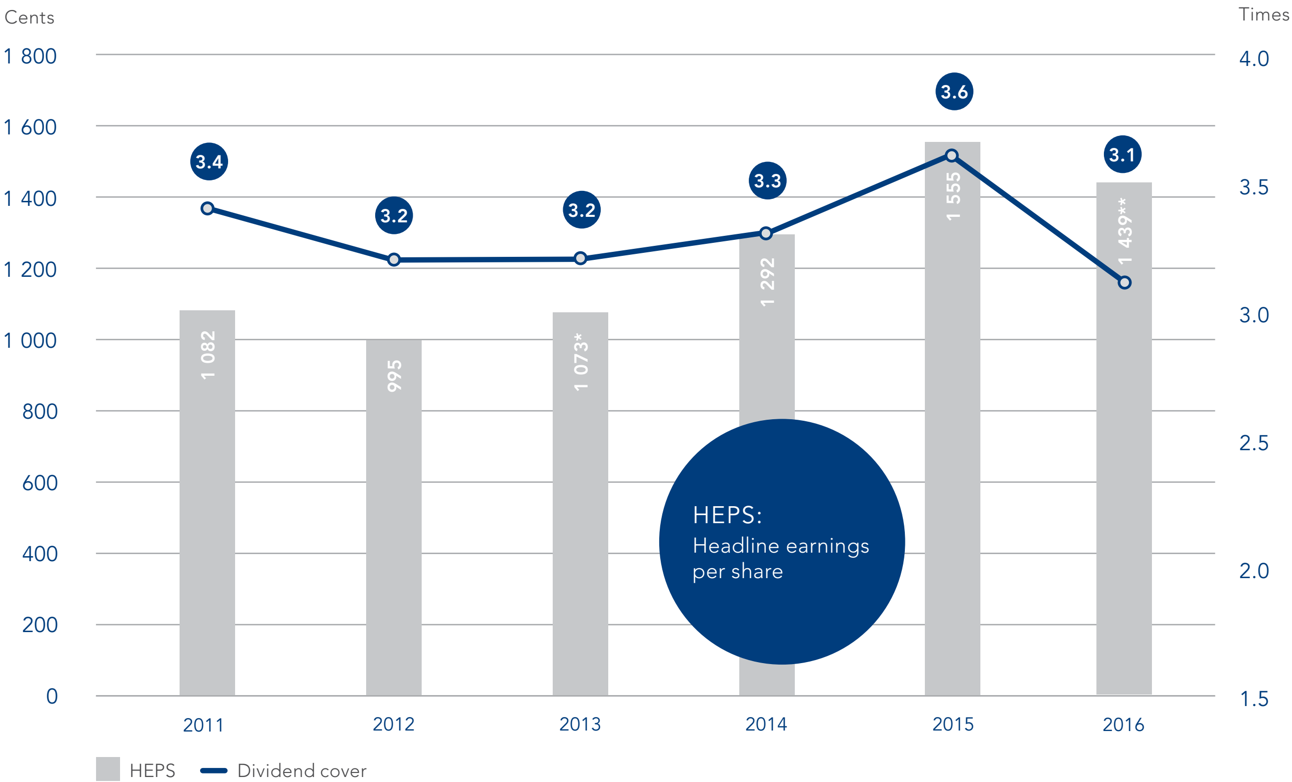
INSURANCE

RMI Holdings' contribution to headline earnings decreased by 9.9% to R888 million (2015: R986 million). This decrease is mainly the result of a once-off profit in the comparative period, with the release of a put option liability at Discovery, which is excluded from RMI Holdings' normalised earnings. On a normalised basis, RMI Holdings reported an increase of 5.9% in earnings, with Discovery and OUTsurance achieving good earnings growth of 6.6% and 42.7% respectively, offset by lower earnings from MMI Holdings (lower by 15.8%). OUTsurance's growth can be attributed to the significant improvement in the contribution from the Youi group. The comparative year's results were negatively impacted by numerous weather-related catastrophes in Australia. MMI Holdings' decrease is mainly due to lower underwriting profits, as well as lower asset-based fees.

INDUSTRIAL

Total's contribution to Remgro's headline earnings amounted to R291 million (2015: R133 million). Included in the contribution to headline earnings is unfavourable stock revaluations amounting to R88 million (2015: R286 million). These revaluations are the result of the volatility in the Brent Crude price and the rand exchange rate. Excluding these revaluations, the contribution decreased by 9.5% from R419 million to R379 million mainly due to an excellent operational performance by NATREF in the comparative period, which the refinery was unable to repeat during the current reporting period. Remgro's share of the results of KTH amounted to a loss of R229 million (2015: loss of R108 million). KTH's results were negatively impacted by unfavourable fair value adjustments relating to its investments in Exxaro Resources Limited and MMI Holdings Limited preference shares. Air Products' and Wispeco's contribution to headline earnings amounted to R275 million and R144 million respectively (2015: R222 million and R104 million), while PGSI contributed R36 million to Remgro's headline earnings (2015: R30 million).

DIVIDEND COVER



* HEPS, excluding Mediclinic refinancing cost (restated)

** HEPS, excluding once-off costs and option remeasurement

INFRASTRUCTURE

Grindrod's contribution to Remgro's headline earnings amounted to a loss of R45 million (2015: a profit of R135 million). This decrease is mainly the result of weak commodity markets and significantly lower dry-bulk shipping rates. For the year under review the CIV group contributed R64 million to headline earnings (2015: R51 million). SEACOM reported a headline loss of R113 million for the year under review (2015: headline earnings of R96 million), with Remgro's share of this loss amounting to R33 million (2015: profit of R24 million). This decrease is mainly due to a higher depreciation charge on certain cable assets resulting from a change in the estimated useful life of these assets. During the year under review the Pembani Remgro Infrastructure Fund (PRIF) had its second and third closes, which resulted in Remgro receiving an income distribution of R18 million (2015: R170 million in respect of the first close), mainly due to foreign exchange gains realised in the PRIF structure.

MEDIA AND SPORT

Media and sport consist of the interests in eMedia and various sport interests, including interests in rugby franchises, as well as the Stellenbosch Academy of Sport. eMedia's contribution to Remgro's headline earnings decreased by 59.4% to R28 million (2015: R69 million), mainly due to continued pressure on advertising revenue as a result of a sharp drop in market share during the previous financial year, leading to a considerable investment in local programming to recover market share, as well as continued investment into the multi-channel business. The sport interests' contribution to headline earnings amounted to a loss of R64 million (2015: loss of R85 million).

OTHER INVESTMENTS

The contribution from other investments to headline earnings amounted to R67 million (2015: R84 million), of which Business Partners' contribution was R48 million (2015: R47 million).

CENTRAL TREASURY AND OTHER NET CORPORATE COSTS

Finance income amounted to R125 million (2015: R111 million). This increase is mainly the result of higher average cash balances, as well as higher interest rates than in the comparative period. Finance costs mainly consist of funding costs amounting to R466 million and once-off transaction costs amounting to R402 million, which relate to the Mediclinic rights issue and Al Noor transaction, as well as a fair value adjustment of R730 million, relating to the increase in the value of the exchange option of the exchangeable bonds. Other net corporate costs amounted to R251 million (2015: R52 million). The year under review includes transaction and funding costs amounting to R115 million (2015: R38 million) relating to Remgro's acquisition of Spire. Remgro recouped this amount from Mediclinic as part of the Spire disposal consideration, which resulted in a profit on disposal of investment of R153 million, excluded from headline earnings. The comparative period also include a net after-tax facilitation and underwriting fee of R99 million received from Mediclinic on the Spire transaction and resultant rights issue.

EARNINGS

Earnings decreased by 38.2% to R5 386 million (2015: R8 715 million). This decrease is mainly the result of the once-off transaction costs incurred with the Mediclinic rights issue and Al Noor transaction (R788 million), the fair value adjustment relating to the increase in value of the exchange option of the exchangeable bonds (R730 million), the impairment of the investment in Grindrod (R1 861 million) and Remgro's portion of the impairments in Grindrod's Rail and Shipping divisions (R577 million), as well as Remgro's portion of an impairment in RCL Foods' Milling business (R439 million). The decrease is partly offset by a profit of R2 262 million realised on the dilution of Remgro's interest in Mediclinic as part of the Al Noor transaction (2015: profit of R958 million due to a book-build exercise).

CASH AT THE CENTRE AND FOREIGN EXCHANGE RATES

On 30 June 2016 Remgro's cash at the centre amounted to R3 778 million (2015: R4 019 million), of which 55% was invested offshore (2015: 36%). The cash is held in different currencies of which approximately 46% was held in SA rand, 40% in USA dollar and 14% in British pound.

Remgro's offshore cash is held in USA dollar and British pound. During the year £238 million was transferred from local cash to the offshore cash at a SA rand/GBP exchange rate of R21.59. Foreign exchange profits amounting to R213 million (2015: R120 million) were accounted for during the year under review, mainly as a result of the weakening of the SA rand against the USA dollar from R12.14 = $1.00 at 30 June 2015, to R14.70 = $1.00 at 30 June 2016. For accounting purposes these exchange movements are accounted for directly in equity.

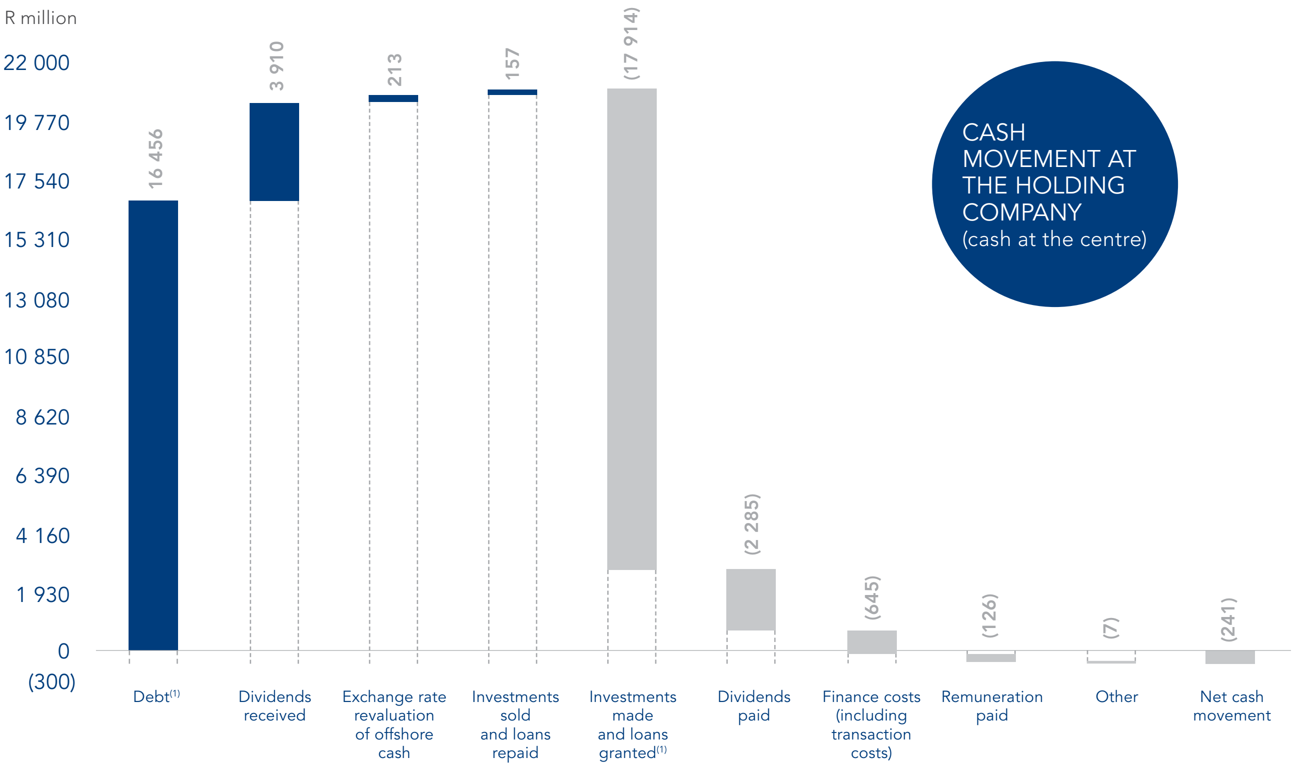
As at 30 June 2016 the majority of Remgro's remaining offshore cash was already committed towards the expansion of existing offshore investments (USA dollar) and to service foreign debt (British pound).

EXTERNAL FUNDING

As part of the Spire acquisition, Remgro obtained bridge financing of R7.5 billion from Rand Merchant Bank in order to partly fund the transaction. The term of the facility was six months and the full amount of the facility was drawn on 13 July 2015 when payment of the Spire investment had to be effected. The bridge facility bore interest at 3-month Jibar plus 90 basis points margin. On 26 August 2015, Remgro repaid R4.0 billion of the bridge facility after Mediclinic International Limited (Mediclinic) successfully completed its rights issue and acquired Remgro's interest in Spire for an amount of R8.6 billion, which was equal to the purchase price, transaction and funding costs. On 13 January 2016 Remgro (through its wholly owned subsidiary, Remgro Healthcare Holdings Proprietary Limited (Remgro Healthcare)) replaced the bridge facility by issuing fixed rate cumulative redeemable preference shares. These preference shares have a tenure of four years and the dividend rate is fixed at 7.7%, payable semi-annually.

To fund the Al Noor transaction, Remgro obtained local bridge financing of £200.0 million (or R4.3 billion) from Rand Merchant Bank, as well as foreign bridge financing of £400.0 million from Morgan Stanley (£300.0 million) and Rand Merchant Bank (£100.0 million). The terms of these facilities are eighteen months and the full amount of the facilities was drawn on 22 February 2016 when payment of the Al Noor investment had to be effected. The local bridge facility bears interest at

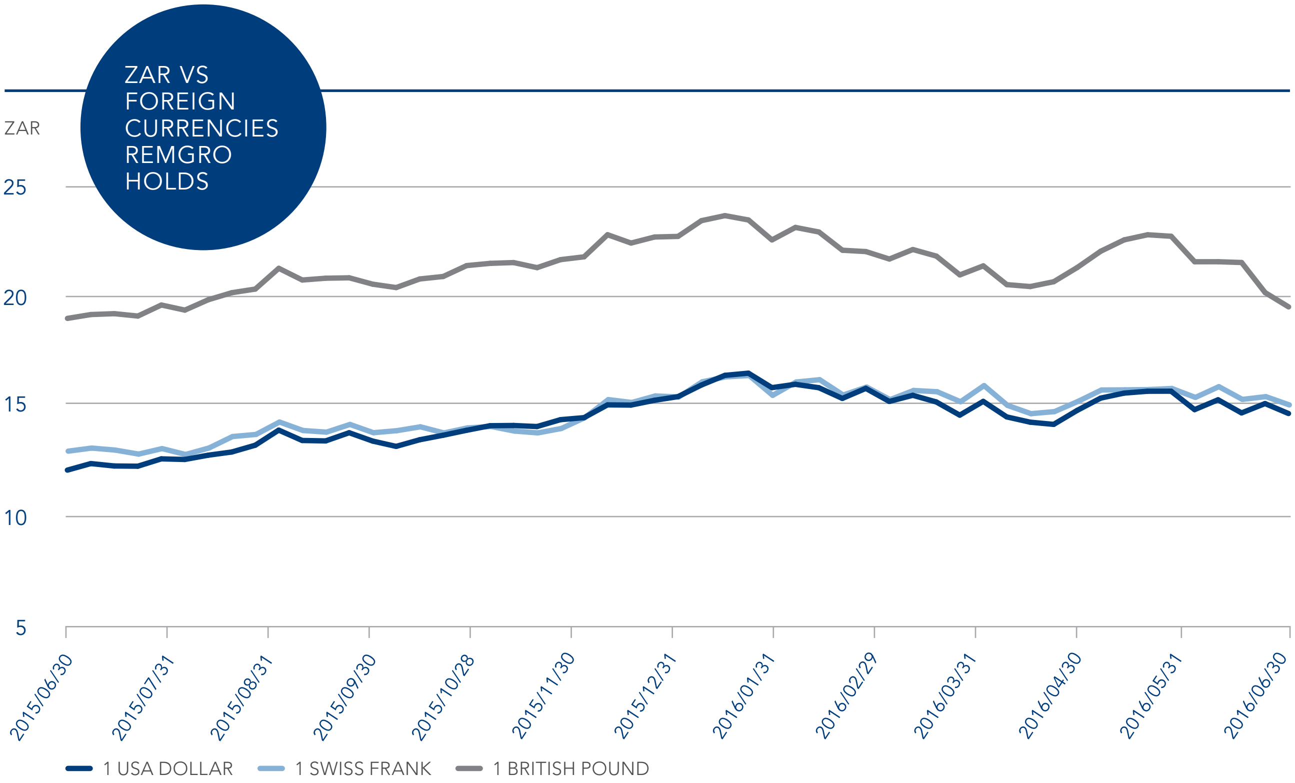
	30 June 2016 Currency value million	30 June 2016 Exchange rate	30 June 2016 R million	30 June 2015 R million
USA dollar	**102.7**	**14.6994**	**1 509**	1 407
British pound	**26.9**	**19.5756**	**528**	–
Swiss franc	**0.3**	**15.0750**	**4**	4
SA rand			**1 737**	2 608
			3 778	4 019



[1] *The acquisition and disposal of Spire to Mediclinic are excluded from the graph as it was cash neutral.*

Closing exchange rates	**30 June 2016**	30 June 2015	*Movement %*
USD/ZAR	**14.6994**	12.1431	*(21.1)*
EUR/ZAR	**16.3107**	13.5242	*(20.6)*
GBP/ZAR	**19.5756**	19.0563	*(2.7)*
CHF/ZAR	**15.0750**	12.9895	*(16.1)*

Average exchange rates	**Year ended 30 June 2016**	Year ended 30 June 2015	*Movement %*
USD/ZAR	**14.4940**	11.4436	*(26.7)*
EUR/ZAR	**16.0853**	13.7119	*(17.3)*
GBP/ZAR	**21.4340**	17.9959	*(19.1)*
CHF/ZAR	**14.7804**	12.1326	*(21.8)*



3-month Jibar plus 140 basis points margin and the foreign bridge facility bears interest at 3-month Libor (subject to a floor of 1.0%) plus 140 basis points margin. The interest rates for both the local and foreign bridge facilities increase by 25 basis points margin after six months and by a further 50 basis points margin after another six months. On 16 March 2016 Remgro (through its wholly owned subsidiary, Remgro Healthcare) replaced the local bridge facility with newly issued fixed rate cumulative redeemable preference shares amounting to R4.4 billion. The preference shares have a tenure of five years and a fixed dividend rate of 8.3%, payable semi-annually. On 22 March 2016 Remgro (through its wholly owned subsidiary, Remgro Jersey GBP Limited) replaced £350.0 million of the foreign bridge facility by issuing exchangeable bonds with a tenure of five years and a fixed coupon rate of 2.625%, payable semi-annually. The exchangeable bonds are exchangeable into approximately 30.9 million Mediclinic International plc (Mediclinic plc) shares and/or cash, and the exchange price for the bonds is £11.3086 per Mediclinic plc share, representing a 30% premium above the weighted average price on the London Stock Exchange (LSE) between launch and pricing of the bond offering. Upon exchange or redemption of the bonds, Remgro will have the discretionary right to deliver an amount in cash or shares or a combination of cash and shares. The bonds were included for trading on the open market (Freiverkehr) segment of the Frankfurt Stock Exchange on 23 March 2016.

