Remgro Limited

REMGRO LIMITED ANNUAL REPORT **2010**

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ATTACHED **FORM OF PROXY**

Incorporated in the Republic of South Africa Registration number 1968/006415/06 ISIN ZAE000026480 Share code REM

REMGRO INVESTS IN BUSINESSES THAT CAN DELIVER SUPERIOR EARNINGS AND DIVIDEND GROWTH OVER THE LONG TERM.

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

GROUP PROFILE

Remgro Limited is a South African investment holding company established with effect from 1 April 2000, after the restructuring of the former Rembrandt Group Limited that was incorporated in 1948. 2008 was a watershed year with the successful unbundling of the Group's tobacco interests to shareholders as a dividend *in specie*.

During November 2009 the acquisition of VenFin Limited was successfully completed and the Group's interests now consist mainly of investments in banking and financial services, printing and packaging, glass products, medical services, mining, petroleum products, food, wine and spirits, media, technology and various other trade mark products.

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

Operating subsidiaries comprise listed and unlisted companies with independent boards of directors on which this Company has non-executive representation. Non-subsidiary investments comprise both listed and unlisted companies not controlled by this Company and which are mostly associated companies due to significant influence and Board representation.

GROUP STRUCTURE

AT 31 MARCH 2010

REMGRO LIMITED

(PRINCIPAL INVESTMENTS)

ASSOCIATED COMPANIES AND OTHER

FINANCIAL SERVICES

25.0%	RMBH
9.1%	FirstRand

INDUSTRIAL INTERESTS

50.0%	Air Products South Africa
33.3%	Distell
42.5%	Kagiso Trust Investments
45.7%	Medi-Clinic
13.3%	Nampak
28.7%	PGSI
24.9%	Total South Africa
25.8%	Unilever South Africa Holdings

MEDIA INTERESTS

31.6%	Sabido
33.7%	MARC (formerly SAIL)

MINING INTERESTS

28.6%	Trans Hex
4.4%	Implats

TECHNOLOGY INTERESTS

35.6%	CIV group
25.0%	SEACOM
31.0%	Tracker

OTHER INVESTMENTS

21.5%	Business Partners

SUBSIDIARY COMPANIES

INDUSTRIAL INTERESTS

100.0%	Tsb Sugar
100.0%	Wispeco
73.3%	Rainbow

CORPORATE AND OTHER INTERESTS

100.0%	Remgro Finance Corporation
100.0%	Remgro Management Services (previously M&I Group Services)
100.0%	Remgro International – Jersey

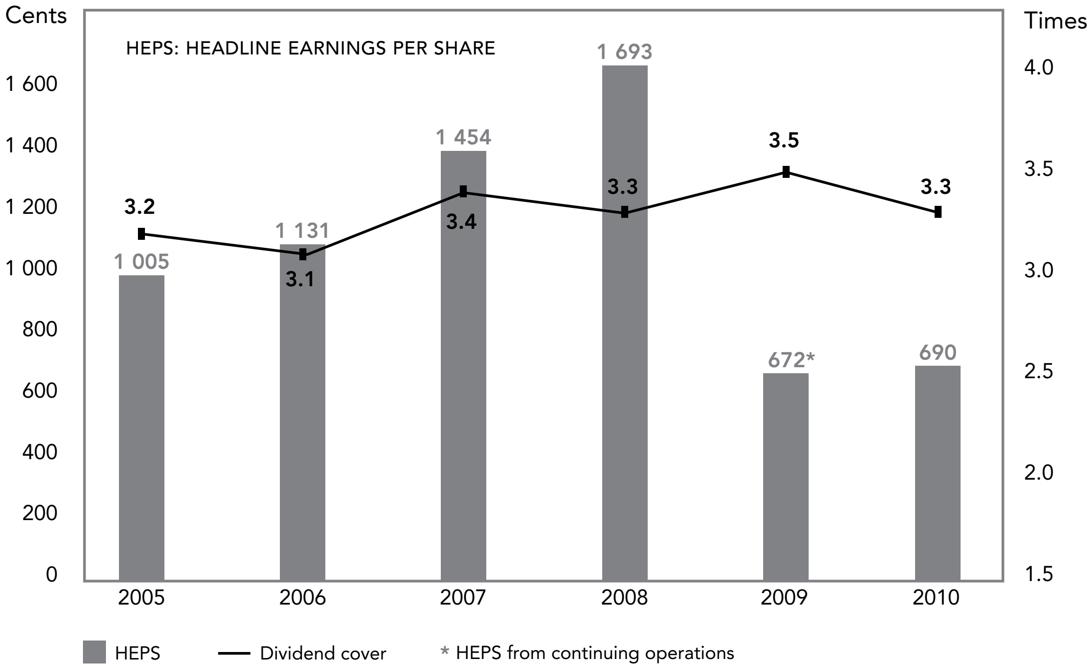
Percentages represent the effective interests held. Annexures A and B in the Financial Report provide further information of subsidiary companies and investments.

SALIENT FEATURES

	2010	2009	% change
HEADLINE EARNINGS PER SHARE	690.1c	987.7c	(30.1)
HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS*	690.1c	671.5c	2.8
EARNINGS PER SHARE	629.4c	9 607.9c	(93.4)
HEADLINE EARNINGS	R3 355m	R4 660m	(28.0)
HEADLINE EARNINGS FROM CONTINUING OPERATIONS*	R3 355m	R3 168m	5.9
EARNINGS – net profit for the year	R3 060m	R45 330m	(93.2)
Dividends per share			
Ordinary	209.00c	190.00c	10.0
– Interim	84.00c	80.00c	5.0
– Final	125.00c	110.00c	13.6
Net asset value per share (attributable to own members)			
– at intrinsic value	R121.64	R99.15	22.7
Remgro share price Closing price per share at 31 March	R98.00	R67.50	45.2

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

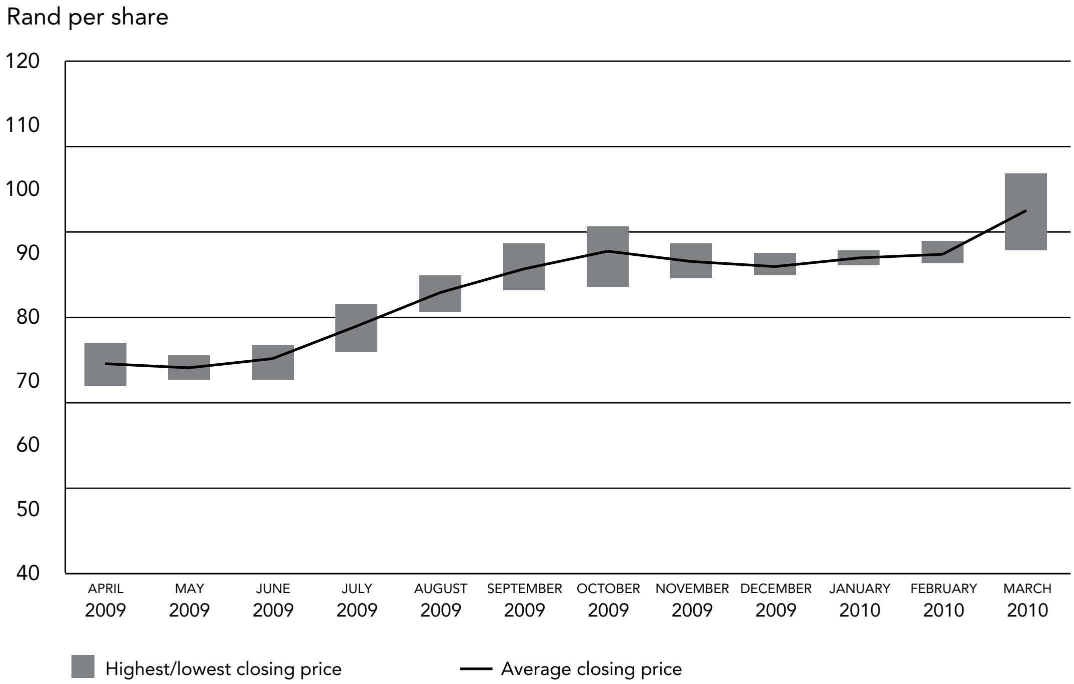
DIVIDEND COVER



SHARE STATISTICS

JSE Limited	2010	2009	2008	2007	2006	2005
Weighted number of B ordinary shares ('000)	**35 506**	35 506	35 506	35 506	35 506	35 506
Weighted number of Remgro ordinary shares in issue – excluding the unlisted B ordinary shares ('000)	**450 647**	436 292	436 547	438 617	447 648	461 786
Market capitalisation at 31 March (R million) – Ordinary shares only	**47 148**	29 665	87 973	81 233	60 588	45 633
Price (cents per share)						
– 31 March	**9 800**	6 750	19 593	18 100	13 500	9 380
– Highest	**10 250**	21 401	20 700	18 294	13 800	9 701
– Lowest	**6 899**	6 100	17 200	12 200	9 150	6 980
Number of shares traded ('000)	**310 748**	416 657	289 937	236 577	284 396	187 389
Value of shares traded (R million)	**26 117**	56 990	53 841	35 509	32 732	15 553
Shares traded/weighted number of ordinary shares (%)	**69.0**	95.5	66.4	53.9	63.5	40.6
Number of transactions	**284 637**	300 257	201 515	126 747	100 309	64 707

REMGRO SHARE PRICE



SEVEN-YEAR

CONSOLIDATED INCOME STATEMENTS

R million	**2010**	2009	2008	2007	2006	2005	2004
Profit before taking into account the following	**1 044**	1 218	1 578	1 476	1 938	1 384	1 292
Non-recurring and capital items and impairments	**(188)**	40 345	1 684	51	3 165	2 216	(132)
Consolidated profit before tax	**856**	41 563	3 262	1 527	5 103	3 600	1 160
Taxation	**(309)**	(945)	(419)	(403)	(857)	(417)	(397)
Consolidated profit after tax	**547**	40 618	2 843	1 124	4 246	3 183	763
Share in after-tax profit of associated companies and joint ventures	**2 619**	4 806	7 210	6 003	4 354	5 742	3 177
Net profit after tax	**3 166**	45 424	10 053	7 127	8 600	8 925	3 940
Non-controlling interest	**(106)**	(94)	(160)	(185)	(398)	(407)	(335)
Attributable net profit for the year	**3 060**	45 330	9 893	6 942	8 202	8 518	3 605
Headline earnings	**3 355**	4 660	7 991	6 892	5 084	4 998	4 687
Headline earnings per share (cents)	**690.1**	987.7	1 692.8	1 453.6	1 052.3	1 005.0	931.3
Headline earnings per share from continuing operations (cents)#	**690.1**	671.5	964.1				
Headline earnings per share – excluding non-recurring portion of BEE costs (cents)*	**690.1**	987.7	1 700.7	1 453.6	1 130.9	1 005.0	931.3
Earnings per share (cents)	**629.4**	9 607.9	2 095.7	1 464.2	1 697.6	1 712.9	716.3
Dividends per share (cents)							
– Ordinary	**209**	190	510	434	361	314	285
– Special					400	600	200

The figures for 2005 above have been restated in terms of IFRS. Figures for 2004 have not been adjusted.

 # During November 2008 the investment in British American Tobacco Plc (BAT) was distributed to Remgro shareholders as an interim dividend in specie. In order to facilitate year-on-year comparison, headline earnings per share are also presented for continuing operations which excludes the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling. Also refer to note 1 to the annual financial statements for further details.

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

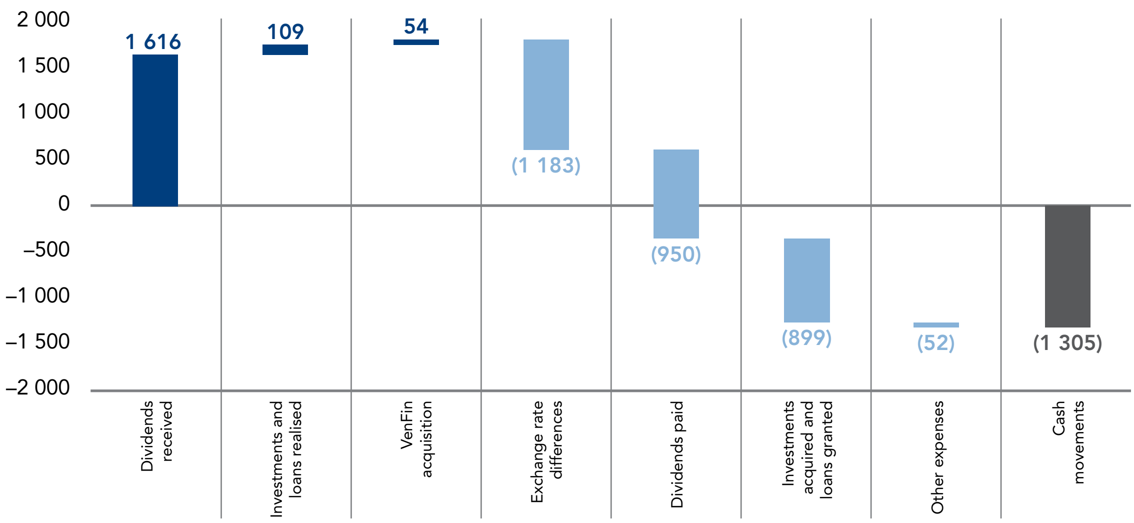
SEVEN-YEAR

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND CASH FLOWS

R million	**2010**	2009	2008	2007	2006	2005	2004
STATEMENTS OF FINANCIAL POSITION							
Property, plant and equipment	**3 241**	2 866	2 668	2 564	2 444	4 120	3 515
Investments – Associated companies	**28 052**	23 795	43 175	33 033	26 098	28 201	22 737
Other non-current assets	**7 295**	5 430	9 132	6 802	4 584	2 645	2 106
Current assets	**9 470**	10 025	6 852	7 460	8 210	4 773	5 372
Total assets	**48 058**	42 116	61 827	49 859	41 336	39 739	33 730
Total equity	**44 083**	38 787	57 875	46 427	38 090	36 844	31 411
Non-current liabilities	**1 517**	1 172	1 872	1 580	1 144	866	685
Current liabilities	**2 458**	2 157	2 080	1 852	2 102	2 029	1 634
Total equity and liabilities	**48 058**	42 116	61 827	49 859	41 336	39 739	33 730
Net asset value per share (Rand)							
(attributable to own members)							
– at book value	**84.38**	80.75	121.11	96.69	78.14	71.51	59.26
– at intrinsic value	**121.64**	99.15	253.67	221.00	157.59	119.97	100.36
STATEMENTS OF CASH FLOWS							
Cash (utilised)/generated from/(by) operations	**(273)**	883	1 232	1 666	1 474	1 566	1 383
Cash flow generated from returns on investments	**1 531**	1 642	3 801	3 040	4 200	2 670	2 013
Taxation paid	**(144)**	(280)	(497)	(676)	(369)	(546)	(363)
Cash available from operating activities	**1 114**	2 245	4 536	4 030	5 305	3 690	3 033
Dividends paid	**(1 006)**	(2 120)	(2 252)	(3 813)	(4 676)	(2 642)	(1 438)
Cash flow from operating activities	**108**	125	2 284	217	629	1 048	1 595
Net investing activities	**(1 381)**	1 053	(3 438)	(1 725)	3 364	(2 203)	(528)
Net financing activities	**(5)**	10	84	70	99	9	62
Net increase/(decrease) in cash and cash equivalents	**(1 278)**	1 188	(1 070)	(1 438)	4 092	(1 146)	1 129

The figures for 2005 above have been restated in terms of IFRS. Figures for 2004 have not been adjusted.

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



DIRECTORATE

AND MEMBERS OF COMMITTEES

NON-EXECUTIVE DIRECTORS


J P Rupert


E de la H Hertzog


P E Beyers


J Malherbe

INDEPENDENT NON-EXECUTIVE DIRECTORS


G T Ferreira


P K Harris


N P Mageza


P J Moleketi


M M Morobe


M A Ramphele


F Robertson


H Wessels

EXECUTIVE DIRECTORS AND MANAGEMENT BOARD MEMBERS


M H Visser


W E Bührmann


L Crouse


J W Dreyer


J J Durand


J A Preller


T van Wyk


N J Williams
Management Board member

MEMBERS OF COMMITTEES

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

INVESTMENT COMMITTEE
J P Rupert (Chairman)
L Crouse
J J Durand*
G T Ferreira
P K Harris
J Malherbe
M H Visser

MANAGEMENT BOARD
M H Visser (Chairman)
W E Bührmann
L Crouse
J W Dreyer
J J Durand*
J A Preller
T van Wyk
N J Williams*

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

** since 4 November 2009*
 # since 30 November 2009

NON-EXECUTIVE DIRECTORS

J P Rupert (60)

CHAIRMAN

DIRECTORSHIPS: Business Partners Limited (Chairman), Compagnie Financière Richemont SA (Executive Chairman) and Reinet Investments Manager SA (Chairman).

E de la H Hertzog (60)

DEPUTY CHAIRMAN

DIRECTORSHIPS: Medi-Clinic Corporation Limited (Chairman), Distell Group Limited, Total South Africa (Pty) Limited and Trans Hex Group Limited.

P E Beyers (60)

DIRECTORSHIPS: Distell Group Limited and Unilever South Africa Holdings (Pty) Limited.

J Malherbe (54)

DIRECTORSHIPS: Dimension Data Holdings Plc, Sabido Investments (Pty) Limited, Specpharm Holdings (Pty) Limited and VenFin DD Holdings Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

G T Ferreira (62)

APPOINTED: 4 November 2009

DIRECTORSHIPS: Currently the Chairman of RMB Holdings Limited. He has been involved in the financial services sector since graduating with commerce degrees from the University of Stellenbosch. Previous Chairmanships include AIG (SA) (Pty) Limited, FirstRand Limited, FirstRand Bank Limited, Rand Merchant Bank Limited and the Merchant Bankers Association of SA. Previous Directorships include Anglo American Corporation Limited, First National Bank Limited, FirstRand Limited, Glenrand Limited, the Industrial Development Corporation, Momentum Life Limited, Malbak Limited and Lenco Limited.

P K Harris (60)

DIRECTORSHIPS: Non-executive Director of FirstRand Limited, FirstRand Bank Holdings Limited, FirstRand Bank Limited, Momentum Group Limited and RMB Holdings Limited.

N P Mageza (55)

APPOINTED: 4 November 2009

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

P J Moleketi (53)

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, FIFA Local Organising Committee, Harith Fund Managers and Vodacom Group Limited. He holds postgraduate economics and management qualifications from the University of London and Harvard Business School and has gained extensive international exposure, extensive strategic leadership skills and in-depth corporate governance experience in both the public and private sectors.

M M Morobe (53)

DIRECTORSHIPS: Chief Executive Officer of Kagiso Media Limited and director of City Year South Africa, Kagiso Media Limited group of companies and Resolve Group (Pty) Limited.

M A Ramphele (62)

APPOINTED: 4 November 2009

DIRECTORSHIPS: A former Managing Director of The World Bank and former Vice-chancellor of the University of Cape Town as well as a director of a number of companies including Anglo American Plc, Dinokeng Scenarios (Chair of Convenors), Letsema Circle (Executive Chair), Medi-Clinic Corporation Limited and Technology Innovation Agency (Chairperson). Dr Ramphele is a medical doctor with, inter alia, a PhD in Social Anthropology and a commerce degree. She has received numerous prestigious national and international awards including 20 honorary doctorates acknowledging her scholarship, her service to the community and her leading role in raising development issues and spearheading projects for disadvantaged persons throughout South Africa.

F Robertson (55)

DIRECTORSHIPS: Executive Deputy Chairman of Brimstone Investment Corporation Limited and Chairman of Commlife Holdings, Lion of Africa Insurance Company Limited, Lion of Africa Life Assurance Company Limited and Sea Harvest Corporation (Pty) Limited.

H Wessels (65)

DIRECTORSHIPS: Keeromstraat 30 Investments Limited and Naspers Investments Limited.

EXECUTIVE DIRECTORS

M H Visser (56)

CHIEF EXECUTIVE OFFICER

BComm (Hons), CA(SA)
Years of service with the Group: 30

DIRECTORSHIPS: Distell Group Limited, FirstRand Limited, FirstRand Bank Limited, FirstRand Bank Holdings Limited, Kagiso Trust Investments (Pty) Limited, Medi-Clinic Corporation Limited, Nampak Limited, PGSI Limited, Rainbow Chicken Limited (Chairman), RMB Holdings Limited and Unilever South Africa Holdings (Pty) Limited.

W E Bührmann (55)

INVESTMENTS

BComm, CA(SA)
Years of service with the Group: 23

DIRECTORSHIPS: Currently a director of InVenFin (Pty) Limited. Served on various boards including Dorbyl Limited, Medi-Clinic Corporation Limited, Trans Hex Group Limited and Xiocom Wireless Inc.

L Crouse (57)

CHIEF FINANCIAL OFFICER

BComm, CA(SA)
Years of service with the Group: 2

DIRECTORSHIPS: CIV Fibre Network Solutions (Pty) Limited, Dark Fibre Africa (Pty) Limited, FirstRand Limited, FirstRand Bank Holdings Limited, FirstRand Bank Limited and Total South Africa (Pty) Limited.