DIVIDENDS

The final dividend per share was determined at 275 cents (2015: 259 cents). Total ordinary dividends per share in respect of the year to 30 June 2016 therefore amounted to 460 cents (2015: 428 cents).

The dividend is covered 2.5 times by headline earnings against 3.6 times the previous year.

INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share at 30 June 2016 was R306.44 compared to R288.89 on 30 June 2015. Refer to the Chief Executive Officer's Report on page 20 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. The accounting policies have been consistently applied to both years presented.

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 furthermore ensures the effective and efficient management of risk within the Group.

Remgro's risk management process is summarised in the Risk Management Report on page 65, as well as in note 31 to the comprehensive annual financial statements on page 70, that is published on the Company's website at www.remgro.com.

Neville Williams
Chief Financial Officer

Stellenbosch
20 September 2016

COMPOSITION OF HEADLINE EARNINGS

R million	Year ended 30 June 2016	% change	Year ended 30 June 2015
Food, liquor and home care			
Unilever	**461**	*39.3*	331
Distell[(1)]	**499**	*12.1*	445
RCL Foods	**658**	*(12.8)*	755
Banking			
RMBH	**2 112**	*5.3*	2 005
FirstRand	**877**	*4.4*	840
Healthcare			
Mediclinic	**1 566**	*(9.7)*	1 734
Insurance			
RMI Holdings	**888**	*(9.9)*	986
Industrial			
Air Products	**275**	*23.9*	222
KTH	**(229)**	*(112.0)*	(108)
Total	**291**	*118.8*	133
PGSI	**36**	*20.0*	30
Wispeco	**144**	*38.5*	104
Infrastructure			
Grindrod	**(45)**	*(133.3)*	135
CIV group	**64**	*25.5*	51
SEACOM	**(33)**	*(237.5)*	24
Other infrastructure interests	**20**	*(89.0)*	182
Media and sport			
eMedia	**28**	*(59.4)*	69
Other media and sport interests	**(64)**	*24.7*	(85)
Other investments	**67**	*(20.2)*	84
Central treasury			
Finance income	**125**	*12.6*	111
Finance costs[(2)]	**(1 602)**	–	–
Other net corporate costs	**(251)**	*(382.7)*	(52)
Headline earnings	**5 887**	*(26.4)*	7 996
Weighted number of shares (million)	**514.6**	*0.1*	514.2
Headline earnings per share (cents)	**1 143.9**	*(26.4)*	1 555.0

(1) *Includes the investment in Capevin Holdings Limited.*

(2) *Finance costs include the once-off costs (R402 million) and the option remeasurement (R730 million).*

INVESTMENT REVIEWS

CIV HOLDINGS

INVESTING IN INDUSTRIES THAT HAVE A SOLID TRACK RECORD

FOOD, LIQUOR AND HOME CARE

CONTRIBUTION TO HEADLINE EARNINGS	**30 June 2016 R million**	30 June 2015 R million
Unilever	**461**	331
Distell	**499**	445
RCL Foods	**658**	755
	1 618	1 531

Unilever

25.8%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, Lesotho, Swaziland, Botswana, Namibia

PROFILE

Unilever manufactures and markets an extensive range of food and home and personal care products, while enjoying market leadership in most of its major categories. Well-known brands include *Robertsons*, *Rama*, *Flora*, *Lipton*, *Joko*, *Sunlight*, *Omo*, *Surf*, *Vaseline* and *Lux*.

CORPORATE INFORMATION	FINANCIAL HIGHLIGHTS	SUSTAINABILITY MEASURES
Equity valuation at 30 June 2016 R41 358 million **Unlisted** **Chief Executive Officer** P Cowan **Remgro nominated directors** W E Bührmann, J J du Toit **Website** www.unilever.co.za	Unilever is a private company and its detailed financial information is not disclosed due to restrictions on disclosure as agreed among its shareholders.	**CSI/Training spend** R14.64 million **Number of employees** 3 313 **BBBEE status** Non-compliant **Environmental aspect** Scope 1 and 2 emissions of 147 000 tonnes CO_2e

UNILEVER SOUTH AFRICA HOLDINGS PROPRIETARY LIMITED (UNILEVER)

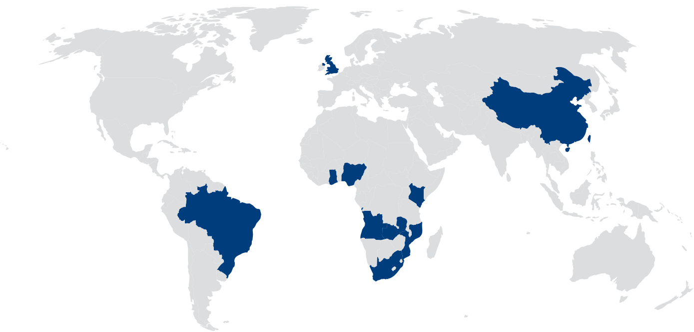
Unilever has a 31 December year-end, but its results for the 12 months to 30 June 2016 have been equity accounted in Remgro's results for the year under review. Unilever's contribution to Remgro's headline earnings for the year under review increased to R461 million (2015: R331 million).

Unilever's restructuring costs for the 12 months under review amounted to R83 million (2015: R288 million) driven by investments for the Food Solutions factory resulting in streamlining of operations and improved efficiencies.

Unilever's net profit for the 12 months to 30 June 2016 increased to R1 780 million (2015: R1 246 million).

DISTELL

30.9%
effective interest



MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, Angola, Kenya, Ghana, Nigeria, Mozambique, Zambia
OTHER: UK/Europe, Taiwan, China, Brazil

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

CORPORATE INFORMATION

Market cap at 30 June 2016
R35 468 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 2016	
	R million	%
Revenue	21 470	+10
Operating profit	2 352	+10
Headline earnings	1 611	+12

SUSTAINABILITY MEASURES

CSI/Training spend
R17.3 million

Number of employees
5 476

BBBEE status
Level 8

Environmental aspect
Scope 1 and 2 emissions of 160 573 tonnes CO_2e

DISTELL GROUP LIMITED (DISTELL)

Distell has a June year-end and therefore its results for the 12 months ended 30 June 2016 have been included in Remgro's results for the year under review. Distell's contribution to Remgro's headline earnings for the year under review, which includes Remgro's indirect interest in Distell held through Capevin Holdings Limited, increased by 12% to R499 million (2015: R445 million).

Distell reported for its year ended 30 June 2016 that turnover increased by 9.6% to R21 470 million (2015: R19 589 million). Sales volume in the South African market increased by 8.8%, while revenue increased by 12.1% despite a slowdown in real consumer spending growth. Sub-Saharan African markets, excluding South Africa, delivered mixed results as revenue declined by 3.2% on a sales volume decline of 14.3%, mainly due to the challenging macroeconomic conditions in Angola. The region contributed 46.7% to foreign revenue. Revenue derived from international markets beyond Africa increased by 13.1%, mainly due to the weaker rand and an improved sales mix. Volumes declined by 12.5% given the continuing tough trading conditions in many of the markets where Distell operates.

Distell's reported headline earnings for its year ended 30 June 2016 increased by 12.3% to R1 611 million (2015: R1 435 million) as a result of the growth in revenue and efficiency improvement across the business, as well as a weaker rand.

RCL FOODS

77.3%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, Swaziland, Namibia, Botswana, Zambia

PROFILE

RCL Foods is a holding company with diversified interests that focus on three segments: Consumer (Chicken, Grocery, Pies, Beverages and Food Solutions), Sugar & Milling (Sugar, Animal Feed and Millbake business units) and Logistics.

CORPORATE INFORMATION

Market cap at 30 June 2016
R12 005 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 2016	
	R million	%
Revenue	25 025	+7
Operating profit	378	-74
Headline earnings	850	-12.6

SUSTAINABILITY MEASURES

CSI/Training spend
R10 million

Number of employees
21 072

BBBEE status
Level 4

Environmental aspect
Scope 1 and 2 emissions of 1 074 529 tonnes CO_2e

RCL FOODS LIMITED (RCL FOODS)

For the year ended 30 June 2016, RCL Foods reported headline earnings from continuing operations amounting to R849.7 million (2015: R972.2 million). During the financial year, the results of RCL Foods were materially impacted by the following significant events:

- An impairment loss of R642.8 million relating to the Milling operation in the Sugar and Milling division due to a competitive trading environment and an increase in the discount rate;
- The release of a R163.3 million provision for uncertain tax disputes that were finalised with the South African Revenue Service;
- Recognition of R67.7 million profit after tax (headline earnings impact of R118.9 million) following the exercise of put options relating to Zam Chick and Zamhatch; and
- A loss of R80.6 million (2015: R106.2 million profit) due to the appreciating rand on long foreign exchange positions entered into in terms of the Groups' raw material procurement strategy.

Remgro's share of the headline earnings of RCL Foods amounted to R658 million (2015: R755 million) for the year under review.

The pervasive drought affected almost all aspects of RCL Foods' businesses and had a significant impact on its results. The increase in commodity prices was exacerbated by the substantial deterioration in the rand since the beginning of the financial year, while food inflation impacted an already weak consumer environment. The negative impact by these factors were effectively limited by strategic initiatives that RCL Foods implemented over the past three years. These initiatives have also positioned the business for sustainable future growth.

RCL Foods' total revenue for the year under review increased by 6.8% to R25.0 billion (2015: R23.4 billion).

The consumer division's revenue increased by 10.1% to R13.3 billion (2015: R12.1 billion). The Chicken business unit's operating profit before interest, taxation, depreciation and amortisation (EBITDA) declined by 62.0% to R158.1 million and negated the performance of Groceries (EBITDA increased by 19.9% to R543.6 million).

Revenue from the Sugar and Milling division increased by 5.6% to R14.9 billion (2015: R14.1 billion), while EBITDA decreased by 20.7% to R830.1 million. The Sugar business was affected by the drought and the cane crop decreased by 1 175 352 tonnes, leading to 152 980 tonnes less sugar produced. Significant synergies resulted from merging Epol and Molatek into one Feed business by increasing the sales footprint and product offering, as well as by utilising Millbake by-products (such as bran). Operational challenges and a competitive trading environment resulted in EBITDA from Milling to decline to R272.3 million (2015: R303.8 million).

Revenue from the Logistics Division increased by 5.5% to R1 987 million (2015: R1 884 million), while EBITDA increased to R260.7 million (2015: R206.2 million).

BANKING

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2016 R million	30 June 2015 R million
RMBH	**2 112**	2 005
FirstRand	**877**	840
	2 989	2 845

28.2%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa (directly)
Refer to FirstRand for indirect exposure

PROFILE

RMBH is a focused investment company, holding a 34.1% interest in FirstRand, Southern Africa's pre-eminent banking group. In 2016 RMBH announced the extension of its investment strategy to include a property investment business.

CORPORATE INFORMATION

Market cap at 30 June 2016
R79 408 million

Listed on the JSE Limited

Chief Executive Officer
H L Bosman

Remgro nominated director
F Knoetze

Website
www.rmh-online.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2016 R million	%
Headline earnings	**7 503**	**+5**
Normalised headline earnings	**7 659**	**+7**

SUSTAINABILITY MEASURES

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

RMB HOLDINGS LIMITED (RMBH)

The main asset of RMBH is a fully diluted interest of 34.1% in FirstRand Limited, and its performance is therefore primarily related to that of FirstRand Limited. In July 2016, RMBH concluded its first acquisition, a 27.5% interest in Atterbury Property Holdings Proprietary Limited (Atterbury), and is in the process of finalising the acquisition of a 34% interest in Propertuity, an urban renewal business.

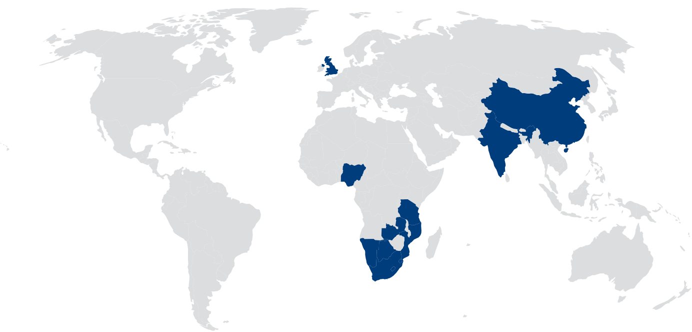
The contribution of RMBH to Remgro's headline earnings for the year under review increased to R2 112 million (2015: R2 005 million) due to good operational performances of all three of the main FirstRand brands (FNB, RMB and WesBank).

FIRSTRAND

3.9%

effective
direct interest

(total effective interest: 13.5%)



MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Tanzania, Zambia, Mozambique, BLNS countries, Nigeria

OTHER: China, United Kingdom, India

PROFILE

FirstRand provides banking and insurance, as well as investment products and services, to retail, commercial, corporate and public sector customers in South Africa and several other African countries. The group is differentiated by its owner-manager culture and executes its strategy through a portfolio of leading franchises, namely Rand Merchant Bank (RMB), First National Bank (FNB), WesBank and Ashburton Investments.

CORPORATE INFORMATION

Market cap at 30 June 2016
R251 529 million

Listed on the JSE Limited

Chief Executive Officer
J P Burger

Remgro nominated directors
J J Durand, F Knoetze

Website
www.firstrand.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2016	
	R million	%
Operating income	71 816	+6
Operating profit	30 159	+3
Headline earnings	22 387	+6
Normalised headline earnings	22 855	+7

SUSTAINABILITY MEASURES

CSI/Training spend
R171 million

Number of employees
45 100

BBBEE status
Level 2

Environmental aspect
Total emissions of
280 998 tonnes CO_2e

FIRSTRAND LIMITED (FIRSTRAND)

FirstRand's contribution to Remgro's headline earnings represents Remgro's 3.9% direct interest in FirstRand and excludes the indirect contribution from FirstRand through Remgro's 28.2% interest in RMBH. The contribution of FirstRand to Remgro's headline earnings for the year under review increased to R877 million (2015: R840 million).

FirstRand's headline earnings for its year ended 30 June 2016 increased by 6% to R22 387 million (2015: R21 141 million), as all three franchises delivered good operational performances off a high base. The group's net interest income and non-interest revenue grew by 13% and 7% respectively year on year, while operating expenses increased by 11% as the group remains committed to investing in future growth strategies, including building out its insurance and asset management franchises and its footprint in the rest of Africa.

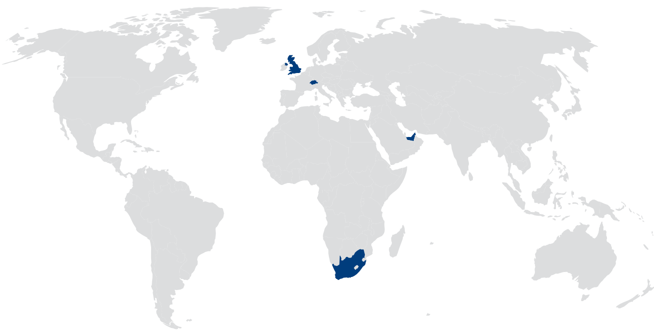
The group believes that normalised earnings more accurately reflect operational performance and therefore headline earnings are adjusted to take into account non-operational items and accounting anomalies.

FirstRand's normalised earnings for the year under review increased by 7% to R22 855 million (2015: R21 286 million). FNB's contribution to normalised earnings increased by 8% to R12 282 million (2015: R11 385 million). This was driven by the ongoing strategy to grow and retain core transactional accounts, use its customer relationships and data-analytics to effectively cross-sell and upsell into the customer base whilst applying disciplined origination strategies and providing innovative transactional and savings products. RMB contributed R6 287 million (2015: R5 758 million) to FirstRand's normalised earnings, representing an increase of 8% from the previous year. This performance was achieved against a challenging macroeconomic environment and highlights the resilience and diversification of RMB's business portfolio. WesBank's contribution to normalised earnings increased by 22% to R3 941 million (2015: R3 221 million), as it continued to grow new business volumes across all portfolios.

HEALTHCARE

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2016 R million	30 June 2015 R million
Mediclinic	**1 566**	1 734

MEDICLINIC INTERNATIONAL



44.6%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa
OTHER: Switzerland, United Arab Emirates, United Kingdom

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, Switzerland and the United Kingdom.

CORPORATE INFORMATION

Market cap at 30 June 2016
£8 068 million/R155 864 million

Primary listing: London Stock Exchange
Secondary listing: 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 March 2016	
	£ million	%
Revenue	2 107	+7
Operating profit	288	-16
Underlying earnings	219	+13

SUSTAINABILITY MEASURES

CSI/Training spend
£2.4 million

Number of employees
32 884

BBBEE status
Level 4

Environmental aspect
Scope 1 and 2 emissions of 197 362 tonnes CO_2e

MEDICLINIC INTERNATIONAL PLC (MEDICLINIC)

Mediclinic has a March year-end and therefore its results for the 12 months to 31 March 2016 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 566 million (2015: R1 734 million). The company had a solid operating performance and the weaker rand had a positive impact on its results. Excluding once-off items and transaction costs in both years, Mediclinic's contribution to Remgro's headline earnings increased by 36.1% from R1 434 million to R1 952 million.

During the year under review, Mediclinic successfully completed two corporate actions: the acquisition of a 29% interest in Spire Healthcare Group plc (Spire), and the reverse takeover of Al Noor Hospital Group plc (Al Noor). The Al Noor transaction boosted Mediclinic's presence on an international scale, doubling the size of its business in the United Arab Emirates, and securing a listing as a FTSE 100 company on the London Stock Exchange. The investment in Spire established a footprint in the dynamic UK healthcare markets.

Mediclinic's turnover for the financial year ended 31 March 2016 increased by 7% to £2 107 million (2015: £1 977 million), with strong performances from all three operating platforms. The group believes that underlying earnings more accurately reflect operational performance and therefore headline earnings are adjusted to take into account non-operational and once-off items. The group's underlying earnings increased by 13% from £193 million to £219 million. The growth was achieved due to a good performance from all business units, driven by increased patient volumes.

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 6% to CHF 1 657 million (2015: CHF 1 563 million) and underlying EBITDA was 7% higher at CHF 325 million (2015: CHF 303 million). In pound terms, revenue increased by 8% to £1 130 million (2015: £1 044 million) and underlying EBITDA by 9% to £221 million (2015: £203 million). These increases were mainly as a result of increased patient volumes, as well as cost-containment measures that were implemented during the previous year.

Mediclinic Southern Africa's revenue increased by 9% to R13 450 million (2015: R12 323 million) for the year under review, mainly due to a 2.9% increase in bed-days sold and a 6.3% increase in the average income per bed-day. Underlying operating income before interest, taxation, depreciation and amortisation (EBITDA) increased by 10% to R2 877 million (2015: R2 625 million) and the Southern African operations contributed R1 305 million (2015: R1 118 million) to Mediclinic's underlying earnings. In pound terms, revenue decreased by 6% to £649 million (2015: £691 million) and underlying EBITDA by 5% to £139 million (2015: £147 million).

Mediclinic Middle East owns and operates the Welcare Hospital and the City Hospital in Dubai, as well as the Al Noor Hospital Group that was acquired on 15 February 2016. Commentary excludes Al Noor's results. Revenue from Mediclinic Middle East increased by 8% to AED 1 544 million (2015: AED 1 430 million) for the year under review, while underlying EBITDA increased by 11% to AED 345 million (2015: AED 312 million). In pound terms, revenue increased by 15% to £279 million (2015: £242 million) and underlying EBITDA by 17% to £62 million (2015: £53 million).

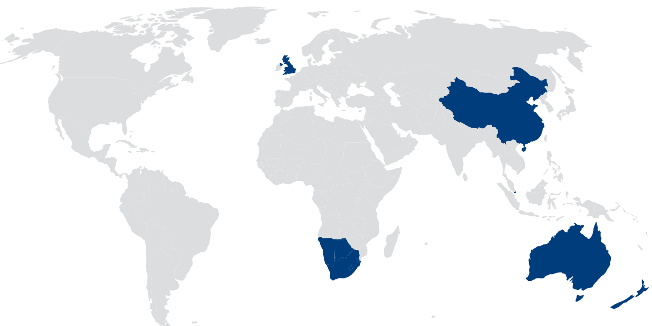
The group remains uniquely positioned across four diverse international operating platforms and continues to invest for growth across these platforms.

INSURANCE

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2016 R million	30 June 2015 R million
RMI Holdings	888	986

RMI HOLDINGS

30.3%
effective interest



MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, BLNS countries
OTHER: China, United Kingdom, Australia, New Zealand, Singapore

PROFILE

Rand Merchant Investment Holdings Limited (RMI) (formerly Rand Merchant Insurance Holdings Limited) is an investment holding company with an investment team of experienced, alternative thinking financial services specialists. In addition to its active involvement in the existing investments, RMI plans to expand, diversify and modernise its investment portfolio through opportunities across a wide spectrum of scale and life cycles of financial services businesses.

CORPORATE INFORMATION

Market cap at 30 June 2016
R61 210 million

Listed on the JSE Limited

Chief Executive Officer
H L Bosman

Remgro nominated director
J J Durand

Website
www.rminsurance.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2016	
	R million	%
Income	14 078	+20
Headline earnings	2 934	-10
Normalised headline earnings	3 348	+6

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's contribution to Remgro's headline earnings for the year under review decreased to R888 million (2015: R986 million).

The underlying investments of RMI (with percentage interest in brackets) include Discovery Holdings Limited (25%), MMI Holdings Limited (26%), OUTsurance Holdings Limited (85%) and RMB Structured Insurance Limited (76%), as well as new investments in RMI Investment Managers (100%) and Merchant Capital (25.1%). RMI announced the sale of RMB Structured Insurance, subject to regulatory approval, on 23 August 2016.

Discovery services the healthcare funding and insurance markets in South Africa, the United Kingdom, United States of America, China, Australia and Singapore. 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 and has recently also expanded into New Zealand under the Youi brand. RMI Investment Managers continues to build out its portfolio of affiliate asset managers as it looks to identify, partner and grow world-class asset managers, whilst Merchant Capital is launching new products and partnerships to further entrench itself into the SME segment.

RMI's reported headline earnings for its year ended 30 June 2016 decreased by 10% to R2 934 million (2015: R3 258 million). OUTsurance, Discovery and MMI contributed R1 674 million (2015: R1 171 million), R925 million (2015: R1 362 million) and R534 million (2015: R699 million) respectively.

However, RMI believes that normalised earnings more accurately reflect operational performance, and therefore headline earnings are adjusted to take into account non-recurring items and accounting anomalies. RMI's normalised earnings for the year under review increased by 6% to R3 348 million (2015: R3 160 million).

Discovery's contribution to normalised earnings increased by 7% to R1 079 million (2015: R1 012 million). The increase was driven by the performance of its three established South African businesses, as well as VitalityLife in the United Kingdom. Overall earnings growth was strained by the investment of 13% of earnings generated into new initiatives. MMI's contribution to normalised earnings decreased by 16% to R805 million (2015: R956 million) due to lower underwriting profits, muted equity investment growth and operational challenges in certain non-life businesses. The contribution of OUTsurance to normalised earnings increased by 43% to R1 664 million (2015: R1 166 million), as a result of a significant improvement in the contribution of the Youi group and good results from South African operations. Youi's prior year results were negatively impacted by weather-related catastrophes in Australia. Gross written premiums increased by 18% to R14.8 billion, the claims ratio decreased from 55.5% to 54.4% and the cost to income ratio decreased from 28.2% to 26.2%.

INDUSTRIAL

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2016 R million	30 June 2015 R million
Air Products	**275**	222
KTH	**(229)**	(108)
Total	**291**	133
PGSI	**36**	30
Wispeco	**144**	104
	517	381

50%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, Zambia

PROFILE

Air Products produces oxygen, nitrogen, argon, hydrogen and carbon dioxide for sale in gaseous form by pipeline under long-term contracts to major industrial users. Air Products also distributes industrial gases and chemicals, 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.

CORPORATE INFORMATION

Equity valuation at 30 June 2016
R8 481 million

Unlisted

Chief Executive Officer
M Hellyar, (succeeded by R Richardson subsequent to 30 June 2016)

Remgro nominated directors
H J Carse, J J du Toit

Website
www.airproductsafrica.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 September 2015	
	R million	%
Revenue	2 489	+27
Operating profit	772	+25
Headline earnings	513	+21

SUSTAINABILITY MEASURES

CSI/Training spend
R4.4 million

Number of employees
574

BBBEE status
Level 3

AIR PRODUCTS SOUTH AFRICA PROPRIETARY LIMITED (AIR PRODUCTS)

Air Products has a September year-end and therefore its results for the 12 months ended 31 March 2016 have been included in Remgro's results for the period under review. Air Products' contribution to Remgro's headline earnings for the period under review increased by 23.9% to R275 million (2015: R222 million).

Revenue for Air Products' 12 months ended 31 March 2016 increased by 20.4% to R2 612 million (2015: R2 170 million), while the company's operating profit for the same period increased by 22.5% to R817 million (2015: R667 million). Demand for large tonnage gases remains subdued and under pressure in the steel and mining sectors. Increased demand in the oil refining and petrochemicals sector resulting in new contracted business has benefited the period under review.

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

Bulk liquid volumes were slightly below expectations, negatively impacted by reduced activity in mining and metals extraction processes. Demand for packaged gases remains heavily under pressure as a result of depressed manufacturing activity and reduced scrap steel recovery; whilst some increase in demand in the food processing and laser cutting sectors has been experienced.

34.9%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, Ghana, Nigeria

PROFILE

KTH is an established black economic controlled company with a focus on investment banking services, media and strategic investments. Its major investments include Kagiso Media Limited, MMI Holdings Limited and Servest Group Proprietary Limited.

CORPORATE INFORMATION

Equity valuation at 30 June 2016
R7 780 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 2016	
	R million	%
Income	1 525	-7
Operating profit	257	+102
Headline earnings	(655)	Nm

Nm = Not meaningful

SUSTAINABILITY MEASURES

CSI/Training spend
R3.1 million

Number of employees
47

BBBEE status
Level 8

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's contribution to Remgro's headline earnings for the year under review amounted to a loss of R229 million (2015: R108 million). The increased loss was mainly driven by KTH's net attributable share of negative fair value adjustments on equity investments in MMI Holdings Limited's convertible preference shares (R285 million), Exxaro Resources Limited (R167 million) and AECI Limited (R99 million).

Income from equity accounted investments decreased to R347 million (2015: R454 million), with major contributions from its investments in MMI Holdings Limited, Fidelity Bank (Ghana) Limited, Servest Group Proprietary Limited, Idwala Industrial Holdings Proprietary Limited and Mototolo. Net finance costs increased to R409 million (2015: R374 million) mainly due to the interest charge resulting from the R800 million listed bond KTH issued during the year.

TOTAL

24.9%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, BLNS countries

PROFILE

Subsidiary of Total (France). Total's business is the refining and marketing of petroleum and petroleum products in South Africa, as well as distribution to neighbouring countries. The company holds a 36% equity interest in National Petroleum Refiners of South Africa Proprietary Limited (Natref).

CORPORATE INFORMATION

Equity valuation at 30 June 2016
R7 545 million

Unlisted

Chief Executive Officer
C M R J des Closières
(succeeded by P Y Sachet subsequent to 30 June 2016)

Remgro nominated directors
R Ndlovu, N J Williams

Website
www.total.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2015	
	R million	%
Turnover	52 216	+12
Operating profit	1 512	Nm
Headline earnings	1 205	Nm

Nm = Not meaningful

SUSTAINABILITY MEASURES

CSI/Training spend
R61.0 million

Number of employees
814

BBBEE status
Level 4

Environmental aspect*
Scope 1 and 2 emissions of 14 392 tonnes CO_2e

** Excludes emissions from Natref.*

TOTAL SOUTH AFRICA PROPRIETARY LIMITED (TOTAL)

Total has a December year-end, but its results for the 12 months to 30 June 2016 have been included in Remgro's results for the year under review. Total's contribution to Remgro's headline earnings for the year under review amounted to R291 million (2015: R133 million).

The results were impacted by unfavourable stock revaluations of R491 million (2015: R1 597 million), as the international oil price decreased from US$61 per barrel, at 30 June 2015, to US$48 per barrel at 30 June 2016.

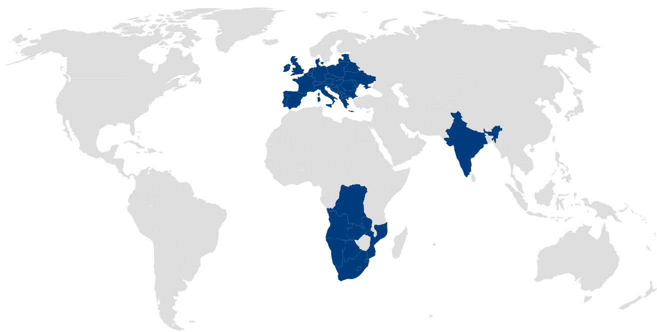
Total's turnover for the 12 months ended 30 June 2016 decreased by 4% to R48 940 million (2015: R51 168 million). The decrease in turnover is mainly due to volumes lost in the mining and commercial sectors.

The company is intensifying its investments regarding health, safety, environment and quality constraints in line with increased stringent legislation and group requirements at its depots, mining sites, as well as at its service stations. The key focus areas are environmental compliance, transport and construction contractors compliance. On the Logistical operation great emphasis is being placed on technological risk and the required safety equipment to ensure operational excellence. To meet the increased deliverables the size of the Health, Safety, Environmental and Quality management team has been increased by 50% over the last 12 months.

Natref (in which Total has an interest of 36.4%) experienced stable refining margins during the period under review and delivered a consistent refinery operational performance. It also experienced favourable exchange rate movements boosting the good USA dollar-based refinery margins generated.

PGSI
PGSI Limited

37.7%
effective interest



MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, BLNS countries, Mozambique, Angola, DRC, Zambia
OTHER: Exports to India and Europe

PROFILE

PGSI holds an interest of 90% 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.

CORPORATE INFORMATION

Equity valuation at 30 June 2016
R1 944 million

Unlisted

Chief Executive Officer
C Bromley

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

Website
www.pggroup.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2015	
	R million	%
Revenue	3 802	+1
Operating profit	124	-30
Headline earnings	58	-38

SUSTAINABILITY MEASURES

CSI/Training spend
R30.4 million

Number of employees
4 061

BBBEE status
Level 8

Environmental aspect
Total GHG emissions of 196 832 tonnes CO_2e

PGSI LIMITED (PGSI)

PGSI has a December year-end, but its results for the 12 months ended 30 June 2016 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 R36 million (2015: R30 million).

PGSI's turnover for the period under review increased by 6% to R3 958 million (2015: R3 733 million). The group's normalised operating profit, which excludes the impact of asset impairments, increased from R210 million to R223 million.

The group's main operating subsidiary in South Africa, PG Group, manufactures and supplies glass for the building and automotive industries. The building glass businesses reported positive growth in revenues driven by increased domestic sales, in spite of competitive market conditions, as well as strong growth into Africa. The weaker rand has assisted the group's competitive position in the local market and improved export profitability. Furthermore, improved efficiency and streamlined supply chains have added to the group's enhanced performance in this sector.

The market conditions in the automotive businesses remain difficult. Domestic new car sales have declined due to the weak economic climate, low consumer confidence, elevated household debt levels and expectations of future interest rate hikes. While there has been positive growth in export vehicle sales which have also benefited from the weaker rand, the margins are compressed with the Original Equipment Manufacturers ("OE") benchmarking prices with global competitors who have significantly higher economies of scale. The lower sales in the domestic automotive aftermarket sector during the period were further negatively affected by lower volumes of claims from the insurance industry. The group has responded with a range of affordable solutions that targeted both the uninsured and insured markets, in order to secure a better market share. The manufacturing operations have shown improvements in yields and cost reductions. Improved efficiencies are being achieved through the automotive supply chain.

The results for the year were positively impacted by a reduction in finance costs of R20 million, as positive cash flows have reduced debt.

While the economic climate remains challenging, the group has made good progress in the areas of cost reduction, manufacturing quality and efficiencies. This has established a sound strategic base for future growth. The initiatives to review the group's structure to reduce costs and improve the service to its customers are well progressed and are showing positive results. The strategic input and technical assistance provided by Saint Gobain is building the group's capacity for sustainable growth.

WISPECO Aluminium

100%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa

PROFILE

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

CORPORATE INFORMATION

Equity valuation at 30 June 2016
R1 055 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 2016	
	R million	%
Revenue	2 105	+28
Operating profit	213	+42
Headline earnings	144	+38

SUSTAINABILITY MEASURES

CSI/Training spend
R13.3 million

Number of employees
1 361

BBBEE status
Level 4

Environmental aspect
Scope 1 and 2 emissions of 49 460 tonnes CO_2e

WISPECO HOLDINGS PROPRIETARY LIMITED (WISPECO)

Wispeco's turnover for the year ended 30 June 2016 increased by 28% to R2 105 million (2015: R1 649 million). The growth in turnover resulted from sales volume growth as well as higher selling prices caused by raw material cost increases. The acquisition of PDC (Pressure Die Castings) added R200 million to turnover with the balance being from organic growth. Headline earnings for the year under review increased by 38.5% to R144 million (2015: R104 million). Price competition remains fierce against imports and local competitors.

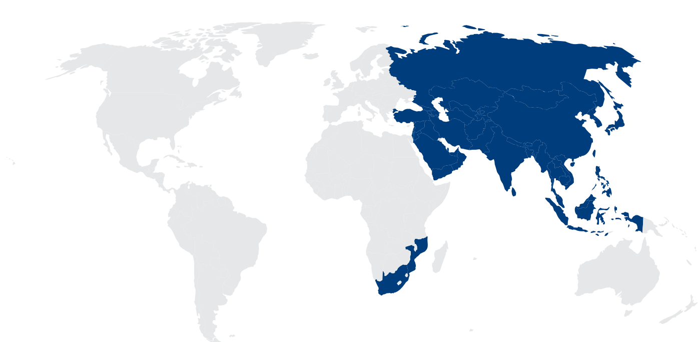
A number of exciting projects came to fruition in the past year: The ninth extrusion press was installed and commissioned giving Wispeco the flexibility through additional capacity to meet fast changing market demands. The philosophy of having some excess manufacturing capacity combined with flexible shift systems allows Wispeco to adapt quickly to changes in demand patterns without affecting customers negatively with make-to-order lead times. Another development was the installation and commissioning of the first vertical powder coating plant in Africa. The plant's capacity and quick colour change technology supports Wispeco's strategy of selling speed, i.e. minimising lead times.

Wispeco leads the way in terms of product development and software support for its product range. The *Crealco* product brand signifies novelty and quality and is gaining stature amongst specifiers and fabricators. The *Crealco* software solutions are widely used and continuously gaining traction. The FPD (Fenestration Performance Declaration) website in particular is seeing increased traffic as compliance assurance against the new building regulations is increasingly being called for. The widely used U-Solve software is Agrément certified and offers certifiable thermal performance values on *Crealco* aluminium windows and doors.

The *Crealco* product range is widely supported and distributed by many official distributors in Southern Africa. Expansion of the stockist (distributor) network remains a growth focus with some cross-border opportunities being investigated. The acquisition of PDC (effective from 1 July 2015) yielded positive results and continues to lead the group along a path of exploration and implementation of high-tech automation technologies in manufacturing.

INFRASTRUCTURE

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2016 R million	30 June 2015 R million
Grindrod	**(45)**	135
CIV group	**64**	51
SEACOM	**(33)**	24
Other	**20**	182
	6	392



23.1%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, Mozambique
OTHER: Asia

PROFILE

Grindrod is an integrated freight logistics and shipping service provider and its business involves the movement of cargo by road, rail, sea and air, utilising specialised assets and infrastructure, including vehicles, locomotives, ships, ports, terminals, warehouses and depots.

CORPORATE INFORMATION

Market cap at 30 June 2016
R8 610 million

Listed on the JSE Limited

Chief Executive Officer
A Olivier

Remgro nominated directors
R Ndlovu, P J Uys

Website
www.grindrod.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2015	
	R million	**%**
Revenue	**10 192**	**-27**
Operating profit	**423**	**-32**
Headline earnings	**559**	**-23**

SUSTAINABILITY MEASURES

CSI/Training spend
R7.3 million

Number of employees
7 044

BBBEE status
Level 2

Environmental aspect
Scope 1 and 2 emissions of 461 961 tonnes CO_2e

GRINDROD LIMITED (GRINDROD)

Grindrod has a December year-end, but its results for the 12 months to 30 June 2016 have been included in Remgro's results for the year under review. The company's contribution to Remgro's headline earnings for the year under review amounted to a loss of R45 million (2015: headline earnings of R135 million). This loss is mainly attributable to a decline in shipping volumes and rates.