J W Dreyer (59)

INVESTMENTS

BComm, LLB, H Dip Co Law, H Dip Tax
Years of service with the Group: 10

DIRECTORSHIPS: Air Products South Africa (Pty) Limited, Business Partners Limited, Dorbyl Limited, Kagiso Trust Investments (Pty) Limited, RMB Holdings Limited, Trans Hex Group Limited, Tsb Sugar Holdings (Pty) Limited and Wispeco Holdings Limited.

J J Durand (43)

APPOINTED: 4 November 2009

CHIEF INVESTMENT OFFICER

BAcc (Hons), MPhil, CA(SA)
Years of service with the Group: 14

DIRECTORSHIPS: Former Chief Executive Officer of VenFin Limited and currently a director of a number of companies including Capevin Holdings Limited, Capevin Investments Limited, InVenFin (Pty) Limited, Rainbow Chicken Limited, RMB Holdings Limited, Saracens Limited, Tracker Investments Holdings (Pty) Limited and VenFin DD Holdings Limited.

J A Preller (60)

CORPORATE AFFAIRS

BEcon
Years of service with the Group: 38

DIRECTORSHIPS: Responsible for Corporate Affairs and Corporate Social Investments of the Company. Non-executive director of Vendome Distributors (Pty) Limited and serves on the board of the South African College of Tourism.

T van Wyk (62)

INVESTMENTS

BComm, LLB, LLM, H Dip Tax
Years of service with the Group: 20

DIRECTORSHIPS: Air Products South Africa (Pty) Limited, Business Partners Limited (Deputy Chairman), Dorbyl Limited, Kagiso Trust Investments (Pty) Limited, Momentum Group Limited, Trans Hex Group Limited, Tsb Sugar Holdings (Pty) Limited and Wispeco Holdings Limited (Chairman).

FINANCIAL REVIEW

SALIENT FEATURES

Ordinary dividend per share	**+ 10.0%**
Headline earnings per share (including BAT in the comparative year)	**– 30.1%**
Headline earnings per share from continuing operations (excluding BAT in the comparative year)	**+ 2.8%**
Increase in intrinsic value per share	**+ 22.7%**
Successful completion of the VenFin acquisition on 23 November 2009	

INTRODUCTION

As witnessed in most parts of the world, economic conditions in South Africa were particularly challenging during 2009, with GDP declining by 1.8%, the first annual output contraction since the early 1990s. The domestic economy suffered a double blow through a decline in South African consumer spending amid significant job losses, as well as a sharp export fall in reaction to plunging global demand. One of the reactions from business was to postpone/reduce planned fixed investment outlays, which had a further dampening impact on economic activity. World GDP declined by 0.5% in 2009, the first time since World War II that the global economy contracted for an entire calendar year.

While the data for 2009 as a whole is depressing, the second half of the year already saw a return of global growth, supported by unprecedented government stimulus measures and a moderation in the rate of inventory destocking. After still contracting by more than 5% (quarter on quarter, annualised) in 2009Q1, the IMF reports that the global economy grew by 4.5% in the second half of 2009. Leading indicators such as the global purchasing managers' index (PM1)[(1)], which rose to a 71-month high in April 2010, suggest that the world growth recovery continued in the early stages of 2010.

The South African economy likewise appears to have turned the corner in the middle of 2009. After the real GDP registered a substantial quarter-on-quarter decline of 7.4% (annualised) in 2009Q1, followed by another (albeit smaller) fall in the second quarter, South Africa exited the recession when real GDP increased by 0.9% in 2009Q3. The recovery strengthened in the final quarter of 2009 with growth of 3.2% quarter on quarter recorded. In terms of the sectoral split, the South African economic recovery has (in line with global trends) to a large degree been driven by the manufacturing sector, with the consumer demand dependent trade sector lagging the recovery in the rest of the economy.

The local economic data released so far in 2010 have been mixed, with the interest rate sensitive sectors of the economy (especially the housing and vehicle markets) continuing to recover at a robust pace. Albeit coming from a low base in 2009, Naamsa reported that new vehicle sales increased by 22% year on year during the first four months of 2010. The various house price indices from the major banking groups also indicate a return to house price growth, even in real terms. These upbeat trends reflect the positive impact that the 550 basic points worth of interest rate reductions since December 2008 is having on the economy.

Besides an export recovery (the volume of vehicles exported surged by 51.6% year on year in April 2010), the improved global economic conditions have also benefited South Africa through a strong rise in foreign purchases of domestic stocks and bonds. In the year to 30 April 2010, foreign investors were net buyers of R30 billion worth of bonds and R12.5 billion of stocks on the Johannesburg Stock Exchange (JSE). The return to global growth has seen a strong rebound in the prices of key commodity prices such as platinum and copper, which is also helping South Africa's exports and increased the attractiveness for foreigners to invest in the resource heavy JSE.

However, despite these positive developments, the South African economy continues to face a number of headwinds. Most important is the employment situation – recently released employment figures from Stats SA indicate that the economy lost 171 000 jobs during the first quarter of 2010, which pushed the official unemployment rate back above 25%. A sluggish job market recovery poses one of the biggest risks to South Africa's economic recovery as it will restrain the possible rebound in consumer spending, responsible for more than 60% of GDP.

Although the recovery has evolved better than expected, the global economy continues to pose a risk to the South African growth outlook. The recent sharp declines on global stock markets in reaction to sovereign debt concerns in a number of southern European countries (Greece, Spain, Portugal, etc.) illustrated that the recovery from the global recession is unlikely to proceed in a straight line. Of concern is that a number of countries more important to the world economy, mainly the United States and United

[(1)] The PMI is an up-to-date indicator that gauges the health of the manufacturing sector.

Kingdom, are also faced with the difficult challenge of trying to reduce large fiscal deficits (measuring above 10% of GDP) at a time when a sustainable growth recovery is not assured.

Going forward, the large deficits will limit the ability of developed country governments to support their economies in the event of a growth relapse. Furthermore, the steps being taken in the aftermath of the global crisis, including proposals to increase regulation of the financial sector and the possibility of higher taxes (Australia has already announced plans to increase the tax on mining companies), may result in lower GDP growth rates than was the case through the 1990s and early 2000s.

HEADLINE EARNINGS

For the year to 31 March 2010 headline earnings decreased by 28.0% from R4 660 million to R3 355 million, while headline earnings per share decreased by 30.1% from 987.7 cents to 690.1 cents.

In order to facilitate year-on-year comparison, headline earnings and headline earnings per share are also presented for continuing operations, which excludes the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling, as set out in the table below.

	Year ended 31 March	
	2010 R million	2009 R million
Headline earnings as reported	**3 355**	4 660
Equity accounted income of BAT	**–**	(2 211)
STC on the BAT unbundling	**–**	686
Other non-recurring costs relating to the unbundling	**–**	33
Headline earnings from continuing operations	**3 355**	3 168
Headline earnings per share as reported (cents)	**690.1**	987.7
Headline earnings per share from continuing operations (cents)	**690.1**	671.5

Headline earnings from continuing operations increased by 5.9%, from R3 168 million to R3 355 million, while headline earnings per share from continuing operations increased by only 2.8% from 671.5 cents to 690.1 cents due to the dilutive effect of issuing ordinary shares for the acquisition of VenFin.

CONTRIBUTION TO HEADLINE EARNINGS

	Year ended 31 March			
	2010 R million	% change	Excluding BAT 2009 R million	Including BAT 2009 R million
Tobacco interests	**–**		–	2 295
Financial services	**1 355**	(14.0)	1 576	1 576
Industrial interests	**1 982**	50.4	1 318	1 318
Media interests	**17**		–	–
Mining interests	**96**	(41.5)	164	164
Technology interests	**13**		–	–
Other investments	**(64)**	20.0	(80)	(80)
Central treasury	**57**	(79.5)	278	194
Other net corporate costs	**(101)**	(14.8)	(88)	(807)
	3 355	5.9	3 168	4 660

Refer to the composition of headline earnings on page 17 for further information. The headline earnings "Excluding BAT" presented above represent headline earnings from continuing operations.

The acquisition of VenFin necessitated the introduction of two new reporting groups, "Media interests" and "Technology interests". A third new reporting group, "Other investments" was also created. In order to facilitate year-on-year comparison, the information presented for the comparative year has been adjusted accordingly.

The following commentary, comparing the results to those of the previous year, is based on headline earnings from continuing operations only.

Financial services

The combined contribution of FirstRand and RMBH to Remgro's headline earnings from financial services amounted to R1 355 million (2009: R1 576 million). The decrease of 14.0% can be attributed mainly to an increase in bad debts in the retail lending business of the banking division as well as to equity trading losses.

Industrial interests

The contribution of the industrial interests to headline earnings increased by 50.4% to R1 982 million (2009: R1 318 million). Kagiso Trust Investment's (KTI) contribution to headline earnings amounted to R128 million (2009: R139 million loss). KTI's results were impacted by favourable fair value adjustments amounting to R20 million (2009: R368 million unfavourable) relating to its shareholding in Metropolitan Holdings Limited. Total South Africa's contribution to headline earnings amounted to R42 million (2009: R25 million loss). The improved performance of Total South Africa is mainly due to a more stable international oil price than in 2008, resulting in lower stock revaluation losses. Rainbow reported improved results with its contribution to Remgro's headline earnings amounting to R259 million (2009: R235 million). Medi-Clinic's contribution to headline earnings amounted to R460 million (2009: R288 million). This substantial increase is due to improved operating results, as well as non-recurring items amounting to R176 million (Remgro's share being R81 million). Distell and Unilever's contribution to headline earnings amounted to R274 million and R279 million respectively (2009: R304 million and R231 million). Tsb Sugar's contribution to headline earnings amounted to R227 million (2009: R188 million). This increase is mainly due to a change in the valuation methodology of its biological agricultural assets, resulting in an increase in profit of R34 million.

Media interests

Media interests consist primarily of the interest in Sabido that was previously held by VenFin. Sabido's contribution to Remgro's headline earnings for the three months to March 2010 amounted to R11 million.

Mining interests

Mining interest's contribution to headline earnings decreased by 41.5% to R96 million (2009: R164 million). Dividends received from Implats amounted to R85 million (2009: R346 million), while Remgro's share of the results of Trans Hex amounted to R11 million (2009: R182 million loss). It should be noted that with effect from 30 November 2009 the investment in Trans Hex was reclassified as an investment "held for sale" and consequently Trans Hex was only equity accounted for the eight months to 30 November 2009.

Technology interests

Technology interests primarily represent the interest in the CIV group of companies that was acquired with VenFin. For the year under review the CIV group was only equity accounted for the three months to March 2010 and contributed R7 million to Remgro's headline earnings.

Other investments

The contribution of other investments to headline earnings improved by R16 million to a loss of R64 million (2009: R80 million loss). Business Partners' contribution to headline earnings amounted to R12 million (2009: R28 million), while losses amounting to R79 million were equity accounted from the investment in Xiocom (2009: R108 million loss). Xiocom was sold in March 2010.

Central treasury and other net corporate costs

Lower interest rates as well as lower average cash balances resulted in a decrease in the contribution from the central treasury division of R221 million. It should be noted that foreign currency profits amounting to R50 million were realised on the repatriation of R&R dividends in the comparative year. The increase in other net corporate costs to R101 million (2009: R88 million) is mainly due to the inclusion of VenFin's corporate costs.

EARNINGS

Total earnings decreased by 93.2% to R3 060 million (2009: R45 330 million), mainly as a result of the capital gain amounting to R40 805 million realised on the unbundling of the investment in BAT in the comparative year.

During the year under review Remgro made an impairment provision amounting to R168 million in respect of three investments, i.e. PGSI, KIEF and Premier Team Holdings, as their carrying values exceeded their estimated recoverable amounts. In the comparative year an impairment provision amounting to R438 million was made in respect of the investments in Dorbyl, Trans Hex and PGSI.

TREASURY SHARES

At 31 March 2009, 3 500 000 Remgro ordinary shares (0.8%) 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 the new share appreciation rights scheme that was implemented subsequent to the unbundling of the investment in BAT during November 2008.

During the year under review no Remgro ordinary shares were repurchased, while 75 956 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised share appreciation rights granted to them.

At 31 March 2010, 3 424 044 Remgro ordinary shares (0.7%) were held as treasury shares.

DIVIDENDS

The final ordinary dividend per share was determined at 125 cents (2009: 110 cents). Total ordinary dividends per share in respect of the financial year to 31 March 2010 therefore amount to 209 cents (2009: 190 cents).

The dividend is covered 3.3 times by headline earnings against 5.2 times the previous year.

INTRINSIC VALUE

Remgro's intrinsic value per share at 31 March 2010 was R121.64 compared to R99.15 on 31 March 2009.

ACKNOWLEDGEMENT

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 **Thys Visser**

Stellenbosch
21 June 2010

COMPOSITION OF HEADLINE EARNINGS

AT 31 MARCH 2010

	Year ended 31 March		
		Excluding BAT	Including BAT
	2010 R million	2009 R million	2009 R million
Tobacco interests			
R&R Holdings	–	–	2 295
Financial services			
RMBH	720	761	761
FirstRand	635	815	815
Industrial interests			
Medi-Clinic Corporation	460	288	288
Unilever SA Holdings	279	231	231
Distell Group	274	304	304
Capevin Investments	7	–	–
Rainbow Chicken	259	235	235
Tsb Sugar	227	188	188
Air Products South Africa	115	102	102
Nampak	73	105	105
Total South Africa	42	(25)	(25)
Kagiso Trust Investments	128	(139)	(139)
PGSI equity accounted income	1	40	40
PGSI fair value adjustment	82	–	–
Wispeco	63	30	30
Other industrial interests	(28)	(41)	(41)
Media interests			
Sabido	11	–	–
MARC preference shares	5	–	–
Other media interests	1	–	–
Mining interests			
Implats	85	346	346
Trans Hex Group	11	(182)	(182)
Technology interests			
CIV group	7	–	–
Other technology interests	6	–	–
Other investments	(64)	(80)	(80)
Central treasury	57	278	194
Other net corporate costs	(101)	(88)	(807)
Headline earnings	3 355	3 168	4 660
Weighted number of shares (million)	486.2	471.8	471.8
Headline earnings per share (cents)	690.1	671.5	987.7

INTRINSIC NET ASSET VALUE

INTRINSIC NET ASSET VALUE

AT 31 MARCH 2010

	31 March 2010		31 March 2009	
	Book value R million	Intrinsic value R million	Book value R million	Intrinsic value R million
Financial services				
RMBH	6 400	9 785	6 027	6 227
FirstRand	6 026	9 719	5 728	5 803
Industrial interests				
Medi-Clinic Corporation	3 111	6 948	3 533	5 533
Unilever SA Holdings	3 109	4 346	2 950	4 110
Distell Group[(1)]	1 798	4 430	1 320	3 052
Rainbow Chicken	1 956	3 412	1 836	3 315
Tsb Sugar	1 376	2 506	1 211	2 631
Air Products South Africa	536	1 752	453	1 563
Nampak	1 205	1 398	1 263	984
Total South Africa	631	1 080	566	1 136
Kagiso Trust Investments	1 213	1 269	940	955
PGSI	533	528	368	368
Wispeco	358	381	312	345
Other industrial interests	328	351	224	224
Media interests				
Sabido	837	1 215	–	–
MARC	187	211	–	–
Other media interests	50	71	–	–
Mining interests				
Implats	5 711	5 711	4 223	4 223
Trans Hex Group	65	106	44	44
Technology interests				
CIV group[(2)]	378	539	–	–
SEACOM	721	1 120	–	–
Tracker	574	911	–	–
Other technology interests	385	479	–	–
Other investments	573	399	415	277
Central treasury – cash at the centre[(3)]	4 662	4 662	5 967	5 967
Other net corporate assets	581	796	692	879
Net asset value (NAV)	43 304	64 125	38 072	47 636
Potential CGT liability[(4)]		(1 703)		(887)
NAV after tax	43 304	62 422	38 072	46 749
Issued shares after deduction of shares repurchased (million)	513.2	513.2	471.5	471.5
NAV after tax per share (Rand)	84.38	121.64	80.75	99.15

Notes

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

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

[(3)] Cash at the centre excludes cash held by subsidiaries that are separately valued above.

[(4)] The potential capital gains tax (CGT) liability, which is unaudited, is calculated on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and also taking into account the corporate relief provisions. Deferred CGT on investments "available-for-sale" (mainly Implats and Caxton) is included in "other net corporate assets" above.

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

INTRINSIC VALUE

The intrinsic net asset value at the end of March 2010 amounted to R121.64 per share.

The intrinsic net asset value of the Group includes valuations of all investments, incorporating subsidiary and associated companies and joint ventures, either at listed market value or, in the case of unlisted investments, at directors' valuation. The net assets of wholly owned non-investment subsidiary companies, consisting mainly of monetary items, are included at book value.

The following factors are taken into account in determining the directors' valuation of unlisted investments:

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

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

Remgro's unlisted investments were valued as follows:

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

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

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

Kagiso Trust Investments
A sum-of-the-parts valuation, with an effective date of 31 December 2009, was used as valuation basis.

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

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

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

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

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

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

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

Unilever South Africa
The investment is valued at the put option value at which the investment can be put to the other shareholder.

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

Cash at the centre

The cash at the centre differs from the cash in the statement of financial position. The first-mentioned comprises the following:

	2010 R million	2009 R million
Per statement of financial position	**3 827**	5 050
Investment in money market funds	**1 812**	1 578
Less: Cash of operating subsidiaries	**(977)**	(661)
Cash at the centre	**4 662**	5 967
– Local	**435**	874
– Offshore	**4 227**	5 093

On 31 March 2010, approximately 43% (R1 812 million) of the available offshore cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position. Refer to note 16 to the annual financial statements for further details.

Cash held by associated companies are not included in cash at the centre.

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

	2010	2009	28 Oct 2008*	2008	2007	2006	2005
Intrinsic net asset value – Rand per share	**121.64**	99.15	84.34	253.67	221.00	157.59	119.97
JSE – All share index	**28 748**	20 364	18 549	29 588	27 267	20 352	13 299
– Fin & Ind 30 index	**26 592**	18 080	18 649	23 868	24 960	19 491	13 477
– Financial 15 index	**8 061**	5 438	5 527	7 424	9 345	7 616	5 258
– Resource 20 index	**51 854**	38 767	30 617	64 543	50 018	34 923	21 585
Remgro share price (Rand)	**98.00**	67.50	61.00	195.93	181.00	135.00	93.80

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

Relative performance	1 year to 31 March 2010 (% year on year)	Period from 28 October 2008 to 31 March 2010 (% comp per annum)
Intrinsic net asset value	**22.7**	**29.4**
JSE – All share index	**41.2**	**36.1**
– Fin & Ind 30 index	**47.1**	**28.3**
– Financial 15 index	**48.2**	**30.4**
– Resource 20 index	**33.8**	**44.9**
Remgro share price	**45.2**	**39.6**

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

	IRR from 28 October 2008 to 31 March 2010 (% comp per annum)
JSE – All share index	**39.6**
– Fin & Ind 30 index	**31.7**
– Financial 15 index	**35.5**
– Resource 20 index	**47.6**
Remgro share	**43.1**

INVESTMENT REVIEW

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

INVESTMENT REVIEW

FINANCIAL SERVICES

Both FirstRand Limited ("FirstRand") and RMB Holdings Limited ("RMBH") have June year-ends and therefore their results for the twelve months ended 31 December 2009 have been equity accounted in the Remgro results for the period under review.

CONTRIBUTION TO HEADLINE EARNINGS

	2010 R million	2009 R million
FirstRand	**635**	815
RMBH	**720**	761
	1 355	1 576

FIRSTRAND – effective direct interest: 9.1% (total effective interest: 17.2%)

MARKET CAPITALISATION AT 31 MARCH 2010: R113 886 MILLION

LISTED ON THE JSE LIMITED

CHIEF EXECUTIVE OFFICER: S E NXASANA

PROFILE

The FirstRand group of companies is involved in financial services activities, including retail, corporate, investment and merchant banking, short-term insurance, life insurance, employee benefits and asset management. The banking and insurance activities are represented by the wholly owned subsidiaries FirstRand Bank Holdings Limited and Momentum Group Limited respectively. The group's franchises include First National Bank ("FNB"), Rand Merchant Bank ("RMB"), WesBank, OUTsurance and Momentum.

REMGRO NOMINATED DIRECTORS

L Crouse, M H Visser

WEBSITE: www.firstrand.co.za

FirstRand's contribution to Remgro's headline earnings only represents Remgro's 9.1% direct interest in FirstRand and excludes the indirect contribution from FirstRand through Remgro's interest in RMBH.

FirstRand's latest results for the six months ended 31 December 2009 reported that headline earnings decreased slightly by 1% to R4 492 million (2008: R4 553 million). These results are reflective of early signs of an improving global and local economic environment.

The Banking group's results for the period under review reflect a significant recovery (112% increase) in profitability compared to the six-month period ended 30 June 2009, although only 3% below the level of December 2008. The improving earnings trend from the banking operations reflects the reversal of the two most significant negative issues from the previous comparative period, and the year to 30 June 2009, namely, bad debts emanating from the large retail lending books and losses from certain offshore trading portfolios within the investment banking division. Momentum's normalised earnings for the six months ended 31 December 2009 increased by 15% to R850 million (2008: R740 million), which reflects the positive impact of the recovery in equity markets and a continued strong operational performance despite negative pressures in many sectors of the market.

The FirstRand group is continuing to make good progress in terms of its African strategy. As the African continent's economic environment becomes increasingly investor-friendly, opportunities for financial services are expected to increase and FirstRand is positioning itself to benefit from these.

RMBH – effective interest: 25.0%

MARKET CAPITALISATION AT 31 MARCH 2010: R39 139 MILLION
LISTED ON THE JSE LIMITED
CHIEF OPERATING OFFICER: P COOPER
PROFILE RMBH's interests are: – FirstRand Limited (32%) – RMB Structured Insurance Limited (80%) – OUTsurance Limited (62%) – Discovery Holdings Limited (27%)
REMGRO NOMINATED DIRECTORS J J Durand, M H Visser
WEBSITE: www.rmbh.co.za

For the six months ended 31 December 2009, 78.5% (2008: 79.6%) of RMBH's headline earnings, before taking into account other net income and funding costs, was from FirstRand, while its other interests contributed 21.5% (2008: 20.4%). RMBH's other interests include Discovery Holdings Limited, OUTsurance Limited and RMB Structured Insurance Limited.

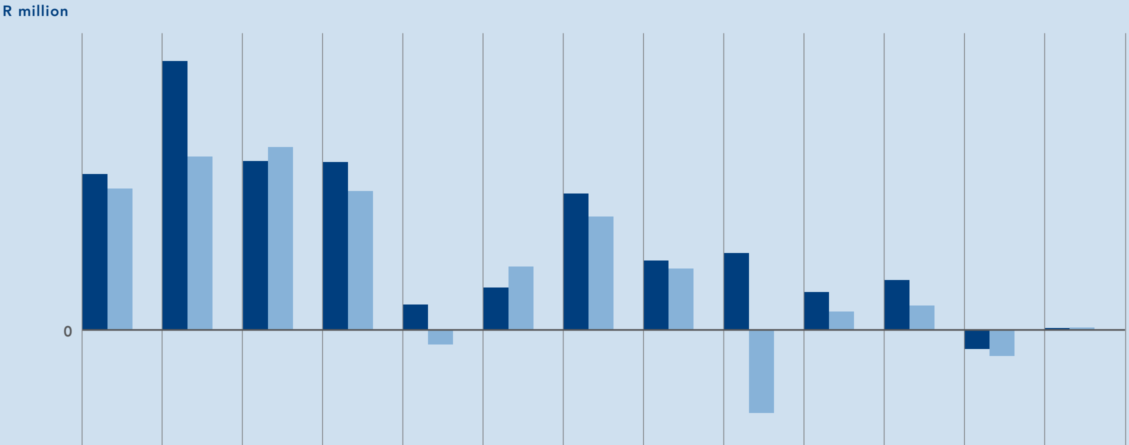
The Discovery Group is active in the insurance and healthcare funding markets in South Africa and the United Kingdom and performed exceptionally well, increasing its headline earnings by 54% to R755 million (2008: R489 million) for the six months ended 31 December 2009. The short-term insurer, OUTsurance, contributed R176 million (2008: R205 million) to RMBH's headline earnings for the six months ended 31 December 2009, after allowing for start-up costs of "Youi", its Australia-based direct insurer. RMB Structured Insurance ("RMBSI") creates individual insurance and financial risk solutions for large corporates by using innovative financial structures and it contributed a R4 million headline loss (2008: R25 million headline earnings) to RMBH's headline earnings for the period under review.

The greater RMBH Group continues to focus on protecting its origination franchises and balance sheets to ensure it is optimally positioned to take advantage of growth opportunities as they arise, particularly as the negative credit cycle reverses.

INVESTMENT REVIEW

INDUSTRIAL INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS



	Rainbow Chicken	Medi-Clinic	Distell	Unilever	Total	Nampak	Tsb Sugar	Air Products	KTI	Wispeco	PGSI	Dorbyl	Caxton
2010	259	460	281	279	42	73	227	115	128	63	83	(32)	3
2009	235	288	304	231	(25)	105	188	102	(139)	30	40	(44)	4

RAINBOW CHICKEN LIMITED – effective interest: 73.3%

MARKET CAPITALISATION AT 31 MARCH 2010: R5 465 MILLION	
RAINBOW	**LISTED ON THE JSE LIMITED**
	CHIEF EXECUTIVE OFFICER: M DALLY
	PROFILE Rainbow is the holding company of one principal operating subsidiary, which is a vertically integrated chicken producer.
	REMGRO NOMINATED DIRECTORS J J Durand, P R Louw, M H Visser
	WEBSITE: www.rainbowchicken.co.za

For the year ended 31 March 2010, Rainbow Chicken Limited's ("Rainbow") headline earnings increased by 10% (2009: 40% decrease) from R319 million to R351 million. Positive fair value adjustments on financial instruments, used in the feed raw material procurement strategy, amounting to R52 million (2009: R153 million negative) is included in profit before tax. Excluding the effect of these fair value adjustments, reflects a declining trend in headline earnings, which is mainly attributable to lower chicken realisations and a lower contribution from the external feed business.

Rainbow's total revenue increased by 2.1% (2009: 14.4%), underpinned by a 2.9% growth in chicken revenue which contributed 80% to total revenue. Overall chicken sales volumes increased by 5.1%. The lower increase in revenue, compared to 2009, results mainly from lower feed selling prices and volumes sold externally, with feed sales contributing 11% (2009: 13%) to total revenue.

Feed raw material prices peaked at historically high levels during the 2009 financial year and remained volatile throughout the current financial year. With the exception of soya, raw material prices reduced substantially during 2010, and the rand strengthened against all major currencies. Taking full advantage of these lower prices was difficult due to the rate at which the prices declined and Rainbow's forward procurement strategy. Going forward there is an opportunity for feed costs to reduce further, provided raw material prices remain at the current lower levels.

Retail added value products performed well. Rainbow Polony continued to entrench its market leadership position with the launch of Rainbow Family Polony, while Rainbow Viennas showed good volume growth. The Rainbow Freezer to Fryer range of burgers and steaklets has shown strong growth this year and has recently become the market leading crumbed chicken brand in South Africa. FoodSolutions has grown acceptably given the tight economy and the consequential impact on discretionary purchases like fast food. The general foodservice channel has contracted, leading to a decline in chicken purchases.

Rainbow's branded added value strategy has once again proved to be vital in delivering consistent profit in these difficult economic times. Rainbow's sustainability programme has brought focus to the issue of carbon footprint and will continue to benefit the operations through reduced electricity and coal consumption.

MEDI-CLINIC CORPORATION LIMITED – effective interest: 45.7%

MARKET CAPITALISATION AT 31 MARCH 2010: R16 011 MILLION

LISTED ON THE JSE LIMITED

CHIEF EXECUTIVE OFFICER: D P MEINTJES

PROFILE

Medi-Clinic's business consists of the provision of comprehensive, high-quality hospital services on a cost-effective basis in Southern Africa, the United Arab Emirates and Switzerland.

REMGRO NOMINATED DIRECTORS

E de la H Hertzog, C M van den Heever, M H Visser

WEBSITE: www.mediclinic.co.za

Medi-Clinic Corporation Limited's ("Medi-Clinic") turnover increased by 5% to R17 141 million (2009: R16 351 million) for the year under review, while headline earnings increased by 65% to R1 028 million (2009: R624 million). The substantial increase in headline earnings can be attributed mainly to two non-recurring items amounting to R176 million relating to a decrease in tax rates in two cantons in Switzerland, as well as an adjustment to past service costs of the Hirslanden pension fund. Core headline earnings, which excludes the effect of the two non-recurring items, increased from R624 million to R852 million, as a result of higher operating profit.

Medi-Clinic has an interest of 100% in Hirslanden, the holding company of the largest private hospital group in Switzerland. Hirslanden is the leading private hospital group in Switzerland, comprising 13 private acute care facilities. Hirslanden's revenue for the year under review decreased by 5% to R8 335 million (2009: R8 737 million) and core operating income before interest, taxation, depreciation and amortisation ("core EBITDA"), which excludes the effect of the two non-recurring items, was slightly lower at R1 953 million (2009: R1 961 million). The decrease in the average rand/Swiss franc exchange rate for the year resulted in the decline in the rand result of the financial numbers above, with revenue and core EBITDA increasing by 4% and 9% respectively, at constant foreign exchange rates.

The Southern African group revenue increased by 13% to R7 680 million (2009: R6 792 million) for the year under review due to a 2.1% increase in bed-days sold and an 10.3% increase in the average income per bed-day. EBITDA increased by 13% to R1 651 million (2009: R1 458 million) and the Southern African operations contributed R659 million (2009: R553 million) to the attributable income of Medi-Clinic.

Medi-Clinic has an interest in Emirates Healthcare Holdings Limited which owns and operates the Welcare Hospital and The City Hospital in Dubai. Emirates Healthcare also has the right to develop another hospital, which will make it the largest private healthcare provider in Dubai. Revenue from the United Arab Emirates increased by 37% to R1 126 million (2009: R822 million) for the year under review, while EBITDA increased to R132 million (2009: R12 million).

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

DISTELL GROUP LIMITED – effective interest: 33.3%

MARKET CAPITALISATION AT 31 MARCH 2010: R13 721 MILLION
LISTED ON THE JSE LIMITED
MANAGING DIRECTOR: J J SCANNELL
PROFILE Distell produces and markets fine wines, spirits and flavoured alcoholic beverages in South Africa and internationally.
REMGRO NOMINATED DIRECTORS P E Beyers, E de la H Hertzog, M H Visser
WEBSITE: www.distell.co.za

Distell Group Limited's ("Distell") financial year-end is 30 June. However, included in Remgro's headline earnings is the company's results for the twelve months ended 31 December 2009.

Distell reported for the six months ended 31 December 2009 that turnover grew by 9% (2008: 22%) to R6.6 billion (2008: R6.1 billion) on a sales volume increase of 7.7%. Sales volume in the South African market increased by 5.8% (2008: 10.7%).

International sales volume, including Africa, grew by 14% (2008: 37%), but a stronger rand against all major currencies limited international revenue growth to 12%.

The decrease of 4.2% (2008: 19.9% increase) in Distell's headline earnings for the six-month period to R623 million (2008: R650 million) was largely due to higher financing costs due to the acquisition of the Bisquit brand, as well as a decline in operating margin.

UNILEVER SOUTH AFRICA HOLDINGS (PTY) LIMITED – effective interest: 25.8%

EQUITY VALUATION AT 31 MARCH 2010: R16 878 MILLION

UNLISTED

CHIEF EXECUTIVE OFFICER:
MRS G A KLINTWORTH

PROFILE

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

REMGRO NOMINATED DIRECTORS

P E Beyers, M H Visser

WEBSITE: www.unilever.co.za

Remgro included R279 million (2009: R231 million) of the earnings of Unilever South Africa Holdings (Pty) Limited ("Unilever South Africa") in its headline earnings for the twelve months ended 31 March 2010. Included in Remgro's share of Unilever's earnings is restructuring costs amounting to R53 million (2009: R23 million). The increased earnings result mainly from higher margins due to significant upward pressure on commodity costs in the previous period not being experienced in the current year.

Unilever South Africa's turnover grew by 5.1% for the year ended 31 March 2010, which constituted a growth of 5.5% in the retail business and a decline of 3% in the food solutions business.

The growth in the retail business was driven by both price and volumes, with the Savoury and Dressing ("S&D"), Face care and Skin cleanse categories contributing most significantly to this growth. S&D continued its good performance across its soup range and meal solutions range. Face care categories recorded exceptional growth after the launch of the premium range Ponds products. Skin cleanse growth was driven by the launch of *Vaseline for Men* and *Sunlight Germiguard.*

Price growth was due to the carry-over effect of a number of price increases in 2008 due to the unprecedented increase in commodity prices and high exchange rates. This trend started to reverse in the latter part of 2009. Competitors adjusted their pricing accordingly and Unilever South Africa maintained its pricing strategy, relative to these competitors.

Food solutions' negative growth resulted from a decline in volume which is mainly attributable to the impact of the economic slowdown on out-of-home eating.

TOTAL SOUTH AFRICA (PTY) LIMITED – effective interest: 24.9%

EQUITY VALUATION AT 31 MARCH 2010: R4 338 MILLION
UNLISTED
CHIEF EXECUTIVE OFFICER: J D ROYERE
PROFILE Subsidiary of Total (France). Total South Africa's business is the refining and marketing of petroleum and petroleum products in South Africa. It distributes to neighbouring countries. It has a 36% interest in National Petroleum Refiners of S.A. (Pty) Limited (Natref).
REMGRO NOMINATED DIRECTORS L Crouse, E de la H Hertzog
WEBSITE: www.total.co.za

Total South Africa (Pty) Limited's ("Total") financial year-end is 31 December, and therefore its results for the twelve months ended 31 December 2009 have been included in Remgro's headline earnings. Total's contribution to Remgro's headline earnings for the period under review increased from a loss of R25 million in the previous year to earnings of R42 million, mainly driven by the recovery in oil prices.

Total reported a net profit of R131 million for 2009 compared to a loss of R101 million for 2008. International oil prices recovered in 2009 after a very volatile year in 2008, which resulted in limited stock revaluations for the current year compared to the significant devaluation of stock during 2008. Profitability in the industry has suffered due to low refining margins and overcapacity of refineries worldwide. The industry obtained an increase of 6.2 cents in the regulated wholesale margin in October 2009, which is still not keeping pace with inflation.

Despite the recession, Total's sales of main fuels increased by 2.3% from the previous year, while retail sales increased by 1.7%. The increasing trend is mainly due to lower oil prices throughout the year, compared to 2008, whereas the positive impact of the economic recovery in South Africa will likely be seen from 2010. The company has launched action plans during the year to reduce its costs, but has maintained the same level of investment regarding the health, safety, environment and quality aspects, especially at the depots. The company also embarked on a restructuring process at the end of 2009, with the aim to reduce costs.

Natref, in which Total has an interest of 36%, experienced a stable reliability rate during the current year compared to 2008. However, because of reduced demand of oil products in the international markets, refining margins dropped considerably reaching very low levels during the second half of the year.

Decreased working capital requirements, due to lower oil prices throughout the year, compared to 2008, led to a decrease of R126 million in financing costs.

NAMPAK LIMITED – effective interest: 13.3%

MARKET CAPITALISATION AT 31 MARCH 2010: R11 820 MILLION

LISTED ON THE JSE LIMITED

CHIEF EXECUTIVE OFFICER: A B MARSHALL

PROFILE

Nampak is Africa's largest and most diversified packaging manufacturer, with operations in the United Kingdom and Europe. It produces a wide variety of packaging products from metals, paper, plastic and glass and is the largest manufacturer and distributor of tissue paper products in South Africa.

REMGRO NOMINATED DIRECTOR

M H Visser

WEBSITE: www.nampak.co.za

Nampak Limited ("Nampak") has a September year-end. Nampak's contribution of R73 million (2009: R105 million) to Remgro's headline earnings relates to its results for the twelve months to 31 March 2010.

For the six months ended 31 March 2010, Nampak reported a decrease of 7% in revenue to R9 434 million (2009: R10 091 million) due to lower sales volumes in South Africa and the effect of a stronger rand on translated revenue from Europe and the rest of Africa.

On a constant exchange rate basis, revenue would have been similar to the comparative period.

Nampak's headline earnings for the interim period increased by 17% to R458 million (2009: R392 million). The increase was mainly as a result of a reduction in finance costs and turnarounds in the paper businesses in both South Africa and Europe, which contributed to improved operating margins.

TSB SUGAR HOLDINGS (PTY) LIMITED – effective interest: 100.0%

EQUITY VALUATION AT 31 MARCH 2010: R2 506 MILLION
UNLISTED
CHIEF EXECUTIVE OFFICER: J DU PLESSIS
PROFILE Tsb Sugar is involved in cane growing and the production, transport and marketing of sugar and animal feed. Citrus is also grown on the group's estates.
REMGRO NOMINATED DIRECTORS J W Dreyer, C M van den Heever, T van Wyk
WEBSITE: www.tsb.co.za

Tsb Sugar Holdings (Pty) Limited ("Tsb Sugar") is primarily involved in cane growing and the production, transport and marketing of refined sugar, brown sugar, animal feed and citrus. The main areas of operation are the Nkomazi region in the Mpumalanga Lowveld and the Pongola area in northern KwaZulu-Natal. Sugar products are sold under the well-established Selati brand. The Selati brand enjoys market leadership in its target markets (Gauteng, Mpumalanga, North West and Limpopo), while market share in the other geographic areas is increasing. Tsb Sugar also holds a 27.4% share-holding in Royal Swaziland Sugar Corporation Limited, a company that owns and operates two sugar mills in Swaziland. In addition, the company holds an effective share-holding of 63.7% in Mananga Sugar Packers – a sugar packaging and marketing company based in Swaziland which markets sugar under the *First and other* house brands in Swaziland as well as in South Africa.

Headline earnings increased by 21% to R227 million (2009: R188 million) notwithstanding the current global economic situation and increased cost pressure throughout the value chain. Turnover, driven by an increase in volume and prices, increased by 11% to R4 149 million, (2009: R3 732 million). Sugar, citrus and animal feed respectively accounts for 84%, 5% and 8% of turnover (2009: 82%, 6% and 8%). Included in headline earnings for the current year is an additional fair value adjustment of R34 million resulting from a change in the valuation methodology of biological agricultural assets (sugar cane, citrus and bananas).

The South African sugar industry's production decreased by 3.6% in 2009/2010. In comparison, Tsb Sugar's raw sugar production increased by 8.2% due to the sugar produced at the Pongola mill acquired during the year. During the year under review the Komati mill produced more sugar than any other mill in the South African sugar industry with the Malelane mill in the third position.

The acquisition of the Pongola mill during the year contributed to the increase in sugar production. A total of 4.535 million tons of cane were crushed this season (2009: 4.093 million tons), with a production of 550 016 tons raw sugar (2009: 508 473 tons) at the mills operated by Tsb Sugar. The cane crushed to raw sugar ratio of 8.04 compares favourably to the South African sugar industry average of 8.53 and indicates good production efficiencies at the three mills. Tsb Sugar operates a refinery at the Malelane Mill complex as well as at the Pongola mill, where raw sugar received from the company's sugar mills is refined for both the local and export markets. The refineries produced 417 403 tons of refined sugar during the year (2009: 342 489 tons).

Tsb Sugar's animal feed operation, Molatek, produces various products for the livestock market. The major raw materials (molasses and bagasse) used in the production process are by-products of sugar production. Molatek had an excellent year and production increased by 19.1% over the previous year.

Tsb Sugar is also invested in citrus through its 51% share in Golden Frontiers Citrus ("GFC"). GFC owns three citrus estates where grapefruit and oranges are cultivated, harvested and packed for the export market. The marketing of the citrus is undertaken by Komati Fruits, a partnership between various citrus producers. GFC harvested 71 520 tons of grapefruit and oranges in the past season. The percentage of total production exported was 58% (2009: 70%). This drop was due to adverse market conditions in destination markets. GFC also leases a citrus farm from, and manages banana farms on behalf of, newly established Land claimant trusts.

The settlement of land claims registered on Tsb Sugar's farms progressed well initially, with the Tenbosch land claim being finalised during 2008. The jointly controlled companies established following the land transfer have exceeded financial and production expectations. However, the land reform process has now slowed down due to government financial constraints and Tsb was unable to conclude the planned restitution of land during the year under review.

AIR PRODUCTS SOUTH AFRICA (PTY) LIMITED – effective interest: 50.0%

EQUITY VALUATION AT 31 MARCH 2010: R3 504 MILLION

UNLISTED

CHIEF EXECUTIVE OFFICER: M HELLYAR

PROFILE

Air Products SA produces oxygen, nitrogen, argon, hydrogen and carbon dioxide for sale in gaseous form by pipeline under long-term contracts to major industrial users, as well as the distribution of industrial gases and chemicals for sale, together with ancillary equipment, to the merchant market. The other 50% of the ordinary shares is held by Air Products and Chemicals Incorporated, a USA company.

REMGRO NOMINATED DIRECTORS

J W Dreyer, T van Wyk, N J Williams

WEBSITE: www.airproducts.co.za

Air Products South Africa (Pty) Limited ("Air Products") has a September year-end. For the twelve months ended 31 March 2010, Air Products' turnover grew by 9.0% (2009: 13.1%) from R1 139 million to R1 241 million and Remgro's share in its headline earnings by 12.7% (2009: 8.3%) from R102 million to R115 million.

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

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

Trading conditions for the period under review remained difficult as volumes in many of the industries remained depressed but had generally stabilised or improved slightly by the end of the period. Cost-saving and productivity initiatives helped offset the effect of lower volumes which resulted in modest earnings growth.