Due to the continued depressed state of the market, it has been necessary to raise an impairment of R675 million in the rail businesses. Including this impairment, Grindrod's reported net loss for the six months to 30 June 2016 amounted to R1 120 million (2015: R303 million profit).

Headline earnings which, *inter alia*, exclude the impact of the aforementioned impairment, however, decreased by 216% to a loss of R381 million (2015: R328 million headline earnings), due to the continued weak dry-bulk shipping market and weak commodity prices.

Capital expenditure for the six months to 30 June 2016 amounted to R812 million, of which 90% was expansionary and the remainder for maintenance and replacement projects.

CIV HOLDINGS

D F A

50.9%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa

PROFILE

CIV Holdings is an investment holding company with its major asset (100%) being Dark Fibre Africa (DFA) that builds, owns, maintains and monitors infrastructure suitable to carry services such as fibre-optic networks.

CORPORATE INFORMATION

Equity valuation at 30 June 2016
R5 605 million

Chief Executive Officer of DFA
G Smit

Remgro nominated directors
R Ndlovu, P J Uys,

Website
www.dfafrica.co.za

FINANCIAL HIGHLIGHTS*

	Year ended 31 March 2016	
	R million	%
Revenue	1 188	+14
Operating profit	439	+10
Headline earnings	68	–

SUSTAINABILITY MEASURES*

CSI/Training spend
R1.6 million

Number of employees
446

BBBEE status
Level 2

Environmental aspect
Scope 1 and 2 emissions of 1 252.5 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 50.9% in the CIV group, which is active in the telecommunications and information technology sectors. The key operating company of the group is DFA, which constructs and owns fibre-optic networks.

The CIV group has a March year-end and therefore its results for the 12 months ended 31 March 2016 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 R64 million (2015: R51 million).

DFA's revenue for the financial year ended 31 March 2016 increased by 14% year on year to R1 188 million (2015: R1 047 million) mainly as a result of solid growth of 21% in annuity revenue. DFA's earnings before interest, tax, depreciation and amortisation for the period under review increased by 13% to R861 million. The current book value of the fibre-optic network is in excess of R6 billion. DFA has thus far secured a healthy annuity income in excess of R87.5 million per month, with the majority thereof being on long-term contracts with customers.

DFA owns fibre network rings in Johannesburg, Cape Town, Durban (expanding to Pietermaritzburg), Midrand, Centurion and Pretoria. The network has been expanded to a further 21 smaller metros, including East London, Polokwane, Tlokwe, Emalahleni and George, to name a few. At 31 March 2016, a total distance of 9 144 km (March 2015: 8 353 km) of fibre network had been completed in the major metropolitan areas and on long-haul routes. The network uptime for the year under review was an excellent 99.994%.

The DFA 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. The future value of the current annuity contract base is in excess of R10 billion.

SEACOM

30%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, Mauritius, Mozambique, Tanzania, Kenya, Uganda

PROFILE
SEACOM provides high-capacity local and international fibre-optic connectivity, internet and cloud services to the wholesale and enterprise markets in Southern and East Africa.

CORPORATE INFORMATION	FINANCIAL HIGHLIGHTS	SUSTAINABILITY MEASURES
Equity valuation at 30 June 2016 R3 477 million **Unlisted** **Chief Executive Officer** B Clatterbuck **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 among its shareholders.	**CSI/Training spend** R3.3 million **Number of employees** 163

SEACOM CAPITAL LIMITED (SEACOM)

Remgro has an effective interest of 30% in SEACOM which operates an international and local fibre-optic network to connect Southern and Eastern Africa with Europe and Asia.

SEACOM has a December year-end, but its results for the 12 months to 30 June 2016 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 R33 million (2015: headline earnings of R24 million). The decrease in earnings is mainly due to a change in estimate in determining depreciation, as well as a weaker rand when compared to the previous period.

SEACOM provides high-capacity international and local bandwidth services to customers in the form of International Private Line, IP Transit, internet access and cloud services. These services are sold under 12 to 36-month lease contracts and as 15 to 20 year indefeasible right of use (IRU) contracts, which generally include annual maintenance charges over the term. Upfront revenue from IRUs is accounted for over the full term of 15 to 20 years.

SEACOM maintains a proactive approach to ensuring profitability by expanding its network and products to meet market demand, introducing a more diversified product range that allows it to capture increased market share by offering a better value proposition.

The company has also entered the Enterprise market where metro and last-mile fibre solutions are offered to enterprise customers to provide internet, metro-ethernet and cloud services.

Increasing demand for data and cloud services is ensuring that demand grows above expectations. SEACOM's ability to adapt to the rapidly evolving data market, and to respond to ever increasing demand for faster reliable data services, is critical to maintain its ongoing competitive positioning.

OTHER INFRASTRUCTURE INTERESTS

KAGISO INFRASTRUCTURE EMPOWERMENT FUND (KIEF)

KAGISO INFRASTRUCTURE EMPOWERMENT FUND

45.4%
effective interest

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

PRIMCO AND PRIF

PEMBANI • REMGRO

PEMBANI REMGRO INFRASTRUCTURE FUND I

25% (PRIMCO) & **17.8%** (PRIF)
effective interest

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.

Website: www.pembani-remgro.com

MEDIA AND SPORT

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2016 R million	30 June 2015 R million
eMedia	**28**	69
Other	**(64)**	(85)
	(36)	(16)

32.3%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa

PROFILE

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

CORPORATE INFORMATION

Equity valuation at 30 June 2016
R3 669 million

Unlisted

Acting Chief Executive Officer
T G Govender

Remgro nominated directors
H J Carse, N J Williams

Website
www.etv.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2016	
	R million	**%**
Revenue	**2 431**	**+1**
Operating profit	**295**	**-34**
Headline earnings	**86**	**-52**

SUSTAINABILITY MEASURES

CSI/Training spend
R4.9 million

Number of employees
2 078

BBBEE status
Level 2

Environmental aspect
Scope 1 and 2 emissions of 7 804 tonnes CO_2e

eMEDIA INVESTMENTS PROPRIETARY LIMITED (eMEDIA)

Remgro has an effective interest of 32.3% in eMedia that 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.

eMedia has a March year-end and therefore its results for the 12 months to 31 March 2016 have been included in Remgro's results for the year under review. eMedia's contribution to Remgro's headline earnings for the year under review amounted to R28 million (2015: R69 million).

Despite e.tv's advertising revenue being under continued pressure due to a sharp drop in market share in its previous financial year, eMedia's revenue increased from R2 390 million to R2 431 million. Management reviewed the programme schedule of e.tv and implemented changes during the latter half of the 2015 financial year and the first half of the current financial year to reverse the falling market share. The changes in schedule lead to the recovery of e.tv's market share: e.tv once again became the most watched English channel in South Africa. The schedule changes necessitated a considerable investment in local programming, which resulted in cost of sales amounting to R1 091 million (2015: R983 million). With the market share of e.tv stable for the latter part of the financial year, advertising revenue should be more reflective of e.tv's market share.

eMedia continued its investment into the multi-channel business as e.tv struggles as a lone channel in an environment where consumers prefer multi-channel options. eMedia invested

R262 million (2015: R245 million) in its multi-channel platform, OpenView HD (OVHD) in producing channels for the multi-channel environment. This investment was necessitated by the slow roll-out of Digital Terrestrial Television (DTT). OVHD has seen the number of activations increase by 245% from 112 715 to 388 812 at the end of the financial year. Management believes that the investment in quality channels and a multi-channel platform will stand eMedia in good stead when the DTT roll-out ramps up.

eSat.tv continued to perform well and the eNCA channel remains the most watched news channel on DStv with a share of over 50% of the viewership of all news channels. The long-term contract with DStv came to an end during May 2016. eMedia is currently negotiating a new contract with DStv and the outcome may affect the future financial performance of eNCA.

Sasani Studios, Silverline 360 and Yfm delivered strong performances during the year under review. Management decided to exit non-core and non-profitable investments, which resulted in a loss from discontinued operations amounting to R145 million. eMedia will, for the near future, concentrate on its core South African assets with ever-increasing competition from non-linear broadcasting platforms. The current year's results also include the impairment of a loan receivable of R48 million that resulted from the sale of The Africa Channel (UK) as the purchaser has failed to deliver on payment.

These "once-off" factors, together with the pressure on revenue, have had a negative impact on the results of eMedia. Management however believes that with the stabilisation of the e.tv market share, the continued investment in the multi-channel business and the continued need for content, eMedia is poised to achieve better results going forward.

OTHER MEDIA AND SPORT INTERESTS

THE BLUE BULLS COMPANY PROPRIETARY LIMITED (BLUE BULLS)

50%
effective interest

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

PREMIER TEAM HOLDINGS LIMITED (PTH) AND SARACENS COPTHALL LLP

Premier Team Holdings Ltd

50%
effective interest

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

STELLENBOSCH ACADEMY OF SPORT

Stellenbosch Academy of Sport

100%
effective interest

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

WESTERN PROVINCE RUGBY PROPRIETARY LIMITED (WP RUGBY)

24.9%
effective interest

PROFILE

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

Website: www.wprugby.com

OTHER INVESTMENTS

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2016 R million	30 June 2015 R million
Business Partners	**48**	47
Other	**19**	37
	67	84

42.8%
effective interest

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, Kenya, Namibia, Zambia, Malawi, Rwanda

PROFILE

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

CORPORATE INFORMATION

Equity valuation at 30 June 2016
R2 711 million

Unlisted

Chief Executive Officer
B Bierman

Remgro nominated directors
F Knoetze, R Ndlovu, N J Williams

Website
www.businesspartners.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2016	
	R million	%
Revenue	**548**	**+7**
Operating profit	**260**	**+9**
Headline earnings	**113**	**+2**

SUSTAINABILITY MEASURES

CSI/Training spend
R9.3 million

Number of employees
270

BBBEE status
Level 3

Environmental aspect
Scope 1 and 2 emissions of 2 267 tonnes CO_2e

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

Business Partners has a March year-end and therefore its results for the 12 months to 31 March 2016 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 R48 million (2015: R47 million).

Business Partners' headline earnings for the 12 months ended 31 March 2016 amounted to R113 million (2015: R111 million), an increase of 2%. The increase is mainly due to higher interest income and property revenue, which was largely off-set by lower investment income and higher finance and deferred tax charges.

During the year under review, funding for 307 (2015: 278) investment projects amounting to R966 million (2015: R713 million) was disbursed, while the risk in the investment portfolio has increased as non-performing loans increased from 10.9% of the portfolio at 31 March 2015 to 13.3% at 31 March 2016.

CAXTON CTP LIMITED (CAXTON) (Indirectly held through FundCo and BidCo structure)

6%
effective interest

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

GEMS II AND III (GEMS)

5.1% & 8.2%
effective interest

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

INVENFIN PROPRIETARY LIMITED (INVENFIN)

100%
effective interest

PROFILE

Invenfin focuses on smaller early-stage investments.

Website: www.invenfin.com

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

8.1%, 28.1%, 7.5% & 36.1%
effective interest

PROFILE
Milestone Capital, based in mainland Hong Kong, is a China-focused private equity investment firm.
Website: www.mcmchina.com

VERITAS

3.7%
effective interest

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

VISIONCHINA MEDIA INCORPORATED (VISIONCHINA)

3.9%
effective interest

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

CORPORATE FINANCE

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2016 R million	30 June 2015 R million
Central treasury		
– Finance income	**125**	111
– Finance costs	**(1 602)**	–
Net corporate cost	**(251)**	(52)
	(1 728)	59

MILLENNIA JERSEY LIMITED – JERSEY, REMGRO FINANCE CORPORATION PROPRIETARY LIMITED, REMGRO HEALTHCARE HOLDINGS PROPRIETARY LIMITED, REMGRO INTERNATIONAL LIMITED – JERSEY, REMGRO JERSEY GBP LIMITED – JERSEY AND REMGRO MANAGEMENT SERVICES LIMITED

100%
effective interest

PROFILE

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

Unlisted companies

Finance income amounted to R125 million (2015: R111 million). This increase is mainly the result of higher average cash balances, as well as higher interest rates than in the comparative period. Finance costs mainly consist of funding costs amounting to R466 million and once-off transaction costs amounting to R402 million, which relate to the Mediclinic rights issue and Al Noor transaction, as well as a fair value adjustment of R730 million, relating to the increase in the value of the exchange option of the exchangeable bonds. Other net corporate costs amounted to R251 million (2015: R52 million). The year under review includes transaction and funding costs amounting to R115 million (2015: R38 million) relating to Remgro's acquisition of Spire Healthcare Group plc (Spire). Remgro recouped this amount from Mediclinic as part of the Spire disposal consideration, which resulted in a profit on disposal of investment of R153 million, excluded from headline earnings. The comparative period also include a net after-tax facilitation and underwriting fee of R99 million received from Mediclinic on the Spire transaction and resultant rights issue.

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 set and 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.

As a responsible investor, 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. To this end the Remgro policy may be used as a benchmark.

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

Since the launch of the JSE's Socially Responsible Investment (SRI) Index, Remgro measured the effectiveness of its governance processes by means of continuous successful participation in the SRI Index. During June 2015 the JSE partnered with FTSE Russell and launched the FTSE/JSE Responsible Investment Index on 12 October 2015. Remgro has been included in this Index and 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 a formal charter which:

- identifies, defines and records the responsibilities, functions and composition of the Board, and
- serves 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 eleven non-executive directors of whom eight 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 19 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 Chairmen, 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 Report to appoint an independent non-executive director as Chairman but, given the responsibility of the Board to focus on performance in directing the commercial and economic fortunes of Remgro, this arrangement is deemed not only appropriate, but also essential. In compliance with King III and the JSE Listings Requirements, the Board has appointed Mr G T Ferreira as Lead Independent Director (LID). 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 Neville Williams (CFO). Between the two of them they have 42 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 16 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 Annual Report, the Company's code of conduct regarding insider trading, Group structure, Board charter and subcommittee mandates, etc. in order to inform them of existing matters and risks that are currently being addressed as well as to provide them with a general understanding of the Group. New Board members are also invited to have induction meetings with executive directors and senior management. In addition new members will also receive information on the JSE Listings Requirements and the obligations therein imposed upon directors.

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

COMPANY SECRETARY'S ROLE AND RESPONSIBILITIES

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

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

The Board annually evaluates the competence and effectiveness of the Company Secretary, as required by the JSE Listings Requirements. 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 64.

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 82 to 89 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 1 December 2016.

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 five 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 64.

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 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 2016 is included in the Integrated Annual Report on pages 94 to 95.

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 64.

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.

During the year under review two physical meetings were held by the Investment Committee and the 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 Pieter Louw 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 64.

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 64.

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 2016 is included in the Integrated Annual Report on pages 71 to 72.

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 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 65 of the Integrated Annual Report.

EXTERNAL AUDIT

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

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

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board acknowledges the importance of keeping share-holders and the investor community informed of developments in Remgro's business. Communication with shareholders is based on the principles of timely, balanced, clear and trans-parent 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

ATTENDANCE AT MEETINGS

	Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Management Board	Investment Committee
Number of meetings held	5	4	1	2	10	2
Attendance by directors						
Non-executive directors						
J P Rupert	5	–	1	–	–	1
E de la H Hertzog	5	–	–	–	–	–
J Malherbe	5	–	–	–	–	2
Independent non-executive directors						
G T Ferreira	4	–	1	–	–	2
P K Harris	5	–	1	–	–	2
N P Mageza	4	4	–	–	–	–
P J Moleketi	5	4	–	–	–	–
M Morobe	5	–	–	–	–	–
F Robertson	5	4	1	–	–	–
S E N De Bruyn Sebotsa[1]	5	3	–	–	–	–
H Wessels	5	4	–	2	–	–
Executive directors and Management Board						
J J Durand	5	–	–	–	10	2
W E Bührmann	5	–	–	–	10	–
L Crouse[2]	4	–	–	–	7	1
P J Uys	–	–	–	2	10	–
N J Williams[3]	1	–	–	2	10	1
P R Louw[4]	–	–	–	–	2	–

(1) *Ms S E N De Bruyn Sebotsa was appointed as a member of the Audit and Risk Committee with effect from 23 November 2015 and attended all the meetings since her appointment.*
(2) *Mr L Crouse retired as director from 31 March 2016.*
(3) *Mr N J Williams was appointed as a director and a member of the Investment Committee with effect from 1 April 2016 and attended all the meetings since his appointment.*
(4) *Mr P R Louw was appointed as a member of the Management Board and Social and Ethics Committee with effect from 1 April 2016.*

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 reviewed the 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.

Strategic risk assessment includes the consideration of probable future scenarios taking cognisance of *inter alia*, political, environmental, social, technological, economical and legislative developments in both the Remgro environment as well as the markets that it invests in.

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 table below summarises the salient control objectives and related controls included in the Remgro risk register:

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 and transparency in reporting. 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. Borrowing facilities in place.
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 external 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, secure and available systems and networks. IT Governance Policy supported by procedures over key activities such as business continuity, information security, 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 Carbon Disclosure Project (CDP) and inclusion in FTSE/JSE Responsible Investment Index.

Material external risks include uncertainty on government ability to deliver on its mandate and the sustained global economic downturn impacting on market confidence and global, regional and local stability.

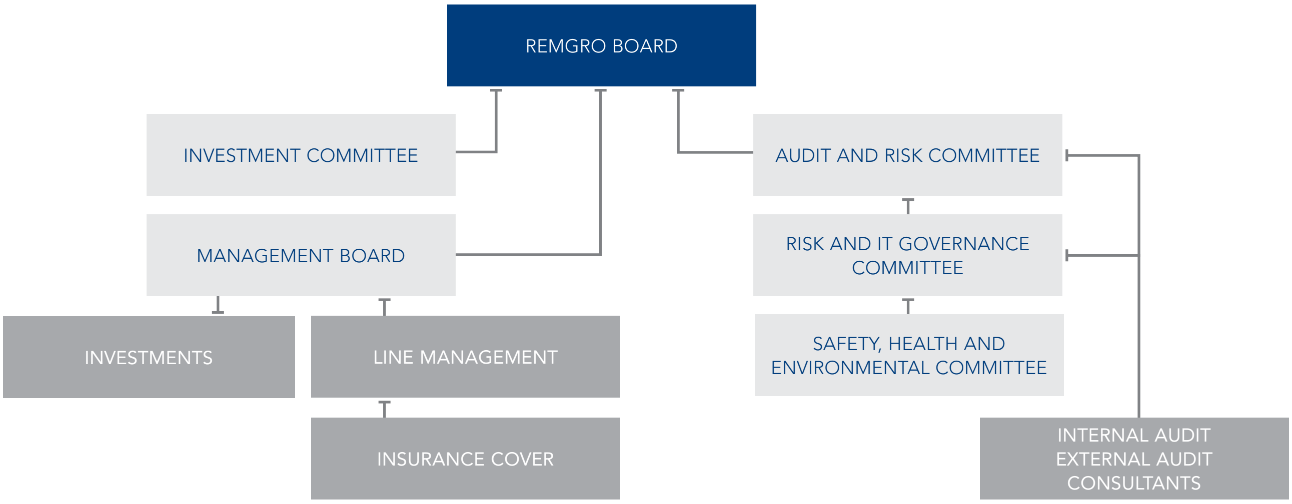
Remgro, being a responsible investor, ensures that proper corporate governance is implemented and maintained in all entities it invests in via the above processes.