KAGISO TRUST INVESTMENTS (PTY) LIMITED – effective interest: 42.5%

EQUITY VALUATION AT 31 MARCH 2010: R3 369 MILLION

UNLISTED

CHIEF EXECUTIVE OFFICER: K MATSEKE

PROFILE

Kagiso Trust Investments ("Kagiso") is an established black economic controlled company with a focus on investment banking services, media and strategic investments. Kagiso has an investment portfolio and strategy that is complementary to that of Remgro. Its major investments include Kagiso Media Limited and Metropolitan Holdings Limited.

REMGRO NOMINATED DIRECTORS

J W Dreyer, T van Wyk, M H Visser

WEBSITE: www.kagiso.com

Kagiso Trust Investments (Pty) Limited ("KTI") is a black economic controlled investment holding company. Its investments are predominantly in the financial services, media and mining sectors. Its two largest investments, by value, are its interests in Metropolitan Holdings Limited and Kagiso Media Limited.

KTI's financial year-end is 30 June. However, included in Remgro's headline earnings are KTI's results for the twelve months ended 31 December 2009.

KTI posted headline earnings of R301 million for the twelve months ended 31 December 2009, compared to a headline loss of R332 million in the prior twelve-month period. The results for the previous year included an unfavourable fair value adjustment on the conversion rights attached to its holding of Metropolitan Holdings Limited convertible preference shares, as well as fair value losses due to the significant drop in the platinum price. Some of the Metropolitan preference shares were converted to ordinary shares during the second half of the year under review, whilst the fair value gain from the remaining preference shares (R85 million) and the recovery in the platinum price also had a positive impact on earnings.

Effective 1 June 2009, Kagiso Media Limited became a subsidiary of KTI. Prior to this date, the investment was accounted for as an associated company.

WISPECO HOLDINGS LIMITED – effective interest: 100.0%

EQUITY VALUATION AT 31 MARCH 2010: R381 MILLION
UNLISTED
MANAGING DIRECTOR: H ROLFES
PROFILE Wispeco's main business is the manufacturing and distribution of extruded aluminium profiles used mainly in the building, engineering and durable goods sectors.
REMGRO NOMINATED DIRECTORS J W Dreyer, C M van den Heever, T van Wyk
WEBSITE: www.wispeco.co.za

For the twelve months under review, Wispeco Holdings Limited's ("Wispeco") headline earnings included in Remgro's results increased to R63 million (2009: R30 million) despite a decrease in turnover of 18% over the same period.

The negative impact of a reduction in annual sales volumes linked to the global economic downturn and a lower average selling price for the year was outweighed by the positive impact of increased operating margins attributed to restructuring and efficiency improvements in major operating divisions. Current year earnings also included a positive inventory revaluation of R9 million compared to an inventory devaluation of R39 million during the previous year.

The local market for Wispeco's products remained depressed for much of the year only showing some signs of revival in the first quarter of 2010. Continued market recovery is expected to be gradual and largely linked to growth of the South African economy.

Price competition remained intense due to excess local capacity and renewed growth in imports. Against the background of difficult trading conditions, Wispeco acquired the business of Sheerline, thereby expanding its local distribution network for architectural aluminium products. The Sheerline business consists of nine distribution outlets countrywide and complements Wispeco's current network. Wispeco continued to drive the development of technical skills in the industry through its variety of training initiatives.

PGSI LIMITED – effective interest: 28.7%

EQUITY VALUATION AT 31 MARCH 2010: R1 279 MILLION

UNLISTED

CHIEF EXECUTIVE OFFICER: S JENNINGS

PROFILE

PGSI holds an interest of 100% in PG Group. The PG Group is South Africa's leading integrated flat glass business that manufactures, distributes and installs high-performance automotive and building glass products.

REMGRO NOMINATED DIRECTORS

M H Visser, J du Toit (Alternate)

WEBSITE: www.pggroup.co.za

PGSI Limited's ("PGSI") financial year-end is 31 December and, therefore, its results for the twelve months ended 31 December 2009 has been included in Remgro's headline earnings. PGSI's contribution to Remgro's headline earnings for the period under review was R1 million (2008: R40 million).

PGSI, through its wholly owned subsidiary PG Group (Pty) Limited, is the largest flat glass manufacturer in Africa. Products are supplied to the building and construction, home improvement, furniture, solar energy, new vehicle manufacturing, auto glass replacement and rail industries. The group is also a significant exporter of building and auto glass finished products to the rest of Africa, Europe, the USA and more recently India.

The group reported a 3% decline in turnover, whilst headline earnings declined from R174 million in 2008 to R6 million for the year ended 31 December 2009.

The results of PG Group was negatively affected by two major factors. The severe global and domestic recession had a significant impact on the automotive and building markets. Production of new cars in South Africa decreased by 31% and all sectors in the building market were in a severe downturn. In addition, the aggressive pricing policies of the local vehicle assembly plants prevented margin recovery, which was exacerbated by the low vehicle volume production. The strengthening of the rand in the second half of the year adversely affected export contributions.

The other major factor influencing results, was the capital expansion of one of the groups two main float glass production lines. R680 million was invested in this programme, and the production facility was down for 23 weeks, leading to the under recoveries of fixed costs. The group is, however, now well invested and the extensive four-year re-capitalisation program was concluded with the successful completion of the float plant expansion investment in September 2009. This programme was initially financed with debt only, but during the year PGSI contributed R300 million in shareholders loans to the PG Group, which was raised from a rights and preference share issue by PGSI shareholders during the first half of 2009. These funds covered PG Group's operational cash shortfalls and assisted to meet capital expenditure obligations. The PG Group now owns two state-of-the-art float glass lines, with significant capacity.

Net finance expenses on external borrowings of R176 million (2008: R149 million) increased from the previous year as the capital expenditure programmes at PG Group were financed mostly by debt.

The recovery of the local and global economies is expected to add slow but consistent growth over the next two years. The strong rand and administrated price increases (such as electricity price hikes) will, however, necessitate further cost containment strategies and dampen growth expectations. The group's focus will be on growth strategies in the domestic and export markets to exploit its newly installed capacity.

OTHER INDUSTRIAL INTERESTS

CAXTON CTP LIMITED – effective interest: 1.7%

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

DORBYL LIMITED – effective interest: 41.4%

PROFILE

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

WEBSITE: www.dorbyl.co.za

GEMS II AND III – effective interest: 5% and 8.1%

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 (PTY) LIMITED – effective interest: 100%

PROFILE

InVenFin focuses on smaller early-stage investments.

WEBSITE: www.invenfin.co.za

KAGISO INFRASTRUCTURE EMPOWERMENT FUND – effective interest: 45.4%

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

VHF TECHNOLOGIES SA – effective interest: 15.6%

PROFILE

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

WEBSITE: www.flexcell.com

INVESTMENT REVIEW

MEDIA INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	2010 R million	2009 R million
Sabido	**11**	–
MARC	**5**	–
One Digital Media	**1**	–
	17	–

SABIDO INVESTMENTS (PTY) LIMITED – effective interest: 31.6%

EQUITY VALUATION AT 31 MARCH 2010: R3 853 MILLION

UNLISTED

CHIEF EXECUTIVE OFFICER: M GOLDING

PROFILE

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

REMGRO NOMINATED DIRECTORS

H J Carse, J Malherbe

WEBSITE: www.etv.co.za

Remgro acquired 32% of Sabido Investments (Pty) Limited ("Sabido") through the acquisition of VenFin Limited effective 23 November 2009. Sabido has a 31 March year-end and Remgro has equity accounted Sabido's three months' earnings to March 2010. Sabido's headline earnings contribution to Remgro is a profit of R11 million. Before amortisation of intangibles, Sabido's headline earnings contribution is R13 million. The amortisation of intangibles is due to *IFRS 3: Business Combinations*, in which intangibles were identified on the purchase of Sabido and is now amortised over the useful lives of the intangibles.

Sabido has a range of media interests, the most significant of which is South Africa's only private free-to-air television channel, e.tv, and its sister news service, the eNews channel.

e.tv maintained its position as the largest English-medium television channel in South Africa and the second most watched channel overall. e.tv has continued to grow its market share among the black middle class. However, the recent growth in pay-television audiences, as a result of cheaper packages becoming available in the market, will impact on e.tv's share of upper middle income black audiences.

Programming costs remained stable. Television advertising spend continued to grow, albeit at a lower percentage compared to the prior year. e.tv continues to be actively involved in policy formulation for the roll-out of digital terrestrial television (DTT) in South Africa. However, the delays in the launch of DTT are impacting on terrestrial television audiences as more viewers turn to pay services to access multi-channel television.

During the year, e.tv launched a Pan-African syndicated service – e.tv Africa – which is currently available in 12 countries across the continent, including Nigeria, Ghana, Kenya and Zimbabwe.

The eNews channel (owned by e.sat.tv) retained its position as market leader in news channels in South Africa. Its subscriber base is solid and it has benefited from the significant growth in pay-TV subscribers over the past year.

Sabido's vision is to leverage e.tv's market position to develop a compelling content production and distribution business with a Pan-African focus.

MARC GROUP LIMITED – effective interest: 33.7% (formerly SAIL)

EQUITY VALUATION AT 31 MARCH 2010: R272 MILLION

UNLISTED

CHIEF EXECUTIVE OFFICER: S DE VILLIERS

PROFILE

MARC is an investment company in the sport and entertainment industry in South Africa. MARC also has investments in sports brands and specialises in the creation, acquisition and commercialisation of sports branding rights.

REMGRO NOMINATED DIRECTORS

P J Liddiard, N J Williams

WEBSITE: www.sail.co.za

SAIL Group was recently rebranded as MARC Group Limited ("MARC") in order to better position the group of companies in the industry going forward. MARC is an investment company in the sport and entertainment industry in Africa. MARC consists of three operational companies, focusing on marketing and rights commercialisation within the sport and entertainment industry, as well as certain strategic joint ventures and investments in sport brands.

Trinergy Brand Connectors, previously SAIL Sport and Entertainment, is a brand connection agency that uses participation marketing to build real connections between brands and consumers. SAIL, consisting of the previous operating companies Navitute and CIRCA specialises in the creation, acquisition and commercial rights within the industry. EXP Group, an event marketing company, has an extensive African footprint servicing client needs in 19 African countries out of 21 offices across the continent.

MARC's various joint ventures (JV) and investments include amongst others a 50% JV in the management and lease of Cape Town stadium, a 50% JV that has exclusive rights to sell 2010 FIFA World Cup corporate hospitality packages in sub-Saharan Africa and investments in three South African rugby brands of which the Blue Bulls (50%) and Western Province (24.9%) are most prominent.

In the short term, the 2010 FIFA World Cup provides significant stimulus to the industry and MARC is well positioned to benefit from business opportunities that will emerge in the run-up to and during the event.

In the medium term, MARC has developed a pipeline of prospects in stadium management, future event creation and management and other marketing activities across the African continent.

With the acquisition of VenFin, Remgro also acquired the interest-bearing convertible preference share which can increase Remgro's interest in MARC to 49% on a fully diluted basis. The right to convert is effective 1 July 2010.

Remgro acquired 34% of MARC through the acquisition of VenFin Limited effective 23 November 2009. As MARC has a 31 December year-end, no earnings were included in Remgro's headline earnings for the current financial year.

OTHER MEDIA INTERESTS

ONE DIGITAL MEDIA (PTY) LIMITED – effective interest: 49.1%

PROFILE

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

WEBSITE: www.onedigitalmedia.com

PREMIER TEAM HOLDINGS LIMITED – effective interest: 50%

PROFILE

Premier Team Holdings is a sports and leisure group based in the United Kingdom.

WEBSITE: www.mbnpromotions.co.uk

INVESTMENT REVIEW

MINING INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	2010 R million	2009 R million
Implats	**85**	346
Trans Hex	**11**	(182)
	96	164

IMPLATS LIMITED – effective interest: 4.4%

MARKET CAPITALISATION AT 31 MARCH 2010: R135 158 MILLION	
IMPLATS Distinctly Platinum	LISTED ON THE JSE LIMITED
	CHIEF EXECUTIVE OFFICER: D H BROWN
	PROFILE Implats is a fully integrated mining and metallurgical organisation, which markets refined platinum group metals for global markets and is one of the world's largest platinum recyclers.
	WEBSITE: www.implats.co.za

Remgro's interest in Implats is 4.4% and only dividend income has been accounted for. Dividend income of R85 million (2009: R346 million) decreased by 75% year on year.

OTHER MINING INTERESTS

KALAHARI ENERGY LIMITED BVI – effective interest: 9.8%

	PROFILE Kalahari Energy owns licences for coal-bed methane exploration in Botswana.
	WEBSITE: www.kalaharigas.com

TRANS HEX GROUP LIMITED – effective interest: 28.6%

MARKET CAPITALISATION AT 31 MARCH 2010: R372 MILLION	
THG TRANS HEX	LISTED ON THE JSE LIMITED
	CHIEF EXECUTIVE OFFICER: L DELPORT
	PROFILE Exploration for, and mining and marketing of land and marine diamonds.
	REMGRO NOMINATED DIRECTORS J W Dreyer, E de la H Hertzog, T van Wyk
	WEBSITE: www.transhex.co.za

INVESTMENT REVIEW

TECHNOLOGY INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	2010 R million	2009 R million
CIV group	7	–
Britehouse	6	–
	13	–

CIV GROUP – effective interest: 35.6%

EQUITY VALUATION AT 31 MARCH 2010: R1 704 MILLION	
CIV FNS CIE TELECOMMS CIV POWER CENTRAL LAKE	**UNLISTED**
	CHIEF EXECUTIVE OFFICER: N VENTER
	PROFILE CIV Fibre Network Solutions (CIV FNS) builds, owns, maintains and monitors infrastructure suitable to carry services such as fibre-optic networks. CIE Telecommunications supplies and installs specialist products and components as well as systems to the telecommunication industry. CIV Power provides lightning and power surge protection products and solutions as well as electricity Quality of Supply products. Central Lake is an investment holding company with interests in CIV FNS, CIE Telecommunications and CIV Power.
	REMGRO NOMINATED DIRECTORS L Crouse, P J Liddiard
	WEBSITE: www.civ.co.za

COMMUNITY INVESTMENT VENTURES HOLDINGS (PTY) LTD ("CIV")

Remgro acquired a 30% interest in each of CIV Fibre Network Solutions (Pty) Ltd ("CIV FNS"), CIE Telecommunications (Pty) Ltd ("CIE Telecom") and CIV Power (Pty) Ltd ("CIV Power") as well as an 18.8% interest in Central Lake Trading 77 (Pty) Ltd ("Central Lake"). Central Lake also holds significant investments in the above three companies, effectively raising Remgro's holdings to 35.6%. The above investments are known as the CIV group and were acquired as part of the VenFin acquisition on 23 November 2009.

CIV group has a March year-end and Remgro has equity accounted the CIV group for three months' earnings to March 2010. CIV group contributed R7 million to Remgro's headline earnings.

CIV is active in the power, telecommunications and information technology sectors. CIV FNS, through a subsidiary being Dark Fibre Africa (Pty) Ltd ("DFA"), constructs and owns fibre optic networks. CIE Telecom imports and distributes fibre and specialises in network management. CIE Power specialises in cabling of power stations. Future growth of the group centres on DFA.

DFA has fibre network rings in Johannesburg, Cape Town, Durban, Midrand, Centurion and Pretoria. The Johannesburg ring is regarded as one of the most important communication rings in Africa. To date, a total distance of 1 200 km has been completed in the major metropolitan areas. DFA is also rolling out long-haul routes, the first one completed being from Durban Metropolitan to the SEACOM landing station in Mtunzini. This route is currently being extended to Gauteng. In 2010 DFA commenced with the fibre-to-the-tower project that will link the mobile phone operators' base stations to the core communication rings.

DFA achieved its prime objective of securing initial customers. Sales efforts are continuing in earnest with selling additional segments of the currently installed rings. At the end of March 2010, DFA had signed 23 lease agreements with customers, thereby establishing an annuity-income-generating business.

During the next financial year the company aims to extend its presence in the South African telecommunications market by doubling its infrastructure footprint and expanding its sales and marketing activities. The increase in the Electronic Communication Network Services (ECNS) licences issued by ICASA has increased DFA's potential market for its services.

SEACOM CAPITAL LIMITED – effective interest: 25.0%

EQUITY VALUATION AT 31 MARCH 2010: R4 478 MILLION
UNLISTED
CHIEF EXECUTIVE OFFICER: B HERLIHY
PROFILE SEACOM provides high-capacity international fibre-optic bandwidth for Southern and East Africa.
REMGRO NOMINATED DIRECTORS H J Carse, G J Roberts-Baxter, N J Williams (Alternate)
WEBSITE: www.seacom.mu

Remgro acquired 25% of SEACOM Capital Limited ("SEACOM") through the acquisition of VenFin Limited effective 23 November 2009. As the company has a 31 December year-end, no earnings were included in Remgro's headline earnings for the current financial year.

On 23 July 2009, SEACOM launched the first terabit undersea fibre-optic cable to connect Southern and Eastern Africa with Europe and Asia. SEACOM provides high-capacity international fibre-optic bandwidth to Southern and Eastern Africa. The cable connects through South Africa, Mozambique, Tanzania, Kenya and Djibouti and onwards to the rest of the world via landing points in France (and onwards to London) and India. Landlocked countries (Uganda, Rwanda, Ethiopia, etc.) are connected by terrestrial backhaul.

Covering a distance of 16 000 km and with a capacity of 1.28 terabits per second, SEACOM's state-of-the-art cable enables bandwidth-hungry African economies to enjoy true broadband internet, peer-to-peer networks and HDTV. Through its high-volume and low-cost business model, SEACOM is able to offer high bandwidth capacity at prices significantly lower than current satellite offerings. This increased bandwidth should stimulate the ICT-linked service industries such as outsourced call centres, back-office business process outsourcing and research centres across the African continent. The new bandwidth brought on-stream by the SEACOM cable system means that connectivity costs should be reduced significantly.

In line with the project's progress, several personnel were appointed to take the SEACOM cable to full operational status. The economic and social impact of the cable has been tremendous. Within the first six months of operations, the cable has increased international bandwidth usage (primarily attributed to accessing the Internet) by more than 1 000% in Mozambique, Tanzania and Uganda and more than 2 500% in Kenya.

Going forward the focus will remain on completing the project's outstanding development and construction. Contracted terrestrial backhaul to the landlocked countries will be completed and further landlocked countries will be connected to the SEACOM undersea cable system. This will go hand in hand with the sale of bandwidth to SEACOM's customers.

TRACKER NETWORK (PTY) LIMITED – effective interest: 31.0%

EQUITY VALUATION AT 31 MARCH 2010: R2 939 MILLION

UNLISTED

CHIEF EXECUTIVE OFFICER: D A HUTCHESON

PROFILE

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

REMGRO NOMINATED DIRECTORS

J J Durand, C M van den Heever

WEBSITE: www.tracker.co.za

Remgro acquired 31% of Tracker Network (Pty) Limited ("Tracker") through the acquisition of VenFin Limited effective 23 November 2009. As the company has a 30 June year-end, no earnings were included in Remgro's headline earnings for the current financial year.

As a major player in the South African stolen vehicle recovery industry, Tracker has a strong monthly subscription-based income stream. Its core business is the sale and installation of vehicle tracking systems and the tracking and recovery of stolen vehicles. Tracker's contract partnership with the South African Police Service (SAPS), in terms of which Tracker's technology is used to track and recover stolen vehicles throughout South Africa, has proved highly successful. Since its inception in 1996, more than 47 500 stolen vehicles have been recovered, 8 400 criminals arrested and 320 chop shops and vehicle syndicates exposed through the usage of Tracker technology.

The product range currently comprises three products, namely, Tracker Retrieve (stolen vehicle recovery system), Tracker Alert (Retrieve plus an early alert enhancement) and Skytrax (internet-based fleet and vehicle monitoring system with stolen vehicle recovery and smart insurance capabilities).

Tracker's business model has held up remarkably well over the last twelve months to February 2010, compared to what has happened to new car sales in this period. The overall sale of vehicles in South Africa, in the period March 2009 to February 2010, was 20% lower than the previous period and passenger cars as a subset was lower by 16%. Over the same period Tracker achieved an 11% growth in turnover and a 17% growth in operating profit, accompanied by strong cash flows.

During the year to February 2010, Tracker installed 93 164 units (a 2% increase from the previous year) while its subscriber base increased to 597 000 vehicles as at the end of February 2010. The company currently addresses its market through three marketing channels, being insurance, dealerships and fleet owners.

After year-long discussions between Tracker and Cobra Automotive Technologies SpA (Cobra), a listed company in Italy active in the field of security and safety solutions for the automotive industry, the parties recently announced the formation of Cobra Service Network SA (Switzerland). Cobra will become an 80% shareholder in the new company by contributing some of its existing assets, being 93.54% of Cobra Italia SpA, 100% of Cobra Telematics SA and its subsidiaries, 100% of Cobra UK Limited, 100% of Cobra Automotive Technologies UK Limited and 50.94% of Cobra France SAS, while Tracker acquired its 20% shareholding for a cash contribution of €17.798 million.

Cobra Service Network SA will use the proceeds from the Tracker investment to continue developing into an international provider of security and safety location-based services through a combination of organic growth and acquisitions.

Going forward, Tracker's earnings will potentially improve due to continued recovery of overall vehicle sales when compared to the previous year. There is also focus on new revenue streams with value-added services as well as efforts to penetrate the smaller fleet owner market and unlocking opportunities through its shareholding in Cobra Service Network SA in Europe.

OTHER TECHNOLOGY INTERESTS

BIOMETRIC MEDICAL SOLUTIONS (PTY) LIMITED – effective interest: 25.0%

PROFILE

BioMetric is responsible for the collection, authentication and administration of a Biometric fingerprint database system for the medical industry to implement fraud mitigation measures and provision of value-added services arising therefrom.

BRITEHOUSE HOLDINGS (PTY) LIMITED – effective interest: 30.0%

PROFILE

Britehouse is the holding company of four operational businesses which operate in the business software applications arena.

WEBSITE: www.britehouse.co.za

FUNDAMO (PTY) LIMITED – effective interest: 26.0%

PROFILE

Fundamo is a leading supplier of mobile banking and payment software solutions to enterprise customers.

WEBSITE: www.fundamo.com

VISIONCHINA MEDIA INC. – effective interest: 5.4%

PROFILE

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

WEBSITE: www.visionchina.cn

INVESTMENT REVIEW

OTHER INVESTMENTS

CONTRIBUTION TO HEADLINE EARNINGS

	2010 R million	2009 R million
Business Partners	**12**	28
Xiocom*	**(79)**	(108)
Other	**3**	–
	(64)	(80)

** Sold during March 2010*

BUSINESS PARTNERS LIMITED – effective interest: 21.5%

EQUITY VALUATION AT 31 MARCH 2010: R982 MILLION
UNLISTED
CHIEF EXECUTIVE OFFICER: N MARTIN
PROFILE Business Partners is a specialist investment company providing customised and integrated investments, mentorship and property management services for small and medium enterprises in South Africa.
REMGRO NOMINATED DIRECTORS J W Dreyer, J P Rupert, T van Wyk
WEBSITE: www.businesspartners.co.za

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

Headline earnings for the twelve months ended 31 March 2010 amounted to R56 million (2009: R94 million) representing a decrease of 40% compared to the previous year. Headline earnings attributable to Remgro for the period was R12 million (2009: R28 million).

The recent economic recession continued to impact negatively on small businesses, resulting in high bad debts and impairment charges negatively affecting the headline earnings of Business Partners. In addition, operating income was negatively impacted by the decrease in interest rates over the course of the financial year, resulting in lower interest revenue from the investment portfolio.

Investments to the value of R678 million (2009: R873 million) were advanced during the year, a decrease of 22% in investment activity.

OTHER INVESTMENTS

FRAXION (PTY) LIMITED – effective interest: 35.1%

PROFILE

Fraxion develops and sells advanced spend management software that allows companies to control, manage and analyse spending behaviour in real time.

WEBSITE: www.fraxion.co.za

FRINGLAND LIMITED – effective interest: 3.7%

PROFILE

fring, an Israeli mobile communications company, develops and markets a mobile internet service which enables its users to communicate with other fring users.

WEBSITE: www.fring.com

FYNBOS (PTY) LIMITED – effective interest: 20.0%

PROFILE

Fynbos is an early-stage black-controlled investing holding company that makes equity investments with a view to long-term capital appreciation.

WEBSITE: www.fynbosmedia.co.za

MILESTONE CAPITAL I AND II – effective interest: 10.5% and 8.1%

PROFILE

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

WEBSITE: www.mcmchina.com

VERITAS – effective interest: 3.7%

PROFILE

Veritas is Israel's oldest venture capital firm and primarily invests in seed-stage technology companies.

WEBSITE: www.veritasvc.com

INVESTMENT REVIEW

CORPORATE FINANCE

CONTRIBUTION TO HEADLINE EARNINGS

	2010 R million	2009 R million
Central treasury	**57**	228
Foreign currency profits	**–**	50
Net corporate costs	**(101)**	(88)

CORPORATE FINANCE – effective interest: 100.0%

REMGRO FINANCE CORPORATION LIMITED, REMGRO MANAGEMENT SERVICES LIMITED *and* REMGRO INTERNATIONAL LIMITED – JERSEY	**UNLISTED COMPANIES**
	PROFILE Responsible for Remgro's central treasury function as well as management and support services.

The central treasury division's contribution to headline earnings decreased from R228 million to R57 million, mainly due to lower interest rates as well as lower average cash balances. In 2009 foreign currency profits amounting to R50 million were realised on the repatriation of R&R dividends.

The increase in net corporate costs to R101 million (2009: R88 million) is mainly due to the inclusion of VenFin's corporate costs.

CORPORATE GOVERNANCE

Remgro Limited ("Remgro") endorses and is fully committed to compliance with the principles of the King II Report's Code of Corporate Practices and Conduct (King III from 1 March 2010). The Board advocates sound governance practices by all entities the Company is invested in and all the Company's listed subsidiaries and associated companies endorse the Code of Corporate Practices and Conduct where applicable.

Remgro is an investment holding company. Reference to "the Group" in this context denotes the Company and its wholly owned subsidiaries. Each entity in which the Company is invested has its own governance structures. Effective corporate governance forms part of the Group's investment assessment criteria which is further monitored by non-executive board representation on those boards.

KING III

The King Report on Governance for South Africa (King III) became effective on 1 March 2010. The JSE Listings Requirements require all JSE-listed companies to comply with the new recommendations contained in King III, in respect of financial years commencing on or after the effective date. It was decided to implement King III and the principle of *integrated reporting* for Remgro Group and its subsidiaries in the financial year ending 31 March 2011, due to the fact that King III was only effective for one month of the current financial year. The Board, via its governance structures, established a management committee who embarked on a process to identify changes between King II and King III and to set in place the required protocols to ensure an effective and efficient adoption and implementation of the new governance standards.

The implementation process entails, inter alia, the following:

A revision of the following charters and mandates in order to ensure alignment with King III or, if not, providing explanations:

- Board Charter, including the key responsibilities of the chairman, lead independent non-executive director and the CEO
- Audit and Risk Committee
- Remuneration and Nomination Committee
- Investment Committee
- Management Board
- Risk & IT Governance Committee
- Internal Audit

The following policies are being reviewed and, where required, updated or implemented:

- Risk Management policy
- Information Technology Governance policy
- Legal Compliance policy
- Ethics policy
- Stakeholder and communication policy

The *Integrated Report*, if required, will be independently reviewed by external consultants in order to ensure that the sustainability and social reporting, as well as financial reporting are duly integrated, will be based on the principles of the Global Reporting Initiative (GRI).

Stakeholder reporting requirements will ensure that Remgro will continue to benchmark its reporting against the criteria of the Johannesburg Stock Exchange Socially Responsible Investment (JSE-SRI) Index and salient international responsible investment criteria.

YEAR UNDER REVIEW

As mentioned above, guidance is taken from the GRI Boundary Protocol in setting the parameters for this report. Disclosure is therefore limited to those entities where the Group exercises control over the financial and operating policies of such entities, save where those entities disclose the relevant information in their own publicised annual reports.

In giving effect to its risk management responsibilities, the Group has implemented and maintained a continuous risk management review programme to ensure a coherent governance approach throughout the Group.

The following are the notable aspects of the Group's corporate governance:

BOARD CHARTER

The Board has adopted a formal charter which has been implemented to:

- identify, define and record the responsibilities, functions and composition of the Board, and
- serve as a reference to new directors.

The charter has been endorsed by all directors of Remgro and is available for inspection at the registered address.

COMPOSITION OF THE BOARD

Remgro has a fully functional Board that leads and controls the Group. On 31 March 2010, the Board comprised of seven executive and twelve non-executive directors of whom eight are independent.

The roles of the chairman and the chief executive officer are separated. The chairman is a non-executive director but is not independent.

Board members are listed on pages 8 and 9.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is ultimately responsible for the strategic direction, risk appetite, performance and affairs of the Company. In directing the Group, the Board exercises leadership, integrity and judgement based on fairness, accountability, responsibility and transparency so as to achieve sustainable prosperity for the Group.

After approving operational and investment plans and strategies, the Board empowers executive management to implement these and to provide timely, accurate and relevant feedback on progress made.

The Board remains accountable for the overall success of the approved strategies, based on values, objectives and stakeholder requirements, and for the processes and policies to ensure the effectiveness of risk management and internal controls. The Board is the focal point of the Group's corporate governance and is also responsible for ensuring that it complies with all relevant laws, regulations and codes of best business practices.

The Board is responsible for monitoring the operational and investment performance of the Group, including financial and non-financial aspects. It is also responsible for ensuring that procedures and practices are in place which will protect the Group's assets and reputation through accurate and transparent reporting.

The Board has established the following sub-committees to assist it in discharging its duties and responsibilities:

- **The Remuneration and Nomination Committee**, comprising four non-executive directors, advises the Board on the remuneration philosophies and terms of employment of all directors and members of senior management and is responsible for succession planning. The committee is also responsible for nominating directors for appointment and it annually participates in evaluating the performance of executive and non-executive directors. Directors do not have long-term contracts or exceptional benefits associated with the termination of services. The chairman of the Board is chairman of this committee. The chief executive officer attends meetings by invitation.

  The committee has a formal mandate and its effectiveness is evaluated by the Board in terms thereof.

- **The Audit and Risk Committee**, comprising four independent non-executive directors, reviews the adequacy and effectiveness of the financial reporting process; the system of internal control; the management of financial and operating risks; insurance portfolios; accounting policies; interim and annual financial statements; the internal and external audit processes; the Company's process for monitoring compliance with laws and regulations; its own code of business conduct; procedures implemented to safeguard the Company's assets; and the governance of information technology. The committee furthermore evaluates the effectiveness of the treasury committee and also facilitates the appointment of the external auditor and approves the external auditor's fees for audit services and non-audit services.

As required in terms of the Companies Act, as amended by the Corporate Laws Amendment Act (No. 24 of 2006), the committee is satisfied that it complied with and performed its functions and that the Company's external auditors are independent of the Company.

The JSE Limited (JSE) Listings Requirements were amended with effect from 1 September 2008, requiring all listed companies to have a financial director, with which requirement the Company has always complied. The committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the financial director.

An independent non-executive director is chairman of the committee. The committee has a formal mandate and its effectiveness is evaluated by the Board in terms thereof.

- **The Management Board**, comprising all seven executive directors, as well as one member of senior management, meets regularly between Board meetings to deal with issues delegated by the Board.
- **The Investment Committee**, comprising four non-executive directors and three executive directors, meets regularly between Board meetings to deal with issues relating to the approval of new investments, as well as the extension and disposal of existing investments.

The Board is responsible for the appointment and induction of new directors. Non-executive directors are selected for their broader knowledge and experience and are expected to contribute effectively to decision-making and the formulation of strategies and policy.

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

MEETINGS AND QUORUMS

The Articles of Association requires three directors to form a quorum for Board meetings.

The Board meets at least six times a year. The Audit and Risk Committee meets at least four times a year, and the Remuneration and Nomination Committee meets at least once a year.

MATERIALITY AND APPROVAL FRAMEWORK

Issues of a material or strategic nature, which can impact on the reputation and performance of the Group, are referred to 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 minutes of all the committee meetings are circulated to the members of the Board. Issues that require the Board's attention or a Board resolution, are highlighted and included as agenda items for the next Board meeting.

REMUNERATION PRINCIPLES

The Company's policy that guides the remuneration of all directors and senior management is aimed at:

- Retaining the services of existing directors and senior management
- Attracting potential directors and senior managers
- Providing directors and senior management with remuneration that is fair and just
- Ensuring that no discrimination occurs
- Recognising and encouraging exceptional and value-added performance
- Ensuring that remuneration structures are consistent with the Company's long-term requirements
- Protecting the Company's rights by means of service contracts

In accordance with these objectives, the Remuneration and Nomination Committee annually reviews and evaluates the contribution of each director and member of senior management and determines their annual salary adjustments. For this purpose it also considers salary surveys compiled by independent organisations.

DUTIES OF DIRECTORS

The Companies Act places certain duties on directors and determines that they should apply the necessary care and skill in fulfilling their duties. To ensure that this is achieved, best practice principles, as contained in the King reports on Corporate Governance for South Africa, are applied.

The Board is also responsible for formulating the Company's communication policy and ensuring that spokespersons of the Company adhere to it. This responsibility includes clear, transparent, balanced and truthful communication to shareholders and relevant stakeholders.

After evaluating their performance in terms of their respective charters, the directors are of the opinion that the Board and the subcommittees have discharged all their responsibilities.

CONFLICTS

Mechanisms are in place to recognise, respond to and manage any potential conflicts of interest. Directors sign, at least once a year, a declaration stating that they are not aware of any undeclared conflicts of interest that may exist due to their interest in, or association with, any other company. In addition, directors disclose interests in contracts that are of significance to the Group's business and do not participate in the voting process of these matters.

All information acquired by directors in the performance of their duties, which is not disclosed publicly, is treated as confidential. Directors may not use, or appear to use, such information for personal advantage or for the advantage of third parties.

All directors of the Company are required to comply with the Remgro Code of Conduct and the requirements of the JSE regarding inside information, transactions and disclosure of transactions.

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

COMPANY SECRETARY AND PROFESSIONAL ADVICE

All directors are entitled to seek independent professional advice concerning the affairs of the Group, at the Company's expense.

All directors have unlimited access to the services of the company secretary, who is responsible to the Board for ensuring that proper corporate governance principles are adhered to. Board orientation or training is done when appropriate.

GOING CONCERN

At least twice a year the Board considers the going concern status of the Group with reference to the following:

- Net available funds and the liquidity thereof
- The Group's residual risk profile
- World economic events
- The following year's strategic business plan, budgets and cash flow models
- The Group's current financial position

SERVICE COMPANY

A subsidiary of Remgro, Remgro Management Services Limited (RMS), renders management and support services to Remgro and its group members. RMS partially recovers its costs through fees for services rendered to companies. The net costs of RMS is part of the corporate costs of Remgro.

RISK MANAGEMENT AND INTERNAL CONTROL

In determining strategic goals, the Board of Directors has ensured its understanding of all the risks identified in the Group's investment portfolio with a view to maximising value creation and sustainable growth. These risks are continuously measured against the risk appetite and risk-bearing capacity determined by the Board.

The categories of risk identified can be broadly classified as follows:

- **Performance risks** which relate to those risks managed by the Board and include strategic risk, opportunity risk, reputational risk, liquidity risk, and also risks relating to corporate governance, social responsibility and stakeholder relations.

- **Investment risk** inherent to existing investments. The Board acknowledges that the responsibility for investment risk management resides with the boards of the various investee companies. The Remgro Board monitors that these delegated responsibilities are effectively executed. During the year under review an Investment Committee was also established with the delegated responsibilities as mentioned earlier in the document.

- **Operational risks** which include operational effectiveness and efficiency, safeguarding of assets, compliance with relevant laws and regulations, reliability of reporting, effective operational risk management, human resource risk, technology risk, business continuity and risk funding.

The Board has documented and implemented a comprehensive risk management system, which incorporates continuous risk assessment, evaluation, and internal control embedment.

The Enterprise-wide Risk Management system applicable to the Group has been amended to include the formal adoption of the Committee of Sponsoring Organisation (COSO) framework (effective 1 April 2010), and comprises the following:

- **Group risk analysis**
  The purpose of the Group risk analysis is to reconfirm and update the Group's consolidated risk profile. This ensures that the residual risk profiles by individual investment, and in total, remain within the risk tolerances set by the Board and that new emerging risks and opportunities are identified and responded to in time.

- **Activity risk assessment**
  The activity risk assessment further refines the Group's risk assessment at key activity level relevant to the achieving of detailed objectives and ensures that risk management initiatives are duly prioritised and resourced appropriately.

- **Operational risk management**
  The Board influences the control environment by setting ethical values and organisational culture while ensuring that management styles, delegated authorities, business plans and management competency are appropriate, effective and efficient.

  Operational risks are managed mainly by means of effective internal control which is designed to provide reasonable assurance regarding the constant achievement of organisational objectives and to reduce the possibility of loss or misstatement to within acceptable levels.

  Management structures have been established to focus on certain key risk activities, including treasury, safety, health, environment, asset protection, tax and risk funding.

- **Treasury**
  Given its nature and the substantial amount of cash management within the Group, control of treasury risk is regarded as very important. The responsibility of the central treasury department is to manage the risks associated with rates of return, compliance, liquidity as well as investment, financing and foreign exchange transactions in accordance with a written mandate.

  A treasury committee, comprising nominated members of senior management, is responsible for determining policy and procedures, ensuring appropriate levels of management competency and giving regular feedback to the Board via the Audit and Risk Committee. The treasury policy also ensures that the return on cash reserves is optimised taking cognisance of investment and credit risk and the Group's liquidity requirements.

  V&R Management Services (V&R), a wholly owned subsidiary, is a company registered and managed in Switzerland, rendering bookkeeping and treasury services for foreign subsidiaries. These companies have service contracts which record V&R's obligations and responsibilities concerning their treasury policies as approved and monitored by their respective Boards. V&R's activities and risk management practices are annually subject to independent audits.

- **Risk funding**
  Where residual risks are deemed significant or risks have a low probability of occurrence with a potential significant impact, appropriate insurance cover is acquired or suitable hedging strategies considered.

- **Integrated assurance**
  The Board does not only rely on the adequacy of the internal control embedment process but regularly receives and considers reports on the effectiveness of risk management activities. The Audit and Risk Committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated.

  The various assurance providers to the Board comprise the following:
  - The Management Board and senior management consider the Company's risk strategy and policy along with the effectiveness and efficiency thereof.
  - The Audit and Risk Committee considers the adequacy of risk management strategies, systems of internal control, risk profiles, legal compliance, internal and external audit reports and also reviews the independence of the auditors, the extent and nature of their engagements, scope of work and findings. This committee also reviews the level of disclosure in the annual financial statements and the appropriateness of accounting policies adopted by management, the ethics register and other loss incidents reported. The Board reviews the performance of the Audit and Risk Committee against its charter.

    Internal audit
    The Group's internal audit division is an effective independent appraisal function and employs a risk-based audit approach, formally defined in accordance with the Institute of Internal Auditors' (IIA) definition of internal auditing and documented in a charter approved by the Board. The head of this department has direct access to the chairman of the Audit and Risk Committee as well as to the chairman of the Group.

    External audit
    The Company's external 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. The external audit scope of work is adequately integrated with the Internal Audit function without the scope being restricted.

    Other services provided by the external auditor mainly relate to tax matters and are effected by a department independent to the audit partners.

The Audit and Risk Committee is also required to:
- Approve the external auditor's terms of engagement, audit approach and fees (including non-audit fees)
- Ensure the independence of the external auditor
- Facilitate the external auditor's appointment for the ensuing financial year
- Pre-approve all fees paid to the external auditor for non-audit services

Where required, the Audit and Risk Committee implements procedures to guide and record its decision-making processes.

The directors are of the opinion that, based on enquiries made and the reports from the internal and external auditors, the risk management programmes and systems of internal control of the Company and its dependent subsidiaries were effective for the period under review. In this regard Tsb Sugar and Rainbow Chicken are considered to be independent and are therefore not reported on here.

The Audit and Risk Committee has satisfied itself that there are effective audit committees functioning at the Company's independent subsidiaries, joint ventures and associated companies.

DEALINGS IN SECURITIES

In accordance with the Listings Requirements of the JSE, the Company has adopted a code of conduct for insider trading. During the closed period directors and designated employees are prohibited from dealing in the Company's securities. Directors and designated employees may only deal in the Company's securities outside the closed period, with the authorisation of the chairman or the managing director. The closed period lasts from the end of a financial reporting period until the publication of financial results for that period. Additional closed periods may be declared from time to time if circumstances warrant it.

ATTENDANCE AT MEETINGS

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

(1) *The one meeting that Messrs J P Rupert and J Malherbe did not attend the meeting where the Remgro/VenFin transaction was discussed. Due to them being directors on both Boards, they were conflicted and accordingly did not attend the meeting.*

(2) *Mr G D de Jager resigned as a director, as a member of the Remuneration and Nomination Committee and the Audit and Risk Committee on 5 August 2009.*

(3) *Mr J J Durand was appointed as a director on 4 November 2009.*

(4) *Mr G T Ferreira was appointed as a director on 4 November 2009 and a member of the Remuneration and Nomination Committee on 30 November 2009.*

(5) *Mr N P Mageza was appointed as a director on 4 November 2009 and a member of the Audit and Risk Committee on 30 November 2009.*

(6) *Mr P J Moleketi was appointed as a director on 4 November 2009 and a member of the Audit and Risk Committee on 30 November 2009.*

(7) *Dr M A Ramphele was appointed as a director on 4 November 2009.*

(8) *The Investment Committee was formed on 30 November 2009 with the following members: J P Rupert, L Crouse, J J Durand, G T Ferreira, P K Harris, J Malherbe and M H Visser.*

(9) *The Management Board was formed on 30 November 2009 with the following members: W E Bührmann, L Crouse, J W Dreyer, J J Durand, J A Preller, T van Wyk, M H Visser and N J Williams.*

SUSTAINABILITY REPORT

As Remgro is an investment holding company, disclosure regarding sustainability is limited to that of the Company and its wholly owned subsidiaries, including Wispeco and Tsb Sugar. Social and sustainability reporting for listed investees is contained in the annual reports of those entities.