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.

The Treasury Committee is furthermore tasked to assess liquidity requirements, considering the identified investment opportunities, and to recommend funding instruments to the Board if so required.

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 and nature 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 sustainable 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 the size of debt at 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, cyber risk management, 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 maintains a three-tier Quality Assurance and Improvement Programme as prescribed by the IIA. This comprises a self-assessment process with Independent External Validation being performed by an international external audit firm, other than the Group's external auditors, over a three-year rotational cycle.

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. In these instances dedicated processes are maintained to ensure the independent functioning of the department, including its fiduciary duty to the respective Group companies and the safeguarding of their proprietary information.

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 2016.

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
P R Louw**	2	–
P J Uys	2	2
N J Williams	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 P R Louw 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.*

** *Mr Louw was appointed as a member of the Social and Ethics Committee with effect from 1 April 2016 in the place of Mr Williams who resigned on 31 March 2016. No meetings were held since his appointment.*

ROLE AND RESPONSIBILITIES

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

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

Remgro's 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 have a standing invitation to 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, Social Media Policy and HIV/Aids Policy. There were no amendments to the committee's mandate during the year under review.

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 73 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 1 December 2016. In the notice of the Annual General Meeting included in the Integrated Annual Report on page 115, 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
20 September 2016

ABRIDGED SUSTAINABLE DEVELOPMENT REPORT

"The world is rapidly becoming smaller and it is evident that no one can prosper if it doesn't go well with his neighbours."

(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

1

Successful participation in the JSE SRI Index since its inception in 2004 and being included in the FTSE/JSE Responsible Investment Index

2

Continued participation in the Carbon Disclosure Project (CDP)

3

Continued membership of the Ethics Institute of South Africa

4

Obtaining our level 8 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 Management and Internal audit
Internal risk management	All key business risk areas	Internal management reviews, assisted by Remgro Risk Management and Internal audit
BBBEE 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 58 and 71 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 value-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

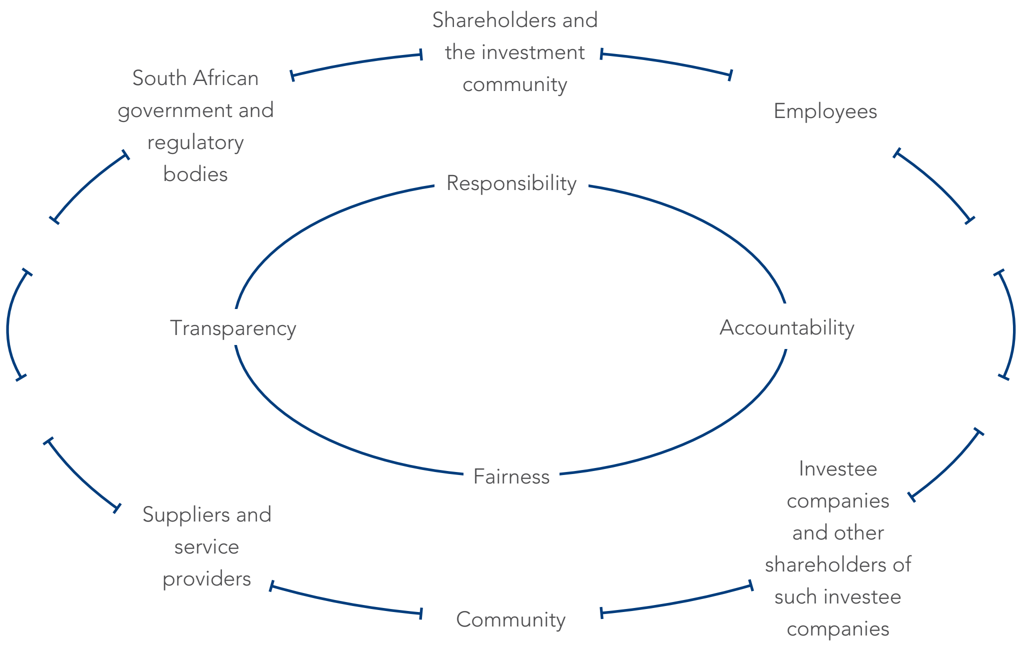
Our relationship with all our stakeholders is based on the following values that are entrenched and supported by Remgro's Code of Ethics:

- ***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 the Lead Independent Director acts 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 are 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 July 2015, Remgro obtained a score of 55.11, thereby obtaining a level 8 contributor status. The details of the assessment are fully set out in Figure 1 and includes the BBBEE initiatives of Remgro's main independent operating subsidiaries, RCL Foods and Wispeco.

It should be noted that the code system (BBBEE points) was amended by the Department of Trade and Industry – the amendments, which became effective on 11 October 2014, significantly change the manner in which a firm's BBBEE status (or level) is calculated, as the number of BBBEE points required to achieve a particular BBBEE level has been increased. These changes materially affected Remgro's BBBEE rating and status for the 2016 reporting year. If Remgro had been measured against the same scorecard as in the previous year, the 55.11 points would have been a level 5, which was the same level achieved in 2015.

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 112 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

Figure 1

BBBEE SCORECARD

Element	Indicator	Weighting	Score
Equity ownership	Percentage share of economic benefits	25	**11.79**
Management and control	Percentage black persons in executive management and/or executive board committees	19	**5.27**
Skills development	Skills development expenditure as a proportion of total payroll	20	**10.57**
Enterprise and supplier development	Procurement from black-owned and empowered enterprises as a proportion of total assets, as well as the average value of supplier development and enterprise development contributions as a percentage of net profit after tax	40	**22.48**
Socio-economic development	Corporate social investment for the benefit of black persons	5	**5.00**
Total score		109	**55.11**

more detail regarding the BBBEE initiatives at investee company level, refer to the section "BBBEE at investee companies" below.

MANAGEMENT CONTROL

The composition of Remgro's Board is structured in such a way as to ensure that the collective skills and experience of directors are suitable to carry out its responsibilities and to achieve the Company's objectives. The Board transformed considerably during the past years, with five of the eleven non-executive directors (45%) 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 79.

Remgro's summarised employment equity report as at 31 August 2016 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 80.

BBBEE AT INVESTEE COMPANIES

Remgro monitors and contributes to its investees' BBBEE performance through its board representation and participation and facilitation of corporate actions in these investee companies. The BBBEE status of Remgro's investee companies is presented in the "Investment reviews" section on page 32.

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

Figure 2

SUMMARISED EMPLOYMENT EQUITY REPORT (as at 31 August 2016)

	Male				Female				Foreign nationals		
Occupational levels	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	**Total**
Top management	0	1	0	4	0	0	0	0	0	0	**5**
Senior management	1	2	0	13	0	0	0	4	0	0	**20**
Professionally qualified and experienced specialists and mid-management	0	0	2	18	1	1	0	8	0	0	**30**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	8	1	11	0	8	1	28	0	0	**60**
Semi-skilled and discretionary decision-making	18	22	0	1	7	9	0	0	0	0	**57**
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	**0**
Total permanent	**22**	**33**	**3**	**47**	**8**	**18**	**1**	**40**	**0**	**0**	**172**
Temporary employees	0	0	0	0	0	0	0	0	0	0	**0**
Grand total	**22**	**33**	**3**	**47**	**8**	**18**	**1**	**40**	**0**	**0**	**172**

A = African C = Coloured I = Indian W = White

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 170 people being employed as at 30 June 2016 (2015: 174 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 5.3%, compared to 6.4% for the comparative year to 30 June 2015. 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 1.2% for 2016 and 2.9% for 2015.

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 82 where Remgro's remuneration approach is set out in detail.

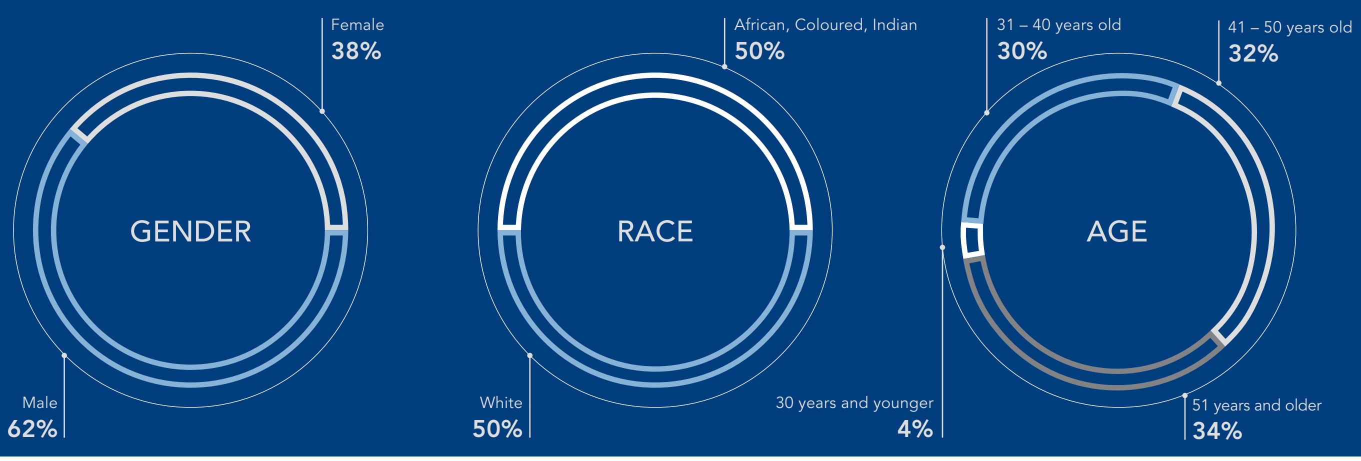
Remgro offers retirement benefits to its employees in the form of a defined-benefit (closed fund) and a defined-contribution fund that are administered independently of the finances of the Company. In addition, employees are also offered medical insurance and study assistance.

TRAINING AND SKILLS DEVELOPMENT

The main purpose of training is to equip employees in such a way that they can realise their full potential to benefit the Company and themselves. Due to the specialised nature of Remgro's workforce resulting from it being an investment holding company, no prescribed training programmes are promoted. Individuals are, however, encouraged to attend training programmes which will better equip them to do their jobs. During the past few

Figure 3

COMPOSITION OF EMPLOYEES (as at 30 June 2016)



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 spend amounted to R24 million (2015: R18 million), as set out in the table below.

Summary of CSI spend	**Year 30 June 2016 R million**	Year 30 June 2015 R million
Community development	**6**	6
Cultural development	**3**	2
Entrepreneurship, training and education	**10**	6
Environment	**2**	1
Healthcare	**2**	1
Sport development	**1**	2
	24	18

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 resources 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 Sustainable 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 twice during the year and details on the attendance of the meetings are set out in the Corporate Governance Report on page 64.

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 of 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 a non-binding approval of the Company's remuneration policy at the Annual General Meeting on 1 December 2016.

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.

During the year under review, the executive directors and members of the Management Board received an average salary increase of 7.3% (2015: 11.7%), compared to an average salary increase paid to general staff of 7.0% (2015: 7.1%). The main reason for the higher average increase awarded to executive directors and members of the Management Board in the prior year, was the once-off adjustment to the guaranteed package of Mr Jannie Durand in order to adjust his package to a market-related level.

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
- An additional third 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 87 to 89.

If it is assumed that all of the participants to the SAR Scheme exercise all options awarded to them on 1 July 2016, Remgro will have to deliver 1.1 million shares in order to settle its obligations. This calculation is based on Remgro's closing share price on 30 June 2016 of R254.66. A 10% increase or decrease in the Remgro share price will require the number of shares to be delivered to be 1.2 million shares and 0.9 million shares, respectively.

At 30 June 2016 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	Annually 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 2015 were approved by shareholders on 23 November 2015.

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr J P Rupert, Dr E de la H Hertzog and Mr J Malherbe are regarded as non-independent non-executive directors.

Mr Rupert receives no emoluments from Remgro, while Dr Hertzog and Mr Malherbe also receives the approved annual director's and committee fees paid to independent non-executive directors.

As in the case of independent non-executive directors, these directors do not participate in the Company's long-term incentive 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 2016 and 30 June 2015 are presented in the table below.

Type of fee (R)	Fee for the year ended 30 June 2016	Fee for the year ended 30 June 2015
Board member	**300 000**	245 000
Chairman of the Audit and Risk Committee	**200 000**	165 000
Member of the Audit and Risk Committee	**100 000**	83 000
Member of the Remuneration and Nomination Committee	**50 000**	41 000
Chairman of the Social and Ethics Committee	**50 000**	41 000

The proposed fee structure payable to non-executive directors for the year ending 30 June 2017 is presented in the table below.

Type of fee (R)	Proposed fee for the year ending 30 June 2017
Board member	321 000
Chairman of the Audit and Risk Committee	214 000
Member of the Audit and Risk Committee	107 000
Member of the Remuneration and Nomination Committee	53 500
Chairman of the Social and Ethics Committee	53 500

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 P R Louw and P J Uys, as well as for Mr N J Williams until his appointment as Chief Financial Officer, 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 86 to 89 was audited)

Fixed pay

R'000	30 June 2016 Fees	Salaries	Retire-ment fund	Other benefits[7]	Total	30 June 2015 Fees	Salaries	Retire-ment fund	Other benefits[7]	Total
Executive										
W E Bührmann	300	2 800	615	297	4 012	245	2 649	574	280	3 748
L Crouse[1]	225	5 540	1 035	236	7 036	245	6 254	1 289	297	8 085
J J Durand	300	9 815	2 006	322	12 443	245	9 204	1 874	302	11 625
N J Williams[2]	75	650	173	80	978	–	–	–	–	–
Subtotal	900	18 805	3 829	935	24 469	735	18 107	3 737	879	23 458
Non-executive (independent)										
G T Ferreira	350	–	–	–	350	286	–	–	–	286
P K Harris	350	–	–	–	350	286	–	–	–	286
N P Mageza[3]	400	–	–	–	400	328	–	–	–	328
P J Moleketi	400	–	–	–	400	328	–	–	–	328
M Morobe	300	–	–	–	300	245	–	–	–	245
F Robertson	450	–	–	–	450	369	–	–	–	369
S E N De Bruyn Sebotsa[4]	350	–	–	–	350	61	–	–	–	61
H Wessels[5]	684	–	–	–	684	556	–	–	–	556
Subtotal	3 284	–	–	–	3 284	2 459	–	–	–	2 459
Non-executive (non-independent)										
E de la H Hertzog	300	–	–	–	300	245	–	–	–	245
J Malherbe	300	–	–	–	300	245	–	–	–	245
J P Rupert[6]	–	–	–	–	–	–	–	–	–	–
Subtotal	600	–	–	–	600	490	–	–	–	490
Total	4 784	18 805	3 829	935	28 353	3 684	18 107	3 737	879	26 407

(1) Mr L Crouse retired as Chief Financial Officer with effect from 31 March 2016.

(2) Mr N J Williams was appointed as Chief Financial Officer with effect from 1 April 2016.

(3) During the year under review Mr N P Mageza also received R502 000 (2015: R455 000) as director's fees from RCL Foods Limited, a subsidiary company of Remgro Limited.

(4) Ms S E N De Bruyn Sebotsa was appointed as independent non-executive director with effect from 16 March 2015.

(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 R134 400 (2015: R105 000) was also paid to Mr H Wessels during the year under review for his attendance of meetings of subcommittees of the Audit and Risk Committee.

(6) Mr J P Rupert receives no emoluments.

(7) Benefits include medical aid contributions and vehicle benefits.

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

Participant	Balance of SARs accepted as at 30 June 2015	SARs accepted during the year[1]	Fair value of SARs on offer date (R'000)	SARs transferred during the year[3]	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[4] (R'000)	Balance of SARs accepted as at 30 June 2016
Executive										
W E Bührmann	23 548				97.55					23 548
	98 817				147.25					98 817
	25 485				191.70					25 485
	8 958				253.53					8 958
		26 470	2 142		272.00					26 470
L Crouse[2]	51 865				97.55	(51 865)	22/03/2016	259.66	8 408	–
	94 652				147.25	(94 652)	22/03/2016	259.66	10 640	–
	189 300				147.25	(189 300)	04/04/2016	250.94	19 629	–
	79 144				191.70	(79 144)	04/04/2016	250.94	4 688	–
	23 587				253.53					23 587
J J Durand	157 262				97.55					157 262
	271 258				147.25					271 258
	93 128				191.70					93 128
	108 468				253.53					108 468
		192 676	15 591		272.00					192 676
N J Williams[3]				18 076	78.30					18 076
				19 768	97.55					19 768
				81 901	147.25					81 901
				22 221	191.70					22 221
				16 430	253.53					16 430
				27 492	272.00					27 492
Subtotal	1 225 472	219 146	17 733	185 888		(414 961)			43 365	1 215 545
Non-executive										
J Malherbe	50 506				78.30					50 506
	6 949				75.38	(6 949)	03/11/2015	279.00	1 415	–
Subtotal	57 455	–	–	–		(6 949)			1 415	50 506
Total	1 282 927	219 146	17 733	185 888		(421 910)			44 780	1 266 051

(1) *SARs were offered on 24 November 2015.*
(2) *Mr L Crouse retired as Chief Financial Officer with effect from 31 March 2016. 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 12 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) *Mr N J Williams was appointed as Chief Financial Officer with effect from 1 April 2016. SARs transferred refer to the balance of SARs granted and accepted by him prior to 1 April 2016.*
(4) *This 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 2014*	*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 2015*
Executive									
W E Bührmann	124 771			65.50	(124 771)	13/10/2014	225.04	19 906	–
	23 548			97.55					23 548
	98 817			147.25					98 817
	25 485			191.70					25 485
		8 958	615	253.53					8 958
L Crouse	418 108			65.50	(418 108)	07/10/2014	238.60	72 374	–
	51 865			97.55					51 865
	283 952			147.25					283 952
	79 144			191.70					79 144
		23 587	1 618	253.53					23 587
J J Durand	108 236			78.30	(108 236)	03/11/2014	252.98	18 907	–
	7 572			75.38	(7 572)	03/11/2014	252.98	1 345	–
	235 895			97.55	(78 633)	03/11/2014	252.98	12 222	157 262
	271 258			147.25					271 258
	93 128			191.70					93 128
		108 468	7 442	253.53					108 468
J W Dreyer[2]	90 090			65.50	(90 090)	01/07/2014	230.00	14 820	–
Subtotal	1 911 869	141 013	9 675		(827 410)			139 574	1 225 472
Non-executive									
J Malherbe	50 506			78.30					50 506
	6 949			75.38					6 949
Subtotal	57 455	–	–		–			–	57 455
Total	1 969 324	141 013	9 675		(827 410)			139 574	1 282 927

(1) SARs were offered on 26 November 2014.
(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 12 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) This 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.