The main aspects to report on are as follows:

STAKEHOLDER RELATIONS

The following are recognised as stakeholders in the Company:

- Shareholders and lenders as providers of capital
- The State as policy maker and regulator
- The investment community as interested party
- The community, through the creation of employment, and part benefactor of taxes paid by profitable organisations and as a recipient of social contributions

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

GROUP ETHICS

The late Dr Anton Rupert, founder of the Group, more than 40 years ago drew up guidelines for doing business successfully. These guidelines developed into what is today Remgro's value system. The Company believes that these values incorporate the spirit in which it strives to be a good corporate citizen. It furthermore believes that ethical behaviour stems from the value system, as communicated and demonstrated by the Board of Directors.

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

- Code of ethics
- Gift policy
- Computer: Acceptable usage policy
- Disciplinary code

SAFETY AND ENVIRONMENT

The Company has a duly constituted health and safety committee, as required by the Occupational Health and Safety Act. This committee assists the Board in ensuring that the Company provides and maintains a safe and healthy risk-free environment for staff and visitors by identifying risks and ensuring that controls designed to mitigate these risks are effective and complied with.

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

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

- Materials
- Energy
- Water
- Biodiversity
- Emissions, effluents and waste
- Suppliers
- Products and services
- Compliance
- Transport

Where deemed appropriate, usage and impact are being quantified and measured against best practices. Where appropriate, compliance with safety, health and environmental systems is measured against formal standard systems and is subjected to independent review.

Tsb Sugar has set itself performance measures and consumption targets to minimise its environmental impact, for example bagasse, a by-product of the sugar production process, that is utilised to generate electricity. Most of Tsb Sugar mills' electricity needs are generated from bagasse. Surplus electricity is supplied into the Eskom national network. Given the moisture content in sugar cane, Tsb Sugar also repatriates more water back into the environment than originally used in the production process.

In the production of its aluminium extrusions, Wispeco uses 44% post-consumer and 25% post-industrial recycled aluminium. While the smelting of primary aluminium is an energy intensive process, the remelting of scrap aluminium requires as little as 5% of this energy.

The environmental sustainability initiative also extends into nature conservation, education and awareness.

Climate change

Since the inception of CDP 6, Remgro has participated in the Carbon Disclosure Project every year. Initiatives are ongoing which include strategic alignment, integration of climate exposure into risk registers, building automated "carbon dashboards" to measure the progress of the initiatives online and enhancing the measurement and reporting processes supporting the initiatives at subsidiary companies.

HIV/AIDS POLICY

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

Group risk

Given the potential impact of HIV/Aids on the markets, on human capital, cost of employment and on the operational processes of the various businesses invested in, this risk is managed within the governance structures of the various investee companies.

The progress of these policies and strategies is monitored against best practice standards.

Company risk

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

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

Remedi Medical Aid Scheme, of which most of Remgro's staff are members, has a management plan for HIV/Aids in which employees can choose to participate. Remgro Management Services (RMS), as specialised service company, employs all the staff of Remgro.

EMPLOYEES

SUMMARY OF EMPLOYEES OF THE OPERATING SUBSIDIARIES

	2010	2009
Rainbow Chicken	**7 386**	7 417
Wispeco	**920**	1 041
Tsb Sugar (excluding contract workers)	**3 343**	3 008
Other	**16**	11
	11 665	11 477
RMS	**185**	168
	11 850	11 645

The boards of directors of the individual operating subsidiaries are responsible for their own strategies regarding employment equity, HIV/Aids, training and other personnel matters.

PANDEMICS

As part of its awareness of community risk, the Group monitors pandemic risks and will take appropriate steps as and when required.

EMPLOYMENT EQUITY

Remgro strives, in accordance with the Employment Equity Act, to afford all staff the opportunity to realise their full potential.

Remgro's management and personnel are continuously involved in determining training and development needs and in implementing and monitoring a labour plan. Special attention is given to those groups which, because of historic reasons, may be in a disadvantaged position.

In accordance with the requirements of the Employment Equity Act, RMS, on behalf of Remgro, annually submits a labour plan to the Department of Labour.

BBBEE – BROAD-BASED BLACK ECONOMIC EMPOWERMENT

The Board believes that BBBEE is a social, political and economic imperative and it supports and encourages the Company's subsidiaries and associated companies' initiatives in this regard. To the extent that Remgro's subsidiaries and associated companies implemented BBBEE, Remgro's shareholders effectively participate in BBBEE and the effect and success thereof. Although the ideal is to support all people to realise their full potential, special focus is needed on those who, for historical reasons, have lagged behind. The aim is to enable them to compete on merit in the market. We look forward to the day when all South Africans, especially all our children, can participate in our economy on a non-racial and equal basis.

Remgro was awarded a score of 54.7% in the FM Empowerdex 2010 "Top Empowerment Companies". Performance is assessed against the Generic Scorecard as there is no charter for investment holding companies. Remgro monitors the performance of its investees as regards BBBEE performance through its Board representation in these investee companies.

SOCIAL INVESTMENT

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 all stakeholders (clients, personnel and the community) Remgro strives to be a value partner.

The Company's donation programme focuses primarily on eradicating the effects of poverty and on encouraging young people from disadvantaged communities to promote their self-esteem. This is done in the belief that such an investment will provide sound dividends far into the future.

Donations to deserving institutions are usually made over specific periods and, although such contributions cover quite a wide range, there are two noticeable exceptions: political parties and religious institutions. Although the Company respects its employees' choice to participate in these organisations, Remgro itself does not exercise a choice.

During the past year the Company has been involved in the following:

Entrepreneurship and training

TSiBA – also known as the entrepreneurial university of the Cape, celebrated its fifth anniversary in 2009 and took the bold step of extending its operations to the Southern Cape, where it merged its activities with those of the Eden Campus in Karatara, near Sedgefield.

Eden Campus was established in 2006 as a residential "green" business college that focuses on entrepreneurship and skills development. The decision to bring Eden into the TSiBA family was a strategic one. The time was right for TSiBA to expand its activities and to prove the replication potential of its education model as its BBA degree was accredited and the first graduates were doing well in the workplace and winning scholarships for postgraduate studies.

Another milestone was the announcement that two of TSiBA's students had been nominated as recipients of the Mandela Rhodes Scholarship. Their achievement confirms that TSiBA is succeeding in developing young people with exceptional leadership capacity to demonstrate social responsibility, entrepreneurship and academic excellence.

In 2009 a total of 55 students completed their foundation year successfully and received a further full tuition scholarship to study for TSiBA's BBA degree in Entrepreneurial Leadership, while 110 students were admitted to the foundation year in 2010.

Remgro has committed itself to supporting TSiBA for a four-year student cycle.

Shalamuka Foundation – is a funding body which participates in BEE transactions and investment opportunities to create long-term investments that will provide sufficient funds to sustain Penreach on an annual basis and allow room for planning, replication and important research.

Penreach is a non-profitmaking, holistic school development programme, established in 1994, which aims at improving the skills of teachers and the quality of education at schools in Mpumalanga and surrounding areas. Penreach began working with 40 teachers from 10 schools. It has grown exponentially and now reaches over 2 000 teachers annually, representing more than 900 schools, while 350 000 learners from mainly rural areas benefit from the programme.

At present Penreach is piloting two exciting programmes in line with its approach to use a single high school as a centre for establishing effective learning communities, involving all stakeholders, i.e. feeder schools, local NGOs, political structures and parents.

Today Penreach is a shining example of what can be achieved by people with a deep love and passion for their country and a positive attitude.

Beyers Naudé School Development Programme (BNSDP) – significant progress has been made since 2005 to convert underperforming schools into centres of effective teaching and training. The BNSDP of Kagiso Trust has adopted methods that turn rural schools around and provide them with the education infrastructure that is generally lacking in these schools.

Kagiso uses the BNSDP in a cluster of 10 schools in a particular district for a period of four to five years. The core of the programme concentrates on team building, and work ethic, and on increasing discipline and accountability levels among principals, teachers and learners.

In 2009 the BNSDP, among other projects, launched three media centres (a combination of a library and a computer centre), four science laboratories and a computer centre in five schools in the Free State. In total 184 computers were supplied to seven schools in the Free State and Limpopo.

SciMathUS – was developed in 2001 by the University of Stellenbosch as a bridging programme with the aim of making higher education more accessible to black students who wish to further their studies in physical and applied sciences, engineering, medical and health sciences and economic and management sciences.

The programme grew from a complement of 40 students per year in 2001 to the present enrolment of 100 students per year. Over the decade 539 students were admitted to the programme. Problem-based learning forms an integral part of the programme. Students are also afforded the opportunity to develop general academic skills, such as study and thinking skills, academic language skills and computer literacy.

A new challenge for SciMathUS has been the incorporation of students with maths literacy into the programme. When choosing maths literacy as a subject, many learners are not aware of the implications of their choice, namely, that certain study areas in higher education then become inaccessible. Since 2008, a new curriculum has been developed to address this problem.

The success of the SciMathUS can be gauged, inter alia, from a 100% pass rate for the programme over the past two years, an improvement of 15% on average in maths results over the last nine years and the enrolment of 76.6% of SciMathUS's students at the University of Stellenbosch over the past six years.

Paul Roos Academy – has come under tremendous financial strain during the past year mainly as a result of a shift in corporate social investment spending by some of its donors. As a result the Academy was forced to cancel the June/July and September school holiday presentations. If this situation does not improve, the Academy will have to reduce the number of learners substantially or even call an end to the programme.

At the end of 2009, the Academy's second Gr. 12 group (33% of the 80 learners enrolled in 2003) wrote the matric examination and 38% qualified for a bachelor's degree – a vast improvement on the results achieved in 2008. Maths and science proved to be stumbling blocks and caused some of the failures. A total of 180 learners received instruction at the Academy during 2009, but the lack of funds has reduced this number substantially in 2010.

Due to the worldwide economic crisis the Creative Education Foundation in the USA could not visit the Academy. However, the Memory Institute in Bellville continued to assist Gr. 8 learners with instruction in thinking-, learning- and life-skills, while Master Maths was responsible for teaching mathematics, by using computers, to learners in Gr. 9, 10 and 11.

Bergzicht Training Centre – offers basic skills training and job placement services to destitute people from impoverished communities in and around Stellenbosch. Its approach is unique in the sense that it offers several condensed and comprehensive courses throughout the year in various fields, such as home management, educare, frailcare and catering, with no course exceeding three months.

The Centre addresses the needs of a countless number of people living in the Stellenbosch area who are in desperate need of employment. Often these people have neither completed their schooling nor have acquired any viable skills to gain themselves employment.

Bergzicht Training has not only become a landmark institution in Stellenbosch, but has also established a reputation throughout the country. It has trained more than 10 000 people over the years, many of whom have been placed in secure employment.

Equip – is a development programme of the National Business Initiative, sponsored by Remgro, in five schools in the Stellenbosch area. During the past year good progress has been made at two schools that had encountered problems, Ikaya Primary and Kayamandi Primary. These positive developments once again demonstrated the value of Equip working in partnership with the education authorities.

Regarding the three high schools in the programme, it was reported that they have become self-sufficient in terms of developing and managing their school improvement programmes. The school management teams and staff now plan and operate their own projects and processes under the guidance of Equip in order to update and improve the skills necessary to sustain the process in each school.

ORT SEED – is a three-year partnership project between ORT-Tech, the Winelands District of the Western Cape Education Department and Remgro which offers specialised training and support in curriculum development and in teaching mathematics, natural science, technology and literacy from Grades R to 7.

ORT-Tech facilitates on-site curriculum development at two anchor schools, Idas Valley and Rietenbosch Primary, and supplies these schools with additional resources to give learners access to quality classroom education.

The Mathematics After School Outreach Programme, involving 47 educators from 16 schools in the Stellenbosch District, once again proved to be highly beneficial which was evident in the performance of their learners. The schools have shown great appreciation for the help they received.

ORT-Tech expressed its sincere appreciation for Remgro's willingness to make this project possible and says: "The investment into our country's valuable asset, i.e. our children, will contribute to making South Africa a better country."

Environment

WWF South Africa (WWF-SA) – also known as the World Wide Fund for Nature South Africa, was established in 1968 and is the local office of the global WWF network – one of the largest and most experienced conservation organisations, with almost five million supporters and a global network in more than 100 countries.

WWF cooperates with various partners to conserve special environments and endangered species. In cooperation with government, civil society and the private sector, WWF works to ensure that healthy marine and freshwater ecosystems underpin the sustainable development of South Africa. It also advocates a low carbon economy for South Africa by focusing on climate change and sustainable trade and investment.

Through various environmental education initiatives, WWF invests in conservation managers and environmental leaders of the future, its mission being to stop the degradation of the planet's natural environment by conserving the world's biodiversity, by ensuring that the use of renewable natural resources is sustainable and by promoting the reduction of pollution and wasteful consumption.

Remgro uses WWF as its sole channel of involvement in conserving South Africa's rich natural resources.

Cultural development

Klein Karoo National Arts Festival (KKNK) – Remgro has come to the end of a ten-year support of this festival. Its contribution to bursaries and other programmes enabled young artists who otherwise would not have had the opportunity to further their careers in art.

In line with this philosophy, a portion of the Company's last contribution was allocated as seed capital for the establishment of a new bursary and mentorship scheme, while the residue was used to subsidise productions on the 2010 calendar.

Field Band Foundation (FBF) – the purpose of the FBF is to attract youth in economically and socially challenging communities through an exciting and creative activity, keeping them engaged for many years and in doing so providing them with a meaningful involvement and the ability to break out of the cycle of poverty.

The FBF's achievements were acknowledged in 2009 with the chairman's premier award of Business Arts South Africa. Other highlights included three new projects which came on stream in the Northern Cape, North West and in Plettenberg Bay. An invitation was also extended to the FBF to perform as part of the opening and closing ceremonies of the 2010 FIFA World Cup as well as at fan parks, open spaces and at corporate events associated with this tournament.

The relationship between FBF and the Norwegian Band Federation and the latter's commitment to the FBF's efforts continues to grow and has had a great impact over the years. To have consistent and constructive input from a country where community bands have played an important role in nation building is, indeed, invaluable.

A major challenge facing the FBF is the low level of practical and technical skills among the youth leaders who must take the Field Band movement forward in the decades ahead. The problem will be addressed by the Field Band Academy and its aim is to fulfil the emotional, intellectual and spiritual needs of all learners and to bring their education and social skills to a point where self-confidence, self-respect and self-education take over.

WAT – notwithstanding financial difficulties, the Dictionary of the Afrikaans Language (WAT) managed to sustain its activities in 2009 without dipping too deeply into its capital reserves.

The introduction of volume XIII of the dictionary (the letter R) in July 2009 was undoubtedly the highlight of the year. Work on volume XIV (the letter S) also started last year and is making good progress.

However, the lack of progress regarding the capital fund was a disappointment. The fund remains at a level between R5 million and R6 million, depending on market movements – a far cry from the R30 million envisaged to sustain WAT's long-term activities. The reduction in government subsidy makes it very difficult to build the capital fund, especially during tough economic circumstances.

Children's Art Festival (CAF) – as an established feature of the Grahamstown National Arts Festival, the CAF endeavours to inspire children from the Eastern Cape by exposing them to many and varied branches of the arts during this annual event. Many of these children are from backgrounds where any form of art is completely foreign and it is heart-warming to see the joy on their faces when they experience something new and especially when they are able to master it.

Through its workshops CAF follows a practical approach and tries to focus on simple techniques and the making of useful items which youngsters can reproduce in their own environment. These include: basket-weaving, beading, mosaics, sand work, painting, physical theatre, drumming and the making of items such as wind chimes, electrical circuits, paperweights, decorative key racks and printed T-shirts.

Despite the economic recession the attendance numbers remained steady in 2009 and the same is expected in 2010 when the festival will run over 15 days because of the extended school holidays due to the 2010 FIFA World Cup.

Sport development

SA Golf Development Board (SAGDB) – has also experienced the cold winds of economic recession during 2009 and as a result had to cut its budget to the bone. On the positive side, the economic realities have forced the SAGDB to redouble its efforts to streamline and improve the efficiency of its administrative and operational structures.

The stability thus achieved enabled the SAGDB to keep its programmes running on limited funds. Project 312 continues to provide a strong framework for the SAGDB's coaching efforts and ensures that every region can be effectively monitored and measured. At present 60 coaches are under contract and have the capacity to coach 3 500 children countrywide.

During ten years of golf development the SAGDB has coached over 17 000 youngsters and produced 56 junior provincial players. The board has facilitated the participation of over 1 500 players in South African Junior Golf Foundation tournaments and 16 of its most talented players have been invited to join the prestigious Ernie Els & Fancourt Foundation.

The SAGDB is constantly aware of the need to improve the level of coaching offered to learners and is therefore deeply grateful to the Professional Golfers Association of South Africa (PGA) for its support. The PGA's mentoring programme has made top coaches available to support and encourage the development coaches of the SAGDB.

Looking back over the past decade, the SAGDB expressed its sincere appreciation to the chairman of this Company for his dedication to golf development. His contributions, says the SAGDB, allowed them to carry on with their work under most challenging circumstances. "His magnanimity and ongoing encouragement allow us to spread the game of golf to South African youngsters desperate for positive experiences and to impart to them the valuable life lessons the game teaches."

Western Cape Cricket Academy – Despite organisational changes at the national level which affected training and practice sessions and also led to the cancellation of certain Sunday fixtures, the Academy reported that it had enjoyed a reasonably successful season.

Once again the Academy has left its mark on cricket in South Africa by providing provincial teams and the national squad with talented players. Three members of the Academy were included in the SA squad for the ICC T20 World Cup in the West Indies in May this year, while two former members were selected for the SA "A" side for the series against Bangladesh which took place at the same time.

No fewer than 13 former members of the Academy were included in the Cobras squad who won the Supersport Series Competition in 2010 – indeed no small feat for the excellent work done by the Academy. Remgro has been associated with the Academy since the early 1990s and has witnessed its growth in membership and stature within the South African cricket community.

Community development

Ikamva Labantu – is a broad-based community development organisation which has a holistic approach to the development of impoverished communities: from early childhood, especially vulnerable children, and family support services to catering for the needs of senior citizens and disabled people.

During the past year food parcels were provided to approximately 200 pre-schools and 200 vulnerable families, ultimately benefitting more than 7 000 children by reducing the level of food insecurity in their households. In addition, support was given to 370 carers through whom 1 300 vulnerable children were reached.

Ikamva's team of highly experienced and dedicated community-based workers and volunteers continue to identify and assist children at risk. An experienced multi-disciplinary team develops care plans for each child in the context of his/her household. Families are then provided with services such as food parcels, financial support, assistance with government grant applications, nutrition education and assistance with school-related costs such as uniforms, books and stationery as well as emotional and psychological support.

The capacity-building project which aims at increasing the management capacity of more than 70 senior clubs in the greater Western Cape area, continued in 2009. Good progress was also made with the organisation's urban food gardens, covering an area of some 8 091 square metres. Fresh vegetables are regularly delivered to pre-schools, senior clubs and vulnerable families.

During the past four years a total of 269 children were reached by a special vulnerable children's programme, sponsored by Remgro. The project was designed as a pilot model with the potential for replicating it in similar communities elsewhere in the country.

uMephi – cares for children in need through a network of satellite, halfway and foster homes. During the past year alone 669 children were admitted into 25 foster homes and six special care centres.

uMephi's ideal is to give a child in need a home and a family. It works with local and provincial government to include orphans in the planning of future land and property developments. The idea is to make it possible for orphans to one day own the homes in which they grew up and to give them some kind of nest egg later in life. For this purpose uMephi has already bought land with the hope that transfer of ownership will become possible in the near future.

The number of HIV-positive babies cared for by uMephi has doubled over the year. Land for building foster homes was obtained in five provinces, but the demand seems to be growing faster than uMephi can hope to meet.

Abused children also present a huge challenge. House parents need constant counselling as the children taken in are severely traumatised and often need psychiatric treatment. uMephi cares for 259 children in 30 homes with a team of 90 care givers. The severity of this programme takes a heavy toll on staff and house parents and new workers need to be trained constantly to cope with the strain.

Stellenbosch Community Development Programme (SCDP) – nourishing to sustain is the main objective of the SCDP which believes that the nutritional status of children in a community is a valuable indicator of the overall development and distribution of available resources within the community.

SCDP is based in Kayamandi, a peri-urban area where the majority of residents (30 000) come in search of work. Most live here in informal settlements and in dire poverty. This, coupled with a high incidence of illiteracy and HIV/Aids, makes Kayamandi a community in desperate need of assistance.

The prime aim of SCDP is to stamp out starvation and to provide food to needy and malnourished primary school children, and in doing so to improve learning and concentration abilities, to discipline them and to improve their overall health. In addition, it covers an agricultural initiative in the form of a vegetable garden for the mothers of the children the organisation feeds. Environmental sustainability is addressed through a craft club producing items for sale.

The SCDP feeds 1 200 children on average every school day. During the past year alone this figure has increased by 200. Monthly food parcels are delivered to 60 families.

Yabonga – which was established ten years ago, attempts to combat the scourge of HIV and Aids by improving the lives of the poorest of the poor through its focus on education, personal development and income-generating skills.

Yabonga's programmes are spread across 12 communities and offer support to thousands of women, men and children who are infected with HIV. The lack of direction and motivation among the youth is of great concern to Yabonga, as well as the fact that they are easily lured into the clutches of substance abuse and petty crime.

A new area of growth has become apparent in the orphans and vulnerable children's programme. The number of children in this programme has increased from 40 in 2006 to over 250 in 2009. One third of the children are orphaned and one third are HIV positive. Insufficient funding has unfortunately restricted the intake of more children. In addition to attending to the basic needs of the children (nutrition, education and psychological support), they are entertained by theatre productions, visits to places of interest, camps, leadership programmes, computer literacy classes and sport activities during holidays.

Healthcare

Wits Donald Gordon Medical Centre (WDGMC) – the academic programme of the WDGMC, which has been integrated into the training programme of the Wits Faculty of Health Sciences, is now in its fourth year and its growth has been gratifying, says the Centre in a recent report. The learning curve has been a steep one in terms of the issues which have to be dealt with when a training programme is introduced into the private hospital environment.

During the past year the WDGMC funded three registrar posts, two in Anaesthesiology and one in Internal Medicine. A total of 48 registrars have had the opportunity to rotate through the Centre's ICU for their mandatory ICU training during the past three years. Consensus among them indicates that the experience gained was significantly different from that gained at other training sites.

In Adult Oncology the first training cycle was completed in December 2009 and the challenge is now to find a position in the public sector to retain the successful candidate within the University. The candidate has a dual qualification in medical Genetics and Oncology, which is unique in this country.

It is important, says the WDGMC, that its experience should be documented and its impact on specialist and subspecialist training be surveyed. The introduction of each new programme brings with it new challenges which help the Centre to improve what is already being offered. If the Centre can get its model right, it can be an example to other universities on how to address the skill shortages in the field of specialists and subspecialists in the country.

Organ Donor Foundation of SA (ODF) – addresses the problems associated with the shortage of organ and tissue donors in South Africa. When organs become available, it is of critical importance that the organs should reach the facilities where potential recipients are waiting as soon as possible. It is in this instance that Remgro offers help by sponsoring four flights per annum.

These flights are often scheduled at short notice and deep in the night and it would not have been possible without the selfless and sacrificial contribution by the staff of the aviation company Falconair. We salute them for their sterling effort.

Remgro Limited

FINANCIAL REPORT 2010

FINANCIAL REPORT

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STATEMENT OF RESPONSIBILITY

BY THE BOARD OF DIRECTORS

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements included in this Annual Report.

The annual financial statements are prepared, in accordance with International Financial Reporting Standards (IFRS) and the requirements of the South African Companies Act, on the going concern basis and incorporate full and responsible disclosure. The annual financial statements are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates.

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

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

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

The financial statements were audited by the independent auditor, PricewaterhouseCoopers Inc., to whom unrestricted access was given to all financial records and related information. The auditor's report is presented on page 84.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Thys Visser
Chief Executive Officer

Stellenbosch
21 June 2010

STATEMENT BY THE COMPANY SECRETARY

I, Mariza Lubbe, being the Company Secretary of Remgro Limited, hereby certify that all returns required of a public company have, in respect of the year under review, been lodged with the Registrar of Companies and that all such returns are true, correct and up to date.

Mariza Lubbe
Secretary

Stellenbosch
21 June 2010

AUDIT AND RISK COMMITTEE REPORT

TO THE MEMBERS OF REMGRO LIMITED

The Audit and Risk Committee has pleasure in submitting this report, as required in terms of the Companies Act (No. 61 of 1973), as amended ("Companies Act"). The Audit and Risk Committee consists of four non-executive directors who act independently as described in section 269A of the Companies Act. During the year under review four meetings were held and the committee members attended all the meetings. At the meetings the members fulfilled all their functions as prescribed by the Companies Act. A detailed list of the functions of the Audit and Risk Committee is contained in the corporate governance report. The Audit and Risk Committee has satisfied itself that the auditor is independent of the Company and is thereby able to conduct his audit functions without any influence from the Company.

Herman Wessels
Chairman of the Audit and Risk Committee

Stellenbosch
21 June 2010

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF REMGRO LIMITED

We have audited the Group annual financial statements and annual financial statements of Remgro Limited, which comprise the consolidated and separate statements of financial position as at 31 March 2010, and the consolidated and separate income statements, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 85 to 154.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Remgro Limited as at 31 March 2010, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: N H Döman
Registered Auditor

Cape Town
21 June 2010

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2010

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.

During the year under review Remgro acquired the entire issued share capital of VenFin Limited (VenFin) for R3.7 billion, resulting in VenFin becoming a wholly owned subsidiary company of Remgro.

After the transaction referred to above the Group's interests consist mainly of investments in banking and financial services, printing and packaging, glass products, medical services, mining, petroleum products, food, wine and spirits, media, technology and various other trade mark products.

RESULTS

Year ended 31 March:	2010	2009
Headline earnings (R million)	**3 355**	4 660
– per share (cents)	**690.1**	987.7
– diluted (cents)	**676.4**	954.8
Headline earnings from continuing operations (R million)*	**3 355**	3 168
– per share (cents)	**690.1**	671.5
– diluted (cents)	**676.4**	659.2
Earnings – net profit for the year (R million)	**3 060**	45 330
– per share (cents)	**629.4**	9 607.9
– diluted (cents)	**616.3**	9 570.4
Dividends (R million)**	**1 080**	902
– ordinary – per share (cents)	**209.00**	190.00

* *During November 2008 the investment in British American Tobacco Plc (BAT) was unbundled to Remgro shareholders as an interim dividend in specie. Headline earnings from continuing operations is calculated by excluding the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling.*

** *A final dividend of 125 cents (2009: 110 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. No STC is payable on these dividends.*

INVESTMENT ACTIVITIES

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

Acquisition of VenFin Limited (VenFin)

On 23 November 2009 the VenFin acquisition was finalised resulting in Remgro issuing 41 626 619 shares at a price of R89.25 per share to VenFin shareholders.

For the year ended 31 March 2010 only VenFin's associates and joint ventures with March and September year-ends have been equity accounted for the three months from 1 January 2010 to 31 March 2010. The most significant of these investments are Sabido Investments (Pty) Limited (Sabido) and the CIV group of companies that includes the investment in Dark Fibre Africa (Pty) Limited. From 1 April 2010 all VenFin's investee companies will be equity accounted annually for a full twelve-month period.

In terms of *IFRS 3: Business Combinations* the purchase price of R3 715 million was allocated to investments in associated companies amounting to R2 986 million and other investments and loans of R485 million, while the balance was allocated to other net assets acquired. Intangible assets amounting to R698 million were identified within Sabido, SEACOM and Tracker as part of the accounting for the acquisition of VenFin. The amortisation of these assets will result in an additional annual charge of R35 million against headline earnings.

For the year under review, the results of VenFin included in Remgro's reported results were immaterial and consisted of headline earnings from investee companies of approximately R53 million and after-tax corporate costs of approximately R16 million. Based on the assumption that the acquisition was effective on 1 April 2009, it is calculated that VenFin's headline earnings for the full year would have amounted to approximately R117 million.

Capevin Holdings Limited (Capevin Holdings) and Capevin Investments Limited (Capevin Investments)

During the year under review Remgro acquired 4 034 692 shares in Capevin Investments (9.6% shareholding) and 38 551 857 shares in Capevin Holdings (8.6% shareholding) for a total consideration of R389.3 million. These acquisitions effectively increased Remgro's indirect interest in Distell by 4.1% to 33.3% (31 March 2009: 29.2%).

The investment in Capevin Investments was originally classified as a financial instrument "available-for-sale" and dividend income amounting to R7.3 million was accounted for in the income statement during the year under review. Going forward both of these investments will be equity accounted for the twelve months to December each year.

PG Group of Companies (PGSI)

PGSI is the foreign holding company of the Plate Glass group. During June 2009, in participation of a rights offer, Remgro invested a further R171.1 million in PGSI, being represented by an equity investment amounting to R41.5 million and an investment in convertible redeemable preference shares amounting to R129.6 million. The term of the preference shares is five years and it has an effective dividend yield of 7.6%.

During March 2010, PGSI made another rights offer in terms of which Remgro invested an initial R13.6 million in PGSI. The rights offer will be implemented in two tranches and Remgro is to invest a further R13.6 million during June 2010. The shareholders of PGSI simultaneously agreed to provide a standby facility amounting to R150 million to PGSI. Remgro's portion of the facility amounts to R44 million and the facility will expire on 27 December 2011. On 31 March 2010 Remgro's interest in PGSI, on a fully diluted basis, was 25.2% (31 March 2009: 25.0%).

Tsb Sugar Holdings (Pty) Limited (Tsb Sugar)

With effect from 3 August 2009 Tsb Sugar acquired the Pongola sugar mill from Illovo Sugar Limited for R180.0 million. For the eight months since acquisition the Pongola sugar mill contributed R248 million to turnover, while an operating loss of R46 million, before interest and tax, was reported.

Xiocom Wireless, Inc. (Xiocom)

During the 2008 financial year Remgro acquired a 37.5% interest in Xiocom. During the year under review Remgro invested a further $7.1 million in this company, increasing the total investment to $35.8 million. The company underperformed during this time.

During the second half of the financial year it was decided to exit the investment in Xiocom and in March 2010 it was sold for a nominal amount. In addition to equity accounting for a headline loss of R79.2 million in the current financial year, an after-tax capital loss of R13.5 million was also realised on this transaction.

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

During the 2007 financial year, Remgro entered into agreements with KTI and KIEF, in terms of which it committed funds amounting to R350 million to KIEF. The fund has a target size of R650 million and aims to invest in infrastructure projects, including roads, airports, power and telecommunication installations, railway systems, ports, water and social infrastructure. During the year under review Remgro invested a further R19.1 million in KIEF. By 31 March 2010, Remgro had invested R94.2 million of the R350 million committed.

Premier Team Holdings Limited (PTH)

During May 2009 VenFin acquired a 50% interest in PTH, a sports and leisure group based in the United Kingdom. Since the VenFin acquisition an amount of GBP2.5 million (or R30.3 million) was invested in PTH. The additional investment did not alter Remgro's 50% shareholding in PTH.

Milestone China Opportunities Fund II, L.P. (Milestone II)

During March 2007 VenFin committed an amount of $25.0 million to Milestone II. Since the VenFin acquisition a further $2.4 million was invested in Milestone II. By 31 March 2010 $12.1 million of the $25.0 million committed had already been invested.

One Digital Media (Pty) Limited (ODM)

VenFin acquired its interest in ODM during June 2007. Since then R54.5 million was invested in ODM in exchange for an equity interest of 49.1%. Since the VenFin acquisition an amount of R5.9 million was lent to ODM in terms of a R10.0 million facility granted by Remgro. The facility bears interest at prime and is repayable by 31 May 2013.

Business Partners Limited (Business Partners)

During the year under review Remgro acquired a further 75 000 Business Partners shares for a total amount of R0.4 million. On a fully diluted basis, Remgro's interest in Business Partners remained unchanged at 20.8%.

Events after year-end:

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

On 31 March 2010 FirstRand announced that it has reached an agreement with Metropolitan Holdings Limited (Metropolitan) to dispose of all of FirstRand's ordinary shares in its wholly owned subsidiary, Momentum Group Limited, in consideration for Metropolitan ordinary shares. It is anticipated that FirstRand will hold approximately 59.5% of the issued share capital of the merged entity. FirstRand has further advised that, following the proposed merger, it intends to unbundle its entire shareholding in the merged entity to its ordinary shareholders. The transaction is subject to the fulfilment of a number of conditions precedent prior to 31 October 2010.

At the same time RMBH announced that it is exploring a number of restructuring steps to realign its investment portfolio and to enhance shareholder value. These steps include the possible separation of RMBH's insurance and banking interests that could result in a separate listing of these interests. Further announcements regarding the above will be made by FirstRand and RMBH once detailed information becomes available.

Trans Hex Group Limited (Trans Hex)
On 21 June 2010 the Remgro Board approved the unbundling of the investment in Trans Hex to its shareholders. Remgro shareholders are referred to the separate Terms Announcement released on SENS, on 21 June 2010, that provides more detail regarding the proposed unbundling. A circular containing full detail of the intended unbundling will be posted to shareholders during July 2010.

Business Partners
Since 31 March 2010 Remgro acquired an additional 14 099 092 Business Partners shares for a total amount of R77.7 million. On a fully diluted basis, Remgro's interest in Business Partners increased to 28.7% (31 March 2010: 20.8%).

KTI and KIEF
Since 31 March 2010 Remgro invested a further R74.7 million in KIEF, thereby increasing the amount already invested to R168.9 million of the R350 million committed.

Dark Fibre Africa (Pty) Limited (Dark Fibre)
In the past Remgro only had an indirect interest of 31.3% in Dark Fibre through its interests in the CIV group of companies. During May 2010 an amount of R9.7 million was invested directly into Dark Fibre in exchange for an eventual 0.7% equity interest in that company. This investment effectively increased Remgro's interest in Dark Fibre to 32.0%.

At the same time Remgro agreed to provide a loan facility amounting to R85.1 million to Dark Fibre. The term of the facility is ten years and R53.1 million of the facility has already been advanced to Dark Fibre.

Capevin Holdings
Since 31 March 2010 Remgro acquired a further 5 640 651 Capevin Holdings shares in the open market for a total consideration of R19.1 million. These acquisitions increased Remgro's indirect interest in Distell to 33.4% (31 March 2010: 33.3%).

Fundamo (Pty) Limited (Fundamo)
Since 31 March 2010, Remgro invested a further R9.9 million in Fundamo. Remgro's interest in Fundamo increased to 26.4% (31 March 2010: 26.0%).

PTH
Since 31 March 2010 Remgro invested a further GBP0.6 million (or R6.7 million) in PTH. Remgro's interest in PTH remained unchanged at 50%.

ODM
Since 31 March 2010 the remaining R4.1 million of the R10.0 million facility granted to ODM was advanced to that company.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 31 March 2010 were as follows:

	Local R million	Offshore R million	Total R million	2009 R million
Per consolidated statement of financial position	**1 372**	**2 455**	**3 827**	5 050
Investment in money market funds	**–**	**1 812**	**1 812**	1 578
Less: Cash of operating subsidiaries	**(937)**	**(40)**	**(977)**	(661)
Cash at the centre	**435**	**4 227**	**4 662**	5 967

On 31 March 2010, approximately 43% (R1 812 million) of the available offshore cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position. Refer to note 16 to the annual financial statements for further details.

GROUP FINANCIAL REVIEW

Change in accounting estimate

During the year under review Tsb Sugar Holdings (Pty) Limited (Tsb Sugar) changed its valuation methodology relating to biological agricultural assets. In terms of *IAS 41: Agriculture,* these assets should be measured, on initial recognition and at the end of each reporting period, at its fair value less costs to sell. The change in the valuation methodology resulted from improved management information being available and is consequently treated as a change in accounting estimate with only prospective application.

The financial effect on the carrying value of biological agricultural assets on 31 March 2010 and on profit attributable to equity holders for the year then ended is as follows:

Increase in the value of biological agricultural assets	R53 million
Increase in profit attributable to equity holders	R34 million

Comparison with prior year

With effect from 3 November 2008 the investment in BAT was distributed to Remgro shareholders as an interim dividend *in specie*. For the year ended 31 March 2009 the investment in BAT was accordingly still equity accounted for the seven months to 31 October 2008, which distorts year-on-year comparisons.

However, year-on-year comparisons of headline earnings and headline earnings per share from continuing operations can be made.

Classification of investee companies

The acquisition of VenFin necessitated the introduction of two new reporting groups, "Media interests" and "Technology interests". A third new reporting group, "Other investments" was also created. In order to facilitate year-on-year comparison, the information presented for the comparative year has been adjusted accordingly.

Statement of financial position

The analysis of "Equity employed" below 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.

	2010		2009	
	R million	R per share	R million	R per share
Equity employed				
Attributable to equity holders	**43 304**	**84.38**	38 072	80.75
Employment of equity				
Financial services	**12 426**	**24.21**	11 755	24.93
Industrial interests	**16 154**	**31.48**	14 976	31.76
Media interests	**1 074**	**2.09**	–	–
Mining interests	**5 776**	**11.26**	4 267	9.05
Technology interests	**2 058**	**4.01**	–	–
Other investments	**573**	**1.12**	415	0.88
Central treasury	**4 662**	**9.08**	5 967	12.66
Other net corporate costs	**581**	**1.13**	692	1.47
	43 304	**84.38**	38 072	80.75

Income statement

	2010 R million	2010 %	2009 R million	2009 %
Source of headline earnings				
Tobacco interests	–	–	2 295	49
Financial services	1 355	40	1 576	34
Industrial interests	1 982	59	1 318	28
Media interests	17	1	–	–
Mining interests	96	3	164	3
Technology interests	13	–	–	–
Other investments	(64)	(2)	(80)	(1)
Central treasury	57	2	194	4
Other net corporate costs	(101)	(3)	(807)	(17)
	3 355	100	4 660	100

	2010 R million	2009 R million
Composition of headline earnings		
Subsidiary companies	630	142
Profits	730	159
Losses	(100)	(17)
Associated companies and joint ventures	2 725	4 518
Profits	2 839	5 023
Losses	(114)	(505)
	3 355	4 660

SHARE SCHEMES

During the previous financial year a new share scheme, the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme), was implemented in addition to the existing Remgro Share Scheme. No new allocations under the Remgro Share Scheme have been made during the year under review. In terms of the SAR scheme participants are offered Remgro ordinary shares to the value of the appreciation of their rights to a specified number of Remgro ordinary shares that can be exercised at different intervals but before the expiry of seven years from date of grant.

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

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

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

TREASURY SHARES

At 31 March 2009, 3 500 000 Remgro ordinary shares (0.8%) 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 the new share appreciation rights scheme that was implemented subsequent to the unbundling of the investment in BAT during November 2008.

During the year under review no Remgro ordinary shares were repurchased, while 75 956 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised share appreciation rights granted to them.

At 31 March 2010, 3 424 044 Remgro ordinary shares (0.7%) were held as treasury shares.

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Pty) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.64% (2009: 44.89%) of the total votes.

An analysis of the shareholders appears on pages 152 and 153.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

DIRECTORS

The names of the directors appear on pages 8 and 9.

With effect from 4 November 2009, Messrs N P Mageza, P J Moleketi, G T Ferreira and Dr M A Ramphele were appointed as independent, non-executive directors to the Board of Remgro. In addition Mr J J Durand has been appointed as an executive director. Mr G D de Jager retired as independent non-executive director on 5 August 2009.

In terms of the provision of the Articles of Association, Messrs J J Durand, J W Dreyer, G T Ferreira, N P Mageza, J Malherbe, P J Moleketi, F Robertson, M H Visser, Mrs J A Preller and Dr M A Ramphele retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 31 March 2010 the aggregate of the direct and indirect interests of the directors and their associates in the issued ordinary share capital of the Company amounted to 2.81% (2009: 1.26%).

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

An analysis of directors' interests in the issued capital of the Company appears on page 154.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R2 981 000 (2009: R2 697 000).

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. 61 of 1973), as amended ("Companies Act"), and the Listings Requirements of the JSE Limited ("Listings Requirements"). It is further recommended that a general authority be granted to the Board to enable the Board to, subject to the provisions of the Companies Act and the Listings Requirements, enter into derivative transactions which may or will lead to the Company being required to purchase its own shares.

Special resolutions to grant this general authority to the Board are incorporated in the notice of the annual general meeting that appears on page 156.

SPECIAL RESOLUTIONS

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

DIVIDENDS

The final ordinary dividend per share was determined at 125 cents (2009: 110 cents). Total ordinary dividends per share in respect of the financial year to 31 March 2010 therefore amount to 209 cents (2009: 190 cents).

DECLARATION OF CASH DIVIDEND

Declaration of Dividend No. 20

A final dividend of 125 cents (2009: 110 cents) per share was declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each, for the financial year ended 31 March 2010.

Payment

The final dividend is payable on Monday, 23 August 2010, to shareholders of the Company registered at the close of business on Friday, 20 August 2010.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 16 August 2010, and Friday, 20 August 2010, both days inclusive.

SECRETARY

The name and address of the Company Secretary appears on page 155.