PRESCRIBED OFFICERS

Fixed pay

	30 June 2016				30 June 2015			
R'000	**Salaries**	**Retire-ment fund**	**Other benefits**[1]	**Total**	Salaries	Retire-ment fund	Other benefits[1]	Total
P R Louw[2]	**455**	**111**	**80**	**646**	–	–	–	–
P J Uys	**4 694**	**931**	**319**	**5 944**	4 383	869	299	5 551
N J Williams[3]	**1 997**	**385**	**239**	**2 621**	2 345	465	299	3 109
Total	**7 146**	**1 427**	**638**	**9 211**	6 728	1 334	598	8 660

(1) Benefits include medical aid contributions and vehicle benefits.
(2) Mr P R Louw was appointed on 1 April 2016.
(3) Mr N J Williams was appointed as Chief Financial Officer with effect from 1 April 2016.
(4) Both Messrs P R Louw and P J Uys 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 2015	SARs accepted during the year[1]	Fair value of SARs on offer date (R'000)	SARs transferred during the year[2]	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 2016
P R Louw[2]				27 432	97.55					27 432
				22 646	147.25					22 646
				12 944	191.70					12 944
				5 952	253.53					5 952
				9 497	272.00					9 497
P J Uys	218 400				183.15					218 400
	3 325				191.70					3 325
	14 774				253.53					14 774
		11 533	933		272.00					11 533
N J Williams[2]	18 076			(18 076)	78.30					–
	25 768			(19 768)	97.55	(6 000)	26/10/2015	278.58	1 086	–
	81 901			(81 901)	147.25					–
	22 221			(22 221)	191.70					–
	16 430			(16 430)	253.53					–
		27 492	2 225	(27 492)	272.00					–
Total	400 895	39 025	3 158	(107 417)		(6 000)			1 086	326 503

(1) SARs were offered on 24 November 2015.
(2) With effect from 1 April 2016, Mr N J Williams was appointed as Chief Financial Officer and Mr P R Louw was appointed as member of the Management Board. SARs transferred refer to the balance of SARs granted and accepted by them prior to 1 April 2016.
(3) This 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 2014	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 2015
P J Uys	218 400			183.15					218 400
	3 325			191.70					3 325
		14 774	1 014	253.53					14 774
N J Williams	18 076			78.30					18 076
	38 652			97.55	(12 884)	06/11/2014	255.75	2 038	25 768
	81 901			147.25					81 901
	22 221			191.70					22 221
		16 430	1 127	253.53					16 430
Total	382 575	31 204	2 141		(12 884)			2 038	400 895

(1) SARs were offered on 26 November 2014.
(2) This refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.

Remgro Limited

2016 SUMMARY FINANCIAL STATEMENTS

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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 2016.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises five 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
S E N De Bruyn Sebotsa**	4	3
N P Mageza	4	4
P J Moleketi	4	4
F Robertson	4	4

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

** *Ms S E N De Bruyn Sebotsa was appointed as a member of the Audit and Risk Committee with effect from 23 November 2015 and attended all the meetings since her appointment.*

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.

Remgro's principal 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 2016
- 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.

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 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 Neville Williams, 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 fifteen other members are all senior managers 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.

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 comprehensive annual financial statements and sustainable development report published on the Company's website at www.remgro.com, and has recommended it for approval by the Board.

Herman Wessels
Chairman of the Audit and Risk Committee

Stellenbosch
20 September 2016

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2016

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 2016	30 June 2015
Headline earnings (R million)	**5 887**	7 996
– per share (cents)	**1 143.9**	1 555.0
– diluted (cents)	**1 139.2**	1 541.8
Headline earnings, excluding once-off costs and option remeasurement (R million)	**7 405**	7 996
– per share (cents)	**1 438.9**	1 555.0
– diluted (cents)	**1 434.1**	1 541.8
Earnings – net profit for the year (R million)	**5 386**	8 715
– per share (cents)	**1 046.6**	1 694.9
– diluted (cents)	**1 042.5**	1 680.9
Dividends (R million)	**2 376**	2 211
– ordinary – per share (cents)	**460.00**	428.00

A final dividend of 275 cents (2015: 259 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. The final dividend is subject to dividend tax.

INVESTMENT ACTIVITIES

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

MEDICLINIC INTERNATIONAL LIMITED (MEDICLINIC)

FACILITATION OF MEDICLINIC'S ACQUISITION OF SPIRE

During June 2015 Remgro entered into an agreement with funds managed by Cinven to acquire 119 923 335 Spire Healthcare Group plc (Spire) shares (equivalent to a 29.9% shareholding in Spire) at a price of £3.60 per share for a total purchase consideration of £431.7 million (excluding transaction costs). The transaction was concluded early in July 2015 and Remgro financed the transaction through a combination of its own cash and external funding.

In conjunction with the above transaction, Remgro and Mediclinic concluded an agreement whereby Mediclinic would acquire Remgro's interest in Spire, subject to Mediclinic raising the appropriate funds in order to conclude such a transaction. During August 2015 Mediclinic raised R10.0 billion through a rights issue in terms of which 111 111 111 new Mediclinic shares were issued at a price of R90.00 per share. Remgro, by following its rights and by underwriting the balance of the rights issue, subscribed for an additional 51 342 886 Mediclinic shares totalling R4.6 billion. Following the successful conclusion of the rights issue, Mediclinic acquired Remgro's shareholding in Spire during August 2015 for an amount of R8.6 billion, equal to the purchase price, transaction and funding costs. Remgro thus effectively only facilitated the acquisition of Spire by Mediclinic.

In order to participate in the above-mentioned rights issue Remgro obtained bridge financing amounting to R3.5 billion. On 13 January 2016 Remgro (through its wholly owned subsidiary, Remgro Healthcare Holdings Proprietary Limited (Remgro Healthcare)) refinanced the bridge financing by issuing fixed rate cumulative redeemable preference shares. These preference shares have a tenure of four years and the dividend rate is fixed at 7.7%, payable semi-annually.

After the above transactions, Remgro's effective interest in Mediclinic was 42.5% (30 June 2015: 42.0%).

COMBINATION OF MEDICLINIC AND AL NOOR HOSPITALS GROUP PLC (AL NOOR)

On 14 October 2015 Mediclinic and Al Noor agreed on the terms for the combination of their respective businesses (the "Combination") pursuant to which Al Noor offered to acquire 100% of the issued share capital of Mediclinic. The transaction was concluded on 15 February 2016 and given the relative size of Mediclinic and Al Noor, the Combination was classified as a reverse takeover of Al Noor. The combined group was renamed Mediclinic International plc (Mediclinic plc) and it retained its premium listing on the Main Market of the London Stock Exchange (LSE). Mediclinic plc also obtained an inward secondary listing on the main board of the Johannesburg Stock Exchange (JSE) and it was admitted to the FTSE 100 index of the LSE. Mediclinic shareholders received 0.625 Al Noor shares for every Mediclinic share held by them, based on the five-day volume weighted average price up to and including 1 October 2015 of the Mediclinic shares on the JSE and of the Al Noor shares on the LSE (which was £5.20 and £8.32, respectively). As a result of the reverse takeover, Remgro realised a profit on the dilution of its interest in Mediclinic amounting to R2 262 million.

In addition to the Al Noor shares received by Remgro and as an indivisible component of the Combination, Remgro also subscribed for an additional 72 115 384 shares in Al Noor at a subscription price of £8.32 per share for an aggregate amount of £600.0 million during February 2016 (the "Remgro Subscription"). In order to fund the Remgro Subscription, Remgro obtained bridge financing of which £400.0 million was borrowed offshore, while £200.0 million (or R4.3 billion) was borrowed in South Africa.

On 16 March 2016 Remgro (through its wholly owned subsidiary, Remgro Healthcare) refinanced the local bridge financing with newly issued fixed rate cumulative redeemable preference shares amounting to R4.4 billion. The preference shares have a tenure of five years and a fixed dividend rate of 8.3%, payable semi-annually.

On 22 March 2016 Remgro (through its wholly owned subsidiary, Remgro Jersey GBP Limited) refinanced £350.0 million of the foreign bridge financing by issuing exchangeable bonds with a tenure of five years and a fixed coupon rate of 2.625%, payable semi-annually. The exchangeable bonds are exchangeable into approximately 30.9 million Mediclinic plc ordinary shares and the exchange price for the bonds is £11.3086 per Mediclinic plc share, representing a 30% premium above the weighted average price on the LSE between launch and pricing of the bond offering. Upon exchange or redemption of the bonds, Remgro will have the discretionary right to deliver an amount in cash or shares or a combination of cash and shares. The bonds were included for trading on the open market (Freiverkehr) segment of the Frankfurt Stock Exchange on 23 March 2016.

On 30 June 2016 Remgro's effective interest in Mediclinic was 44.6%.

BRITEHOUSE HOLDINGS PROPRIETARY LIMITED (BRITEHOUSE)

During September 2015 Remgro disposed of its investment in Britehouse for a total consideration of R159.6 million. A profit of R93.7 million was realised on this transaction, which is excluded from headline earnings.

MILESTONE CHINA FUNDS

During the year under review Remgro advanced the remaining committed loan amount of $6.9 million to Milestone Capital Strategic Holdings. Remgro also invested a further $6.7 million in Milestone China Opportunities Fund III (Milestone III), thereby increasing its cumulative investment in Milestone III to $93.2 million. As at 30 June 2016 the remaining commitment to Milestone III amounted to $6.8 million.

PEMBANI REMGRO INFRASTRUCTURE FUND (PRIF)

During the year under review Remgro committed a further R150.0 million to PRIF, bringing the total committed funds to R650.0 million. As a result of the additional commitment and PRIF's successful second and third closes, Remgro invested a further net amount of R28.6 million in PRIF, thereby increasing its cumulative investment in PRIF to R211.9 million. As at 30 June 2016 the remaining commitment to PRIF amounted to R438.1 million.

OTHER

Other smaller investments amounted to R152 million.

EVENTS AFTER YEAR-END

INVENFIN PROPRIETARY LIMITED (INVENFIN)

On 27 July 2016 Remgro (through its wholly owned subsidiary, Invenfin) acquired a 30% stake in Dynamic Commodities Proprietary Limited (Dynamic Commodities) for R80.0 million. Dynamic Commodities is an export-focused company that produces high-quality frozen desserts, snacks and value-added "fresh frozen" fruit. During August 2016, Invenfin also acquired a 30% stake in Joya Brands Proprietary Limited, a sweets manufacturer, for R50.2 million.

Other than the above-mentioned transactions, there were no other significant transactions subsequent to 30 June 2016.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2016 were as follows:

R million	30 June 2016 Local	30 June 2016 Offshore	30 June 2016 Total	30 June 2015
Per consolidated statement of financial position	**2 001**	**1 568**	**3 569**	4 050
Investment in money market funds	**500**	**550**	**1 050**	986
Less: Cash of operating subsidiaries	**(795)**	**(46)**	**(841)**	(1 017)
Cash at the centre	**1 706**	**2 072**	**3 778**	4 019

On 30 June 2016, approximately 28% (R1 050 million) of the available 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

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 2016 R million	30 June 2016 R per share	30 June 2015 R million	30 June 2015 R per share
Equity employed				
Attributable to equity holders	**78 866**	**153.17**	73 114	142.12
Employment of equity				
Food, liquor and home care	**14 383**	**27.93**	13 887	26.99
Banking	**17 784**	**34.54**	16 567	32.20
Healthcare	**33 629**	**65.31**	13 227	25.71
Insurance	**7 157**	**13.90**	6 717	13.06
Industrial	**5 575**	**10.83**	5 461	10.62
Infrastructure	**5 052**	**9.81**	6 857	13.33
Media and sport	**1 444**	**2.80**	1 500	2.92
Other investments	**3 737**	**7.26**	3 047	5.92
Central treasury				
– Cash at the centre	**3 778**	**7.34**	4 019	7.81
– Debt at the centre	**(16 452)**	**(31.95)**	–	–
Other net corporate assets	**2 779**	**5.40**	1 832	3.56
	78 866	**153.17**	73 114	142.12

INCOME STATEMENT

	30 June 2016 R million	30 June 2016 %	30 June 2015 R million	30 June 2015 %
Source of headline earnings				
Food, liquor and home care	**1 618**	**27**	1 531	19
Banking	**2 989**	**51**	2 845	36
Healthcare	**1 566**	**26**	1 734	22
Insurance	**888**	**15**	986	12
Industrial	**517**	**9**	381	5
Infrastructure	**6**	**–**	392	5
Media and sport	**(36)**	**–**	(16)	–
Other investments	**67**	**1**	84	1
Central treasury				
– Finance income	**125**	**2**	111	1
– Finance costs	**(1 602)**	**(27)**	–	–
Other net corporate costs	**(251)**	**(4)**	(52)	(1)
	5 887	**100**	7 996	100

R million	**30 June 2016**	30 June 2015
Composition of headline earnings		
Subsidiary companies	**(981)**	996
Profits	**820**	1 107
Losses	**(1 801)**	(111)
Associated companies and joint ventures	**6 868**	7 000
Profits	**7 252**	7 183
Losses	**(384)**	(183)
	5 887	7 996

SHARE INCENTIVE SCHEME

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
- An additional third 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 2015, 2 169 558 Remgro ordinary shares (0.5%) were held as treasury shares by a wholly owned subsidiary company of Remgro. As previously reported, these shares were acquired for the purpose of hedging Remgro's share incentive scheme.

During the year under review no Remgro ordinary shares were repurchased, while 444 165 Remgro ordinary shares were utilised to settle Remgro's obligation towards share scheme participants who exercised the rights granted to them.

At 30 June 2016, 1 725 393 Remgro ordinary shares (0.4%) were held as treasury shares.

SHARE CAPITAL

The general meeting of shareholders on 16 August 2016 approved the increase of the authorised ordinary shares of no par value by 487 506 350 to 1 000 000 000 ordinary shares of no par value and the authorised B ordinary shares of no par value by 59 493 648 to 100 000 000 B ordinary shares of no par value. It was also resolved to place 100 000 000 ordinary shares of no par value and 10 000 000 B ordinary shares of no par value under the control of the Remgro Board to raise additional equity capital by way of a rights issue, which authority will be in place until the next Annual General Meeting, unless renewed at the said meeting.

PRINCIPAL SHAREHOLDER

Rupert Beleggings Proprietary Limited (Rupert Beleggings) (previously Rembrandt Trust Proprietary Limited) holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.55% (2015: 42.57%) of the total votes.

An analysis of the shareholders appears on pages 112 and 113.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

DIRECTORS

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

Mr N J Williams has been appointed as Chief Financial Officer of Remgro with effect from 1 April 2016, which directors' appointment will in terms of the Company's Memorandum of Incorporation have to be confirmed by the shareholders at the next Annual General Meeting.

The Board wishes to welcome Mr N J Williams as Chief Financial Officer to the Company.

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

DIRECTORS' INTERESTS

At 30 June 2016 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 2.55% (2015: 2.57%).

Mr J P Rupert is a director of Rupert Beleggings which owns all the issued unlisted B ordinary shares.

An analysis of directors' interests in the issued capital of the Company appears on page 114.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R4.8 million (2015: R3.7 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 115 of the Integrated Annual Report.

DECLARATION OF CASH DIVIDEND

DECLARATION OF CASH DIVIDEND NO. 32

Notice is hereby given that a final gross dividend of 275 cents (2015: 259 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 2016.

A dividend withholding tax of 15% or 41.25 cents per share will be applicable, resulting in a net dividend of 233.75 cents per share, unless the shareholder concerned is exempt from paying dividend-withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2016 therefore amounts to 460 cents, compared to 428 cents for the year ended 30 June 2015.

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, 21 November 2016, to shareholders of the Company registered at the close of business on Friday, 18 November 2016.

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 November 2016, and Friday, 18 November 2016, 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 are no longer issued. 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 of the Integrated Annual Report.

APPROVAL

The comprehensive 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 102 to 114 have been approved by the Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2016

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 102 to 114 of the Integrated Annual Report, which comprise the summary consolidated statement of financial position as at 30 June 2016, 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 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 20 September 2016. 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 internal 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 2016 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 20 September 2016 states that as part of our audit of the consolidated financial statements for the year ended 30 June 2016, 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
20 September 2016

STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2016

R million	Notes	30 June 2016	30 June 2015
ASSETS			
Non-current assets			
Property, plant and equipment		**6 292**	5 716
Biological agricultural assets		**625**	550
Investment properties		**107**	51
Intangible assets		**4 993**	5 710
Investments – Equity accounted	4	**78 565**	57 831
– Other		**3 408**	2 493
Retirement benefits		**163**	220
Loans		**880**	977
Deferred taxation		**42**	18
		95 075	73 566
Current assets		**14 086**	21 126
Inventories		**3 274**	3 118
Biological agricultural assets		**612**	549
Debtors and short-term loans		**5 503**	3 837
Investments in money market funds		**1 050**	986
Cash and cash equivalents		**3 569**	4 050
Other current assets		**49**	52
		14 057	12 592
Assets held for sale	5	**29**	8 534
Total assets		**109 161**	94 692
EQUITY AND LIABILITIES			
Stated capital		**3 605**	3 605
Reserves		**75 478**	69 781
Treasury shares		**(217)**	(272)
Shareholders' equity		**78 866**	73 114
Non-controlling interest		**2 835**	2 803
Total equity		**81 701**	75 917
Non-current liabilities		**20 838**	5 404
Retirement benefits		**202**	227
Long-term loans	6	**17 799**	3 547
Deferred taxation		**1 640**	1 630
Derivative instruments		**1 197**	–
Current liabilities		**6 622**	13 371
Trade and other payables		**4 833**	4 469
Short-term loans		**1 660**	366
Other current liabilities		**129**	69
		6 622	4 904
Liabilities held for sale	5	**–**	8 467
Total equity and liabilities		**109 161**	94 692

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

R million	Notes	**30 June 2016**	30 June 2015
Sales		**27 697**	25 590
Inventory expenses		**(16 959)**	(15 267)
Staff costs		**(4 578)**	(4 276)
Depreciation		**(670)**	(607)
Other net operating expenses		**(5 647)**	(3 878)
Trading profit/(loss)		**(157)**	1 562
Dividend income		**77**	213
Interest received		**287**	276
Finance costs		**(903)**	(371)
Net impairment of investments, loans, assets and goodwill		**(2 556)**	(288)
Profit on sale and dilution of investments		**2 451**	696
Consolidated profit/(loss) before tax		**(801)**	2 088
Taxation		**4**	(395)
Consolidated profit/(loss) after tax		**(797)**	1 693
Share of after-tax profit of equity accounted investments	12	**6 250**	7 228
Net profit for the year		**5 453**	8 921
Attributable to:			
Equity holders		**5 386**	8 715
Non-controlling interest		**67**	206
		5 453	8 921

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

R million	**30 June 2016**	30 June 2015
Net profit for the year	**5 453**	8 921
Other comprehensive income, net of tax	**2 579**	335
Items that may be reclassified subsequently to the income statement:		
Exchange rate adjustments	**1 745**	267
Fair value adjustments for the year	**534**	(156)
Deferred taxation on fair value adjustments	**(112)**	(34)
Reclassification of other comprehensive income to the income statement	**(951)**	45
Other comprehensive income of equity accounted investments	**1 652**	929
Items that will not be reclassified to the income statement:		
Remeasurement of post-employment benefit obligations	**19**	5
Deferred taxation on remeasurement of post-employment benefit obligations	**(6)**	(2)
Change in reserves of equity accounted investments	**(302)**	(699)
Total comprehensive income for the year	**8 032**	9 276
Total comprehensive income attributable to:		
Equity holders	**7 965**	9 066
Non-controlling interest	**67**	210
	8 032	9 276

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

R million	30 June 2016	30 June 2015
Balance at 1 July	75 917	68 634
Total comprehensive income for the year	8 032	9 276
Dividends paid	(2 358)	(2 136)
Capital invested by minorities	31	37
Other movements	15	25
Long-term share incentive scheme reserve	64	81
Balance at the end of the year	81 701	75 917

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

R million	30 June 2016	30 June 2015
Cash generated from operations	1 391	2 267
Taxation paid	(328)	(397)
Dividends received	3 547	3 215
Finance costs	(795)	(372)
Cash available from operating activities	3 815	4 713
Dividends paid	(2 358)	(2 136)
Net cash inflow from operating activities	1 457	2 577
Investing activities	(18 745)	(1 151)
Financing activities	16 365	(1 349)
Net increase/(decrease) in cash and cash equivalents	(923)	77
Exchange rate profit on foreign cash	222	116
Cash and cash equivalents at the beginning of the year	3 829	3 636
Cash and cash equivalents at the end of the year	3 128	3 829
Cash and cash equivalents – per statement of financial position	3 569	4 050
Bank overdraft	(441)	(221)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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. The financial statements have been prepared under the supervision of the Chief Financial Officer, Neville Williams 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. HEADLINE EARNINGS RECONCILIATION

R million	**30 June 2016**	30 June 2015
Net profit for the year attributable to equity holders (earnings)	**5 386**	8 715
Plus/(minus):		
– Net impairment of equity accounted investments[(1)]	**1 862**	99
– Impairment of other investments	**–**	79
– Net impairment of property, plant and equipment	**37**	94
– Impairment of intangible assets[(1)]	**644**	–
– Impairment of assets held for sale	**7**	16
– Profit on sale and dilution of equity accounted investments[(2)]	**(2 349)**	(984)
– (Profit)/loss on sale of other investments	**(153)**	288
– Recycling of foreign currency translation reserves	**51**	–
– Net surplus on disposal of property, plant and equipment	**(7)**	(5)
– Loss on disposal of biological agricultural assets	**9**	–
– Non-headline earnings items included in equity accounted earnings of equity accounted investments	**633**	(231)
– Net surplus on disposal of property, plant and equipment	**(27)**	(111)
– Profit on the sale of investments	**(216)**	(271)
– Net impairment of investments, assets and goodwill	**809**	213
– Other non-recurring and capital items	**67**	(62)
– Taxation effect of adjustments	**(87)**	(50)
– Non-controlling interest	**(146)**	(25)
Headline earnings	**5 887**	7 996
Once-off costs	**788**	–
Option remeasurement	**730**	–
Headline earnings, excluding once-off costs and option remeasurement[(3)]	**7 405**	7 996

(1) *"Net impairment of equity accounted investments" and "Impairment of intangible assets" primarily consist of the impairment of the investment in Grindrod of R1 861 million and an impairment in RCL Foods' Milling business amounting to R643 million, respectively. The carrying value of Grindrod has exceeded its market value for a prolonged period; therefore, the investment was impaired to its market value on 30 June 2016 of R1 986 million.*

(2) *For the year under review "Profit on sale and dilution of equity accounted investments" primarily consists of a profit of R2 262 million realised on the dilution of Remgro's interest in Mediclinic as part of the Al Noor transaction, while the comparative year included a profit of R958 million realised on the dilution of Remgro's interest in Mediclinic due to a book-build exercise.*

(3) *Included in headline earnings for the year under review are once-off transaction costs incurred with the Mediclinic rights issue and Al Noor Hospitals Group plc (Al Noor) transaction amounting to R788 million, of which R402 million is Remgro's own costs and R386 million is Remgro's share of Mediclinic's transaction costs ("once-off costs"), as well as a fair value adjustment of R730 million, relating to the increase in value of the bondholders' exchange option (accounted for as a derivative liability) of the bonds ("option remeasurement") that were issued during March 2016 to partially refinance the foreign bridge funding that was raised for the Al Noor transaction. The bonds are exchangeable into Mediclinic plc shares and/or cash and fair value adjustments on the option (reflecting* inter alia *the movement in the underlying Mediclinic plc share price) are expected to cause volatility in headline earnings during its five-year term.*

3. EARNINGS AND DIVIDENDS

Cents	30 June 2016	30 June 2015
Headline earnings per share		
– Basic	1 143.9	1 555.0
– Diluted	1 139.2	1 541.8
Headline earnings per share, excluding once-off costs and option remeasurement		
– Basic	1 438.9	1 555.0
– Diluted	1 434.1	1 541.8
Earnings per share		
– Basic	1 046.6	1 694.9
– Diluted	1 042.5	1 680.9
Dividends per share		
Ordinary	460.00	428.00
– Interim	185.00	169.00
– Final	275.00	259.00

4. INVESTMENTS

(Refer Annexures A and B)

R million	30 June 2016	30 June 2015
Equity accounted investments		
Associated companies	73 418	52 869
Joint ventures	5 147	4 962
	78 565	57 831

EQUITY ACCOUNTED INVESTMENT RECONCILIATION

	30 June 2016	30 June 2015
Carrying value at the beginning of the year	57 831	52 169
Share of net attributable profit	6 250	7 228
Dividends received	(3 900)	(3 077)
Investment in Mediclinic	18 246	–
Dilutionary effects	1 886	772
Exchange rate differences	(1 274)	93
Grindrod impairment	(1 861)	–
Other movements	1 387	646
Carrying value at the end of the year	78 565	57 831

5. ASSETS AND LIABILITIES HELD FOR SALE

During the current financial year Remgro sold its 29.9% shareholding in Spire to Mediclinic, subsequent to Mediclinic's successful rights issue.

	30 June 2016	30 June 2015
Total assets and liabilities are	–	(175)
Investment	–	8 275
Trade and other creditors	–	(8 276)
Derivative instruments	–	(174)
Various other assets and liabilities classified as held for sale	29	242
Assets	29	259
Liabilities	–	(17)
	29	67

6. LONG-TERM LOANS

	30 June 2016	30 June 2015
20 000 Class A 7.7% cumulative redeemable preference shares	3 512	–
10 000 Class B 8.3% cumulative redeemable preference shares	4 382	–
Exchangeable bonds with an effective interest rate of 4.5%	6 380	–
Various other loans	3 672	3 687
	17 946	3 687
Short-term portion of long-term loans	(147)	(140)
	17 799	3 547

	R million	30 June 2016	30 June 2015
7.	ADDITIONS TO AND REPLACEMENT OF PROPERTY, PLANT AND EQUIPMENT	**1 273**	853
8.	CAPITAL AND INVESTMENT COMMITMENTS	**1 999**	5 847
	Mediclinic rights issue	**–**	4 135
	Various other commitments	**1 999**	1 712
	(Including amounts authorised but not yet contracted for)		
9.	GUARANTEES AND CONTINGENT LIABILITIES	**241**	316
10.	DIVIDENDS RECEIVED FROM EQUITY ACCOUNTED INVESTMENTS SET OFF AGAINST INVESTMENTS	**3 900**	3 077
11.	DIVIDENDS RECEIVED FROM ASSOCIATE CLASSIFIED AS ASSET HELD FOR SALE	**149**	–
12.	EQUITY ACCOUNTED INVESTMENTS		
	Share of after-tax profit of equity accounted investments		
	Profit before taking into account impairments, non-recurring and capital items	**8 875**	8 332
	Net impairment of investments, assets and goodwill	**(809)**	(213)
	Profit on the sale of investments	**216**	271
	Other non-recurring and capital items	**(67)**	62
	Profit before tax and non-controlling interest	**8 215**	8 452
	Taxation	**(1 709)**	(1 129)
	Non-controlling interest	**(256)**	(95)
		6 250	7 228

13. 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 or actual net asset value of the investment.
- Derivative instruments: The fair value of derivative instruments is determined by using appropriate valuation methodologies and 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 table illustrates 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 2016				
Assets				
Available-for-sale	**1 260**	**–**	**2 148**	**3 408**
Derivative instruments	**–**	**8**	**–**	**8**
Investment in money market funds	**1 050**	**–**	**–**	**1 050**
	2 310	**8**	**2 148**	**4 466**
Liabilities				
Non-current derivative instruments	**–**	**1 197**	**–**	**1 197**
Current derivative instruments	**–**	**63**	**54**	**117**
	–	**1 260**	**54**	**1 314**
30 June 2015				
Assets				
Available-for-sale	902	–	1 591	2 493
Derivative instruments	–	10	–	10
Investment in money market funds	986	–	–	986
	1 888	10	1 591	3 489
Liabilities				
Current derivative instruments	–	190	–	190

13. FAIR VALUE REMEASUREMENTS (continued)

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

R million	30 June 2016	30 June 2015
Assets: Available-for-sale		
Balances at the beginning of the year	**1 591**	1 762
Additions	**174**	375
Disposals	**(53)**	(484)
Exchange rate adjustments	**236**	148
Fair value adjustments through comprehensive income	**200**	(210)
Balances at the end of the year	**2 148**	1 591

R million	30 June 2016	30 June 2015
Liabilities: Derivative instruments		
Balances at the beginning of the year	**–**	–
Additions	**54**	–
Balances at the end of the year	**54**	–

There were no transfers between the different levels.

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone), the Kagiso Infrastructure Empowerment Fund (KIEF) and the Pembani Remgro Infrastructure Fund (PRIF) amounting to R1 534 million, R306 million and R228 million respectively. These investments are all valued based on the fair value of each investment's underlying assets, which are valued using a variety of valuation methodologies. Listed entities are valued at the last quoted share price on the reporting date, whereas unlisted entities' methods include discounted cash flow valuations, appropriate earnings and revenue multiples.

Milestone's fair value consists of listed investments (32%), cash and cash equivalents (7%) and unlisted investments (61%). 86% of the unlisted investments were valued at cost as Milestone's management considers the transaction price to be the fair value of the investments, while the remaining 14% was valued at approximately R121 million. KIEF's investments were valued using the discounted cash flow method. PRIF's main asset is the investment in ETG Group and it was valued using appropriate revenue and earnings multiples based on peer group companies to determine a price-to-book valuation.

Changes in the valuation assumptions of the above unlisted investments will not have a significant impact on Remgro's financial statements.

14. RELATED PARTY TRANSACTIONS

MEDICLINIC INTERNATIONAL LIMITED (MEDICLINIC)

Facilitation of Mediclinic's acquisition of Spire

During June 2015 Remgro entered into an agreement with funds managed by Cinven to acquire 119 923 335 Spire Healthcare Group plc (Spire) shares (equivalent to a 29.9% shareholding in Spire) at a price of £3.60 per share for a total purchase consideration of £431.7 million (excluding transaction costs). The transaction was concluded early in July 2015 and Remgro financed the transaction through a combination of its own cash and external funding.

In conjunction with the above transaction, Remgro and Mediclinic concluded an agreement whereby Mediclinic would acquire Remgro's interest in Spire, subject to Mediclinic raising the appropriate funds in order to conclude such a transaction. During August 2015 Mediclinic raised R10.0 billion through a rights issue in terms of which 111 111 111 new Mediclinic shares were issued at a price of R90.00 per share. Remgro, by following its rights and by underwriting the balance of the rights issue, subscribed for an additional 51 342 886 Mediclinic shares totalling R4.6 billion. Following the successful conclusion of the rights issue, Mediclinic acquired Remgro's shareholding in Spire during August 2015 for an amount of R8.6 billion, equal to the purchase price, transaction and funding costs. Remgro thus effectively only facilitated the acquisition of Spire by Mediclinic.

14. RELATED PARTY TRANSACTIONS (continued)

MEDICLINIC INTERNATIONAL LIMITED (MEDICLINIC) (continued)

Combination of Mediclinic and Al Noor Hospitals Group plc (Al Noor)

On 14 October 2015 Mediclinic and Al Noor agreed on the terms for the combination of their respective businesses (the "Combination") pursuant to which Al Noor offered to acquire 100% of the issued share capital of Mediclinic. The transaction was concluded on 15 February 2016 and given the relative size of Mediclinic and Al Noor, the Combination was classified as a reverse takeover of Al Noor. The combined group was renamed Mediclinic International plc (Mediclinic plc) and it retained its premium listing on the Main Market of the London Stock Exchange (LSE). Mediclinic plc also obtained an inward secondary listing on the main board of the Johannesburg Stock Exchange (JSE) and it was admitted to the FTSE 100 index of the LSE. Mediclinic shareholders received 0.625 Al Noor shares for every Mediclinic share held by them, based on the five-day volume weighted average price up to and including 1 October 2015 of the Mediclinic shares on the JSE and of the Al Noor shares on the LSE (which was £5.20 and £8.32, respectively). As a result of the reverse takeover, Remgro realised a profit on the dilution of the interest in Mediclinic amounting to R2 262 million.

In addition to the Al Noor shares received by Remgro and as an indivisible component of the Combination, Remgro also subscribed for an additional 72 115 384 shares in Al Noor at a subscription price of £8.32 per share for an aggregate amount of £600.0 million during February 2016 (the "Remgro Subscription").

RAND MERCHANT BANK (RMB)

Remgro obtained bridge financing from RMB to partly fund the above-mentioned transactions. The bridge financing was partly replaced by long-term debt of which fixed rate cumulative redeemable preference shares amounting to R3 500 million were issued to RMB.

15. EVENTS AFTER YEAR-END

INVENFIN PROPRIETARY LIMITED (INVENFIN)

On 27 July 2016 Remgro (through its wholly owned subsidiary, Invenfin) acquired a 30% stake in Dynamic Commodities Proprietary Limited (Dynamic Commodities) for R80 million. Dynamic Commodities is an export-focused company that produces high-quality frozen desserts, snacks and value-added "fresh frozen" fruit. During August 2016, Invenfin also acquired a 30% stake in Joya Brands Proprietary Limited, a sweets manufacturer, for R50 million.

Other than the above-mentioned transactions, there were no other significant transactions subsequent to 30 June 2016.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 30 JUNE 2016

NAME OF COMPANY

Incorporated in South Africa unless otherwise stated		Share capital R (unless otherwise stated)	Effective interest 30 June 2016 %	Effective interest 30 June 2015 %
Eikenlust Proprietary Limited		100	**100.0**	100.0
Entek Investments Proprietary Limited		16 029 279	**100.0**	100.0
Financial Securities Proprietary Limited		250 000	**100.0**	100.0
Historical Homes of South Africa Limited		555 000	**60.6**	58.7
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
Millennia Jersey Limited – Jersey	(GBP)	238 000 000	**100.0**	–
Partnership in Mining Proprietary Limited		100	**100.0**	100.0
RCL Foods Limited	*	10 023 803 736	**77.3**	77.5
Remgro Finance Corporation Proprietary Limited		958 430	**100.0**	100.0
Remgro Health Limited – Jersey	(GBP)	100 000 000	**100.0**	–
Remgro Healthcare Holdings Proprietary Limited (previously Friedshelf 1670 Proprietary Limited)		36 543 642 592	**100.0**	100.0
Remgro International Holdings Proprietary Limited		2	**100.0**	100.0
Remgro International Limited – Jersey		2 412 355 000	**100.0**	100.0
Remgro Investment Corporation Proprietary Limited		100	**100.0**	100.0
Remgro Jersey GBP Limited – Jersey	(GBP)	100 000 000	**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 Sport Investments Proprietary Limited		100	**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	(USD)	88 578 773	**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
Wispeco Holdings Proprietary Limited		11 641 000	**100.0**	100.0

(GBP) pound
(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 SUBSIDIARY COMPANIES AT 30 JUNE 2016

NAME OF COMPANY

Incorporated in South Africa unless otherwise stated	Listed 30 June 2016 Shares held	Listed 30 June 2016 Effective interest %	Listed 30 June 2015 Shares held	Listed 30 June 2015 Effective interest %	Unlisted 30 June 2016 Shares held	Unlisted 30 June 2016 Effective interest %	Unlisted 30 June 2015 Shares held	Unlisted 30 June 2015 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**		4.2				
Remgro-Capevin Investments Proprietary Limited					**50**	**50.0**	50	50.0
– held by Remgro-Capevin Investments Proprietary Limited:								
– Distell Group Limited (54%)		**26.8**		26.8				
Banking								
RMB Holdings Limited	**397 447 747**	**28.2**	397 421 450	28.2				
– held by RMB Holdings Limited:								
– FirstRand Limited (34%)		**9.6**		9.6				
FirstRand Limited[1]	**219 828 140**	**3.9**	219 805 470	3.9				
Healthcare								
Mediclinic International plc – UK	**328 497 888**	**44.6**	358 869 121	42.0				
Insurance								
RMI Holdings Limited	**449 665 168**	**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)					**325 892**	**34.9**	325 892	34.9
Total South Africa Proprietary Limited					**12 872 450**	**24.9**	12 872 450	24.9
PGSI Limited – BVI					**26 297 697**	**37.7**	26 297 697	37.7
Infrastructure								
Grindrod Limited	**173 183 235**	**23.1**	173 183 235	23.0				
Community Investment Ventures Holdings Proprietary Limited					**150 148**	**50.9**	150 148	50.9
SEACOM Capital Limited – Mauritius[2]					**1 000**	**30.0**	1 000	25.0
Media and sport								
eMedia Investments Proprietary Limited					**17 730 595**	**32.3**	17 730 595	32.4
Other investments								
Business Partners Limited					**74 011 714**	**42.8**	73 794 623	42.7

All these investments were equity accounted.

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

[2] *During previous financial years Remgro equity accounted SEACOM Capital Limited's (SEACOM) results at 25%, in line with its voting rights. However, dividends from SEACOM will represent 30% of total dividends until a 15% compounded annual return is received on Remgro's initial investment. It is unlikely that this return will be achieved. As a result, SEACOM's results are equity accounted at 30% from 1 July 2015.*

BVI – British Virgin Islands
UK – United Kingdom

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 2016

	30 June 2016 %	30 June 2016 Number of shares	30 June 2015 %	30 June 2015 Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Corporation	**16.22**	**78 014 765**	16.76	80 621 000
Other	**83.78**	**403 091 605**	83.24	400 485 370
	100.00	**481 106 370**	100.00	481 106 370
B ordinary shares				
Rupert Beleggings Proprietary Limited	**100.00**	**35 506 352**	100.00	35 506 352
Total		**516 612 722**		516 612 722

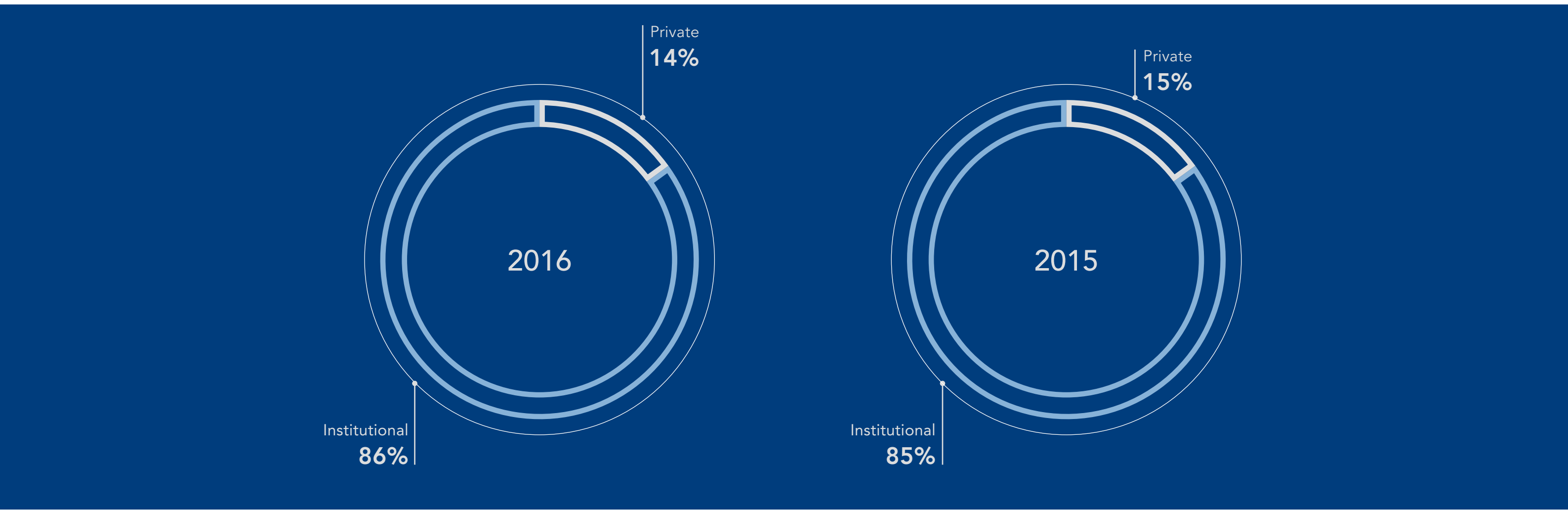
No other shareholder held a beneficial interest of more than 5% in the ordinary shares of the Company on 30 June 2016.

	30 June 2016	30 June 2015	30 June 2014	30 June 2013
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	**60 890**	59 141	53 874	49 487
Percentage of shareholders	**99.85**	99.86	99.83	99.85
Number of shares	**465 687 383**	465 119 986	464 263 605	464 305 068
Percentage of shares issued	**96.80**	96.68	96.50	96.51
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	**90**	84	91	73
Percentage of shareholders	**0.15**	0.14	0.17	0.15
Number of shares	**15 418 987**	15 986 384	16 842 765	16 801 302
Percentage of shares issued	**3.20**	3.32	3.50	3.49
Number of shareholders	**60 980**	59 225	53 965	49 560

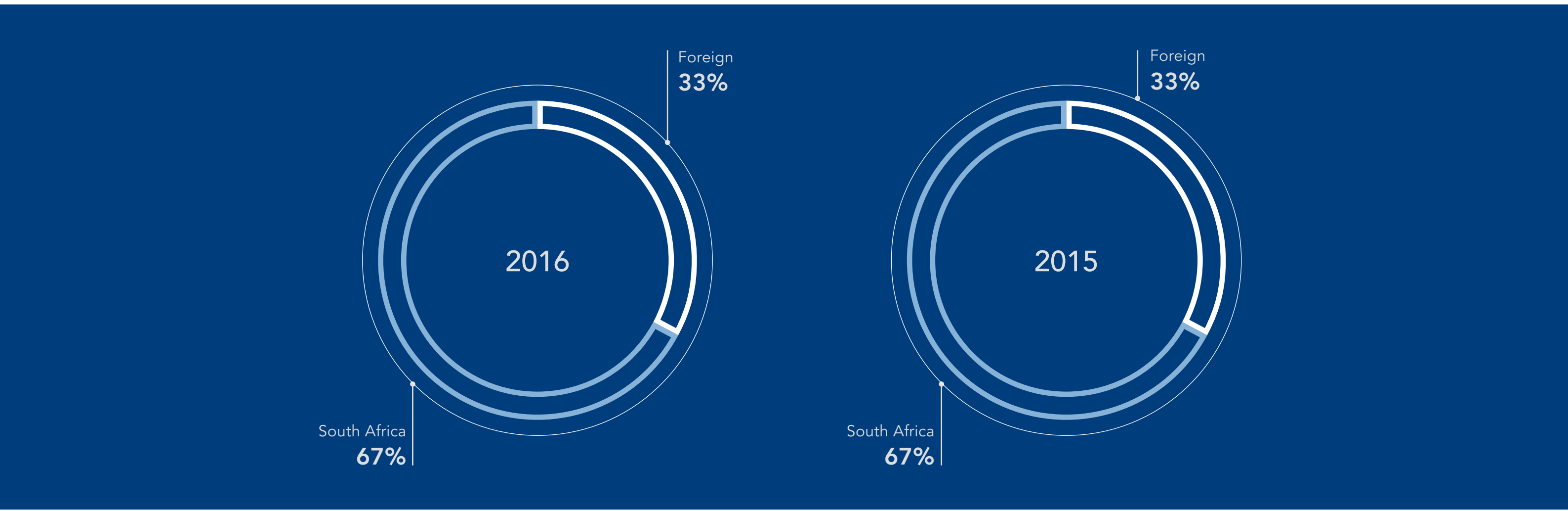
	30 June 2016	30 June 2015	30 June 2014	30 June 2013
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of no par value				
Issued at the beginning of the year	**481 106 370**	481 106 370	481 106 370	481 106 370
– Unlisted B ordinary shares of no par value	**35 506 352**	35 506 352	35 506 352	35 506 352
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	**(1 725 393)**	(2 169 558)	(2 960 766)	(3 433 101)
	514 887 329	514 443 164	513 651 956	513 179 621
Weighted number of shares	**514 634 062**	514 200 979	513 404 676	513 526 699

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 2016				
W E Bührmann	–	264 000	–	264 000
J J Durand	–	742 524	7 500	750 024
G T Ferreira	158 625	–	560 000	718 625
P K Harris	–	169 118	–	169 118
E de la H Hertzog	261 892	1 931 814	129 984	2 323 690
J Malherbe	26 826	–	1 053 301	1 080 127
P J Moleketi	1 130	–	9 925	11 055
M Morobe	–	575	–	575
F Robertson	–	5 000	–	5 000
J P Rupert	–	–	6 867 150	6 867 150
S E N De Bruyn Sebotsa	450	–	–	450
H Wessels	–	–	4 500	4 500
N J Williams	10 000	–	60 000	70 000
	458 923	3 113 031	8 692 360	12 264 314

On 31 March 2016, when Mr L Crouse retired, his direct beneficial holding was 178 039 ordinary shares in Remgro Limited.

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2015				
W E Bührmann	264 000	–	–	264 000
L Crouse	178 039	–	–	178 039
J J Durand	–	742 524	7 500	750 024
G T Ferreira	158 625	–	560 000	718 625
P K Harris	–	169 118	–	169 118
E de la H Hertzog	261 892	1 931 814	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
M Morobe	–	575	–	575
F Robertson	–	5 000	–	5 000
J P Rupert	–	–	6 867 150	6 867 150
S E N De Bruyn Sebotsa	450	–	–	450
H Wessels	–	–	4 500	4 500
	890 962	2 850 476	8 623 615	12 365 053

B ORDINARY SHARES

Mr J P Rupert is a director of Rupert Beleggings Proprietary Limited (previously 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 2016 Annual General Meeting of Remgro Limited (the Company) will be held on Thursday, 1 December 2016, 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 2016 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 2017, is Mr N H Döman.

3. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 3

Resolved that Mr J J Durand who retires in terms of clause 27.4.3.1 of the Company's Memorandum of Incorporation (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 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 Memorandum of Incorporation and who has offered himself for re-election, be re-elected as a director of the Company.

6. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 6

Resolved that Mr J Malherbe who retires in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself for re-election, be re-elected as a director of the Company.

7. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 7

Resolved that Mr M Morobe who retires in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself for re-election, be re-elected as a director of the Company.

8. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 8

Resolved that the appointment of Mr N J Williams as a director of the Company be confirmed in terms of clause 27.3.7 of the Memorandum of Incorporation.

Biographical details of all directors of the Company are set out on pages 14 and 15 of the Integrated Annual Report.

9. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 9

Resolved that Mr N P Mageza, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2017.

10. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 10

Resolved that Mr P J Moleketi, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2017.

11. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 11

Resolved that Mr F Robertson, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2017.

12. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 12

Resolved that Ms S E N De Bruyn Sebotsa, being eligible and offering herself for election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2017.

13. APPROVAL OF DIRECTORS' REMUNERATION

SPECIAL RESOLUTION NUMBER 1

Resolved that directors' fees for services rendered as directors for the financial year ending 30 June 2017 be determined on the following basis:

Type of fee (R)	**Proposed fee for the year ending 30 June 2017**	Fee for the year ended 30 June 2016
Board member	**321 000**	300 000
Chairman of the Audit and Risk Committee	**214 000**	200 000
Member of the Audit and Risk Committee	**107 000**	100 000
Member of the Remuneration and Nomination Committee	**53 500**	50 000
Member of the Social and Ethics Committee	**53 500**	50 000

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 2017.

14. 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 and as permitted in terms of the Memorandum of Incorporation, 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 to the JSE, as required, 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, 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 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; and
- 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.

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:

- Major shareholders (page 112);
- Share capital of the Company (pages 51 of the Annual Financial Statements and 112 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 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.

15. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SECURITIES IN THE COMPANY OR IN RELATED OR INTER-RELATED COMPANIES

SPECIAL RESOLUTION NUMBER 3

Resolved that the Board of Directors of the Company be and is hereby authorised in terms of section 44(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 financial assistance by way of a loan, guarantee, the provision of security or otherwise to any related or inter-related company of the Company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act) and/or to any financier of the Company or any of its related or inter-related companies for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company of the Company, or for the purchase of any securities of the Company or a related or inter-related company of the Company, on the terms and conditions and for the amounts that the Board of Directors may determine.

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.

The main purpose for this authority is to grant the Board of Directors the authority to authorise the Company to provide financial assistance to the financiers of the Group for the purposes of the subscription and/or purchase of securities in subsidiaries of the Company, to fund the activities of the Group.

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 provide financial assistance to its related and inter-related companies and/or the financiers of the Group for the purposes of the subscription of options and/or securities, issued or to be issued by the Company or its related or inter-related companies, or for the purchase of any securities of the Company or its related or inter-related companies, to fund the activities of the Group.

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

SPECIAL RESOLUTION NUMBER 4

Resolved that the Board of Directors of the Company be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this Special Resolution Number 4), to authorise the Company to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the Board may deem fit to any related or inter-related company or corporation of the Company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the Board of Directors may determine.

The main purpose for this authority is to grant the Board of Directors the authority to authorise the Company to provide inter-group loans and other financial assistance for purposes of funding the activities of the Group. The Board undertakes that –

- it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that –
  - immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
  - the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- written notice of any such resolution by the Board shall be given to all shareholders of the Company and any trade union representing its employees –
  - within 10 business days after the Board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 0.1% of the Company's net worth at the time of the resolution; or
  - within 30 business days after the end of the financial year, in any other case.

ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 4

The reason for and the effect of Special Resolution Number 4 is to provide a general authority to the Board of Directors of the Company for the Company to grant direct or indirect financial assistance to any company or corporation forming part of the Group, including in the form of loans or the guaranteeing of their debts.

NOTICE TO SHAREHOLDERS OF THE COMPANY IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT OF A RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS AUTHORISING THE COMPANY TO PROVIDE DIRECT OR INDIRECT FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES AND CORPORATIONS

- By the time this notice of the Annual General Meeting is delivered to shareholders, the Board will have adopted a resolution (Section 45 Board Resolution) authorising the Company to provide, at any time and from time to time during the period commencing on the date on which Special Resolution Number 4 is adopted until the date of the next Annual General Meeting of the Company, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company. The financial assistance will entail loans and other financial assistance to subsidiaries of the Company (being related or inter-related companies of the Company) for purposes of funding the activities of the Group.
- The Section 45 Board Resolution will be effective only if and to the extent that Special Resolution Number 4 is adopted by the shareholders and the provision of any such financial assistance by the Company, pursuant to such resolution, will always be subject to the Board of Directors being satisfied that (1) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act; and that (2) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.
- Inasmuch as the Section 45 Board Resolution contemplates that such financial assistance will, in the aggregate, 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.

17. AMENDMENT TO THE MEMORANDUM OF INCORPORATION

SPECIAL RESOLUTION NUMBER 5

Resolved that the Memorandum of Incorporation be and is hereby amended by the deletion of the existing heading of clause 7 in its entirety and the substitution thereof with the following heading "*CONSOLIDATION, SUBDIVISION, REDUCTION OF CAPITAL AND FRACTIONAL ENTITLEMENT*" and by the deletion of the existing clause 7.3 in its entirety, and the substitution thereof with the following new clause 7.3: "*If a fraction of a Share comes into being as a result of any action contemplated in clause 7.1 or any other corporate action, the Board shall deal with such fraction in the manner as prescribed by the Listings Requirements from time to time, or in the absence of any such prescription, the Board shall deal with such fraction in a manner as determined by the Board in its reasonable discretion.*"

ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 5

The reason for and the effect of Special Resolution Number 5 is to approve the amendment of the Memorandum of Incorporation of the Company to remove any conflict between the Memorandum of Incorporation and the Listings Requirements (as amended earlier in 2016) in relation to the manner in which fractions of shares arising from a corporate action are to be treated.

18. REPORT BY SOCIAL AND ETHICS COMMITTEE

The Company's Social and Ethics Committee Report, included on page 71 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 12 and Special Resolutions Numbers 1 to 5 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, 14 October 2016.

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, 25 November 2016, 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 Tuesday, 22 November 2016.

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary Resolutions Numbers 1 to 12 contained in this Notice of Annual General Meeting require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the Listings Requirements.

Special Resolutions Numbers 1 to 5 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 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 Tuesday, 29 November 2016, at 10:30 (South African time), provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

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 or a bar coded identification smart card 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
20 September 2016

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 2016 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 96, 101, 94 and 102 to 114 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 Memorandum of Incorporation of the Company (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 RESOLUTION NUMBER 8

ELECTION OF DIRECTORS

In terms of the provisions of clause 27.3.7 of the Memorandum of Incorporation, the Board has the power to appoint any person as director, provided that such appointment must be confirmed by the shareholders at the next Annual General Meeting of the Company.

ORDINARY RESOLUTIONS NUMBERS 9 – 12

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 JSE Limited. 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 FOR THE SUBSCRIPTION AND/OR PURCHASE OF SECURITIES IN THE COMPANY OR RELATED OR INTER-RELATED COMPANIES

The general authority is given to the directors to enable them, subject to the provisions of section 44 of the Companies Act, to authorise the Company to provide financial assistance for the purposes of or in connection with the subscription of any securities issued or to be issued by the Company or a related or inter-related company of the Company, or for the purchase of any securities of the Company or a related or inter-related company of the Company.

SPECIAL RESOLUTION NUMBER 4

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

The general authority is given to the directors to enable them, subject to the provisions of section 45 of the Companies Act, to authorise the Company to provide financial assistance to related and inter-related companies and corporations of the Company.

SPECIAL RESOLUTION NUMBER 5

AMENDMENT TO THE MEMORANDUM OF INCORPORATION

The Companies Act and the Memorandum of Incorporation require that shareholders approve any amendments to the Memorandum of Incorporation. The heading of clause 7 and clause 7.3 in its entirety will be substituted in order to remove any conflict between the Memorandum of Incorporation and recent amendments to the Listings Requirements in relation to the manner in which fractions of shares arising from a corporate action are to be treated.

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 2016 Annual General Meeting of the Company to be held on Thursday, 1 December 2016, 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 J J Durand			
4. Election of director – Mr P K Harris			
5. Election of director – Dr E de la H Hertzog			
6. Election of director – Mr J Malherbe			
7. Election of director – Mr M Morobe			
8. Election of director – Mr N J Williams			
9. Appointment of member of the Audit and Risk Committee – Mr N P Mageza			
10. Appointment of member of the Audit and Risk Committee – Mr P J Moleketi			
11. Appointment of member of the Audit and Risk Committee – Mr F Robertson			
12. Appointment of member of the Audit and Risk Committee – Ms S E N De Bruyn Sebotsa			
Special resolutions			
1. Approval of directors' remuneration			
2. General authority to repurchase shares			
3. General authority to provide financial assistance for the subscription and/or purchase of securities in the Company or related or inter-related companies			
4. General authority to provide financial assistance to related and inter-related companies and corporations			
5. Amendment to the Memorandum of Incorporation			

Signed at ______________________ on ______________________ 2016

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. 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 Tuesday, 29 November 2016, at 10:30 (South African time), provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

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.

www.remgro.com