APPROVAL

The annual financial statements set out on pages 85 to 154 have been approved by the Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Thys Visser
Chief Executive Officer

Stellenbosch
21 June 2010

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS), the requirements of the Companies Act (No. 61 of 1973), as amended, and the Listings Requirements of the JSE Limited.

These financial statements incorporate accounting policies that have been consistently applied to both years presented, with the exception of the implementation of *IFRS 8: Operating Segments* and the amendments to *IFRS 7: Financial Instruments disclosure* and *IAS 1 (revised): Presentation of financial statements*. The adoption of the new accounting standard and amendments to IFRS only affected disclosure and had no impact on the results of either the current or prior years.

The composition of the Group's net profit is relevant for a proper understanding of its financial results. Due to the nature of the Group's operations a significant portion of its net profit results from associated companies and joint ventures. Consequently, additional information relating to the Group's share of the after-tax profit of associated companies and joint ventures is disclosed separately in note 29. In order to promote comparability, equity accounted income from associated companies and joint ventures, which is presented on an after-tax basis, is disclosed after the tax line on the income statement.

"Consolidated profit" represents the profit of the Company and its subsidiary companies before equity accounted income, while "Trading profit" represents the profit of the operating subsidiaries in the Group, before investment income, finance costs and items of a capital nature.

The accounting policies that the Group applied in the presentation of the financial statements are set out below.

(I) CONSOLIDATION AND EQUITY ACCOUNTING

Consolidation – subsidiary companies

All entities in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies, are included in the consolidated financial statements in the accepted manner. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination, irrespective of the extent of minority interests, are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is accounted for directly in the income statement. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

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

Intergroup transactions, balances and unrealised gains are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The accounting policies of subsidiaries conform to the policies adopted by the Group. Accounting policies between various industries have been aligned to the extent that it is material and appropriate for the specific industry.

Special purpose entities are consolidated when the substance of the relationship between the Group and the special purpose entity indicates that the Group effectively controls the entity.

The Group applies a policy of treating transactions with minority shareholders as transactions with equity owners of the Group. For purchases of minority interests, the difference between the consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. When interests in subsidiaries are sold to minority shareholders, any difference between the consideration received and the interest of the minority shareholder in the carrying value of the subsidiary's net assets are also accounted for in equity.

Consolidation – The Remgro Share Trust
The Remgro Share Trust has been consolidated as it is effectively controlled by the Company.

Equity accounting – joint ventures
All jointly controlled ventures are accounted for according to the equity method as with associated companies.

Equity accounting – associated companies
Entities that are neither subsidiaries nor joint ventures, but in which a long-term interest is held and over whose financial and operating policies a significant influence can be exercised, are accounted for according to the equity method as associated companies. The results of associated companies, acquired or disposed of, are included in the consolidated income statement from the date on which effective significant influence begins or until it ceases. Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's share of retained income is transferred to non-distributable reserves. The Group's share of other movements in the reserves of associated companies is accounted for through other comprehensive income. The carrying value of the Group's associated companies includes goodwill identified at acquisition. When the Group's share of losses in an associated company equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Dilutionary and anti-dilutionary effects of equity transactions by associated companies that Remgro is not party to, are accounted for through other comprehensive income.

Certain associated companies have year-ends that differ from that of the Company. In such circumstances the results of listed and certain unlisted companies are accounted for from the latest published information and management accounts as at year-end, respectively. The accounting policies of associated companies have been changed where necessary to align them to those of Remgro and its subsidiaries to the extent that it is material and appropriate for the specific industry in which the associate operates.

Separate financial statements
In Remgro's separate financial statements, investments in subsidiaries, joint ventures and associated companies are carried at cost.

(II) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Land and buildings, machinery, equipment, office equipment and vehicles – are stated at historical cost less accumulated depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on buildings, machinery, equipment, office equipment and vehicles is provided on a straight-line basis at rates that reduce the cost thereof to an estimated residual value over the expected useful life of the asset. The residual values and expected useful lives of assets are reviewed annually on reporting date and adjusted where necessary. No depreciation is provided for land.

Leased assets – Assets leased in terms of finance leases, i.e. where the Group assumes substantially all the risks and rewards of ownership, are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum finance lease payments. Leased assets are depreciated over the shorter of the lease period or the period over which the particular asset category is otherwise depreciated. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The finance charges are accounted for in the income statement over the term of the lease using the effective interest rate method.

Leases of assets where the lessor substantially retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are accounted for in income on a straight-line basis over the period of the lease.

Pre-production and borrowing costs – Pre-production and borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets until such assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs capitalised.

(III) BIOLOGICAL AGRICULTURAL ASSETS

The fair value of the biological agricultural assets is determined on the following basis:

Growing crops and orchards – Growing crops and orchards comprise two elements:
- Bearer biological assets – sugar cane roots, citrus trees and banana plants
- Consumable biological assets – standing sugar cane, citrus fruit and bananas

Bearer biological assets are valued at fair value based on the current replacement cost of planting and establishment, subsequently reduced in value over the period of their productive lives.

Consumable biological assets are measured at their fair value, determined on current estimated market prices less estimated harvesting, transport, packing and point-of-sale costs.
- Standing cane at estimated sucrose content, age and market price.
- Growing fruit at estimated yields, quality standards, age and market prices.

Breeding stock – Breeding stock includes the breeding and laying operations. Hatching eggs are included in breeding stock. Breeding stock is measured at their fair value less estimated closure point-of-sale costs at reporting dates. Fair value is determined based on market prices or, where market prices are not available, by reference to sector benchmarks.

Gains and losses arising on the initial recognition of these assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs are accounted for in profit and loss during the period in which they arise.

Growing crops and orchards – bearer biological assets are reported in the statement of financial position as non-current assets, while breeding stock and growing crops and orchards – consumable biological assets are reported as current assets.

(IV) INVESTMENT PROPERTIES

Investment properties are held to generate rental income and appreciate in capital value. Investment properties are treated as long-term investments and are carried at cost less accumulated depreciation. Buildings are depreciated to their estimated residual values on a straight-line basis over their expected useful lives.

Investment properties are valued by external independent professional valuers every third year.

(V) INTANGIBLE ASSETS

Goodwill – On the acquisition of an investment, fair values at the date of acquisition are attributed to the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is the difference between the cost of the investments and the fair value of attributable net assets of the subsidiaries, joint ventures and associated companies at the acquisition dates. Goodwill is reported in the statement of financial position as non-current assets and is carried at cost less accumulated impairment losses.

Goodwill attributable to associated companies and joint ventures is included in the carrying value of these companies.

Trade marks – The cost of developing and establishing trade marks is expensed as incurred. Consequently, the value thereof is not reflected in the annual financial statements. The cost of purchased trade marks is written off on a straight-line basis over their expected useful lives.

Research and development costs – Research cost is expensed as incurred. Where the asset recognition criteria have been met, development cost is capitalised and written off over the expected useful life of the product. Development cost previously expensed is not recognised as an asset in a subsequent period.

Trade marks and capitalised development costs with indefinite useful lives are not amortised.

(VI) FINANCIAL INSTRUMENTS

Financial instruments disclosed in the financial statements include cash and cash equivalents, investments, derivative instruments, debtors and short-term loans, trade and other payables and borrowings. Financial instruments are initially recognised at fair value, including transaction costs, when the Group becomes party to the contractual terms of the instruments. The transaction costs relating to the acquisition of financial instruments held at fair value through profit and loss are expensed. Subsequent to initial recognition, these instruments are measured as follows:

Loans and receivables – Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. These instruments are carried at amortised cost using the effective interest rate method.

Held-to-maturity financial instruments – Instruments with fixed maturity that the Group has the intent and ability to hold to maturity are classified as held-to-maturity financial instruments and are carried at amortised cost using the effective interest rate method.

Available-for-sale financial instruments – Other long-term financial instruments are classified as available-for-sale and are carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial instruments are recognised through other comprehensive income in the period in which they arise. When these financial instruments are either derecognised or impaired, the accumulated fair value adjustments are realised and included in the income statement.

Financial instruments at fair value through profit and loss – These instruments, consisting of financial instruments held-for-trading and those designated at fair value through profit and loss at inception, are carried at fair value. Derivatives are also classified as held-for-trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these financial instruments are recognised in the income statement in the period in which they arise.

Trade payables and borrowings – Trade payables and borrowings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

All purchases and sales of financial instruments are recognised at the trade date.

Financial assets (or portions thereof) are derecognised when the Group realises the rights to the benefits specified in the contract, the rights expire or the Group surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable, as well as any prior adjustments to reflect fair value that had been recognised in other comprehensive income, is included in the income statement.

Financial liabilities (or portions thereof) are derecognised when the Group's obligation specified in the contract is discharged or cancelled or has expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in the income statement.

Fair value estimation – Financial instruments that are measured at fair value in the statement of financial position, are disclosed by level of the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices. The fair value of the financial instruments that are not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risk existing at reporting date, including independent appraisals and discounted cash flow methods. Fair values represent an approximation of possible value, which may differ from the value that will finally be realised.

There are Group companies that are parties to derivative financial instruments that reduce exposure to financial risks. These instruments mainly comprise forward contracts. Certain Group companies apply hedge accounting. Gains and losses arising from cash flow hedges are recognised through other comprehensive income, while those arising from fair value hedges are recognised in the income statement in the period in which they arise. Group companies that do not apply hedge accounting, recognise changes in the fair value of these and other derivative instruments in the income statement in the period in which they arise.

Any derivatives embedded in financial instruments are separated from the host contract when their economic characteristics are not closely related to those of the host contract and the host contract is not carried at fair value. Gains and losses are reported in the income statement.

Where a current legally enforceable right of set-off exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

(VII) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. These assets (or disposal groups) are measured at the lower of its carrying amount or fair value less costs to sell.

The Group classifies a component as a discontinued operation when that component has been disposed of, or is classified as held for sale; and

- it represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

A component of the Group comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes from the rest of the Group.

(VIII) INVENTORIES

Inventories are stated at the lower of cost or net realisable value. The basis of determining cost, which excludes finance costs, is the first-in first-out cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Where applicable, provision is made for slow-moving and redundant inventories. Work in progress and finished goods include direct costs and an appropriate allocation of manufacturing overheads.

(IX) TAXATION

Current taxation is provided by using rates that have been enacted or substantially enacted in terms of applicable tax laws.

Deferred taxation is provided for at rates that have been enacted or substantially enacted using the statement of financial position liability method. Full provision is made for all temporary differences between the taxation base of an asset or liability and its carrying amount on the statement of financial position. No deferred tax liability is recognised in those circumstances where the initial recognition of an asset or liability has no impact on accounting profit or taxable income. Assets are not raised in respect of deferred taxation, unless it is probable that future taxable profits will be available against which the deferred taxation asset can be realised in the foreseeable future.

Secondary taxation on companies is provided for in respect of dividend payments, net of dividends received or receivable and is recognised as a taxation charge for the year.

(X) FOREIGN CURRENCIES

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. its functional currency. The functional currency of the Company and the presentation currency of both the Company and the Group is rand. All amounts, unless otherwise indicated, are stated in millions.

Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the date of the transactions. Except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges, foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of foreign currency denominated monetary assets and liabilities are recognised in the income statement. Translation differences on non-monetary items are accounted for based on the classification of the underlying items. Foreign exchange gains and losses on financial instruments classified as available-for-sale financial assets are included in other comprehensive income, whereas those on financial instruments held at fair value through profit and loss are reported as part of the fair value gain or loss.

Group entities

The results and financial position of all foreign operations (excluding those operating in hyperinflationary economies) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate on the reporting date.
- Income and expenses for each income statement are translated at average exchange rates for the year, to the extent that such average rates approximate actual rates.
- All resulting exchange differences are recognised directly in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. On disposal of foreign operations, the related exchange differences are recognised in the income statement as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at closing rates at reporting date.

(XI) IMPAIRMENT OF ASSETS

Goodwill and intangible assets with indefinite lives

These assets are assessed annually for possible impairments. For purposes of impairment testing, goodwill is allocated to cash-generating units, being the lowest component of the business measured in the management accounts that is expected to generate cash flows that are largely independent of another business component. Impairment losses relating to goodwill are not reversed. Any impairment is recognised in profit and loss.

Other assets

The Group assesses at each reporting date whether there is objective evidence that other assets may be impaired.

- **Impairment – subsidiaries, joint ventures and associated companies**

  An asset is impaired if its carrying amount is greater than its estimated recoverable amount, which is the higher of its fair value less cost to sell or its value in use. The carrying amounts of subsidiaries, joint ventures and associated companies are reviewed if there is objective evidence of impairment and written down where necessary.

- **Investment property, property, plant and equipment and intangible assets with finite useful lives**

  Where these assets are identified as being impaired, that is when the recoverable amount has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. Such written-off amounts are accounted for in the income statement.

- **Financial instruments carried at amortised cost**

  A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

  If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, such as improved credit rating, the previously recognised impairment loss is reversed and is recognised in the income statement.

- **Financial assets carried at fair value**
  If any objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in profit or loss is removed from other comprehensive income and recognised in the income statement.

  Impairment losses on equity instruments that were recognised in the income statement are not subsequently reversed through the income statement – such reversals are accounted for in other comprehensive income.

(XII) PROVISIONS

Provisions are recognised when a present legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expected expenditure required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(XIII) EMPLOYEE BENEFITS

Post-retirement benefits

Pension obligations – Companies in the Group provide defined-benefit and defined-contribution post-retirement plans for their employees. The plan assets are held in separate trustee-administered funds. These plans are funded by payments from the employees and the Group, taking into account recommendations of independent qualified actuaries.

For the defined-benefit plans, the pension accounting costs are assessed using the projected unit credit method. The cost of providing pensions is charged to the income statement to spread the regular costs over the service lives of the employees in accordance with advice of qualified actuaries. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities that have maturity terms approximating the terms of the related liability.

Past-service costs are immediately expensed, unless the changes to the pension plan are conditional on the employees remaining in service for a specified vesting period, in which case the past-service costs are amortised on a straight-line basis over the vesting period.

The net surplus or deficit of the benefit obligation is the difference between the present value of the funded obligations and the fair value of the plan assets. If the cumulated unrecognised actuarial gains and losses at the end of the previous reporting period exceed the greater of ten percent of the defined-benefit obligation or defined-benefit plan's assets, that excess is recognised in future periods over the expected average remaining working lives of the participating employees.

The Group's contribution to the defined-contribution pension plans is charged to the income statement in the year in which they relate.

Post-retirement medical obligations – The Group provides post-retirement medical benefits to its retirees. The entitlement to post-retirement medical benefits is based on the employees remaining in service up to retirement age and the completion of a minimum service period. The projected unit credit method of valuation is used to calculate the liability for post-retirement medical benefits.

The expected costs of these benefits are expensed and the liabilities accumulated over the period of employment, using accounting methodology similar to that for defined-benefit pension plans. Independent qualified actuaries value these obligations.

Equity compensation plans
The Remgro Group operates various equity settled share-based compensation plans. All offers granted after 7 November 2002 that have not vested by 1 January 2005 are accounted for as share-based payment transactions. The fair value of offers is determined on the grant date and is accounted for as an employee services expense over the vesting period of the offer, with a corresponding increase in equity, based on the Group's estimate of the number of shares that will eventually vest. Fair value is determined using a binomial model. The expected contract life used in the model has been adjusted based on management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations.

Any profits or losses that realise from shares being delivered to participants of the schemes are recognised directly in equity. The proceeds received net of any directly attributable transaction costs are accounted for against treasury shares when the options are exercised.

Short-term benefits
Employee entitlements to leave are recognised when they accrue to employees involved. A creditor is created for the estimated liability for leave as a result of services rendered by employees up to reporting date.

(XIV) CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flow, cash and cash equivalents comprise cash on hand, short-term government debt instruments, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in short-term interest-bearing loans.

(XV) INVESTMENTS IN MONEY MARKET FUNDS

Investments in money market funds relate to investments in shares of liquidity funds of which the underlying investments have maturities of up to one year. The shares in these funds are callable on a daily basis.

(XVI) REVENUE RECOGNITION

The sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred. Revenue arising from services is recognised when the service is rendered. Sales comprise the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities and are disclosed net of value added tax, returns, rebates and discounts.

Interest is recognised on a time proportion basis (taking into account the principal outstanding, the effective rate and the period), unless collectability is in doubt. Dividends are recognised when the right to receive payment is established.

(XVII) SHARE CAPITAL

Ordinary shares and B ordinary shares of the Company are classified as equity. Costs directly attributable to the issue of new shares are accounted for in equity as a deduction from the proceeds.

Shares in the Company held by Group companies are classified as treasury shares and are held at cost. These shares are treated as a deduction from the issued number of shares and taken into account in the calculation of the weighted average number of shares. The cost price of the shares is deducted from the Group's equity.

(XVIII) DIVIDEND DISTRIBUTION

Distribution of assets to the shareholders of the Company are accounted for at fair value.

(XIX) CURRENT/NON-CURRENT DISTINCTION

Items are classified as current when it is expected to be realised, traded, consumed or settled within twelve months after the reporting date, or the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date.

(XX) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company, who makes strategic decisions.

(XXI) CRITICAL ACCOUNTING JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements necessitates the use of estimates, assumptions and judgements that affect the reported amounts in the statement of financial position and income statement. Although estimates are based on management's best knowledge and judgements of current facts as at reporting date, the actual outcome may differ from those estimates.

Critical judgements in applying the Group's accounting policies

The most critical judgement exercised relates to the classification of investments as associated companies rather than investments available-for-sale. There are some investments over which Remgro is believed to have significant influence although it has an interest of less than 20% in these companies. However, as Remgro has board representation and is one of the major shareholders of these companies, its influence over their financial and operating policies is significant. Those investments are accordingly accounted for as associated companies using the equity method. The fair value of associated companies is set out in note 6 to the annual financial statements.

Critical judgement is also exercised with regards to the determination of the functional currency of the offshore entities that holds the group's cash and short-term financial investments. The functional currencies of these entities are determined with reference to the currency in which the entities receive their operating cash inflows, as these most faithfully represent the economic effects of the underlying transactions, events and conditions. The operations of these entities are clearly separated from those of the parent and are managed separately from each other in terms of a strategic investment plan to invest in hard currencies based on specific and pre-determined portfolio allocations. As a result, exchange differences arising on the translation of those entities into the reporting currency of the Group are deferred in other comprehensive income until being realised, as opposed to being reported in the income statement on a continuous basis.

Critical accounting estimates and assumptions

A significant estimate relates to the Group's accounting policy in terms of which deferred taxation is provided for on all temporary differences between the carrying value and the tax base of investments. This tax is measured at the estimated tax consequences based on the manner in which the entity, at the reporting date, expects to recover the carrying value of the various investments. The carrying value of investments in associated companies are mainly recovered through dividends. As no taxable temporary differences exist, no deferred taxation is provided. Deferred taxation is provided on temporary differences that arise on the revaluation of available-for-sale investments based on the future economic benefits the entity expects to realise from that asset, i.e. a combination of dividends and capital gains or losses.

Other estimates and assumptions relate to the determination of the useful lives of assets, impairments, the valuation of unlisted investments, the provision of deferred taxation for the Company's unutilised STC (secondary taxation on companies) credits and the assumptions used in calculating retirement benefit obligations and share-based payments. Details of these estimates and assumptions are set out in the relevant notes to the annual financial statements.

Critical accounting estimates and assumptions were also made during the purchase price allocation process in accounting for the VenFin acquisition as a business combination in accordance with *IFRS 3: Business Combinations*. These estimates and assumptions relate to the determination of useful lives of assets, discount rates, growth rates and valuation of unlisted investments.

(XXII) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2010, but not yet effective on that date. The standards that are applicable to the Group, but that were not implemented early, are the following:

- **IFRS 9: Financial Instruments**
  (effective date – financial periods commencing on/after 1 January 2013)
  The International Accounting Standards Board (IASB) issued *IFRS 9: Financial Instruments* as the first step in its project to replace *IAS 39: Financial Instruments – Recognition and Measurement.* IFRS 9 introduces new requirements for classifying and measuring financial assets.

  The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment and hedge accounting. By the end of 2010, IFRS 9 will be a complete replacement for IAS 39, but its application will only be mandatory from 1 January 2013.

- **IFRIC 17: Distributions of Non-cash Assets to Owners**
  (effective date – financial periods commencing on/after 1 July 2009)
  This interpretation provides guidance on how an entity should account for and measure:
  - distributions of non-cash assets to its owners; and
  - distributions that give owners a choice of receiving either cash or another asset.

  An entity should measure the dividend payable at the fair value of the net assets to be distributed. The difference between the dividend paid and the carrying amount of the net assets distributed should be accounted for in profit or loss.

- **IFRIC 18: Transfers of Assets from Customers**
  (effective date – financial periods commencing on/after 1 July 2009)
  This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives property, plant and equipment from a customer that the entity must use to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

  IFRIC 18 provides guidance on how to identify the entity's obligation to provide one or more separately identifiable services in exchange for the transferred asset and how to recognise revenue.

- **IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments**
  (effective date – financial periods commencing on/after 1 July 2010)
  This interpretation clarifies the requirements of IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially:
  - The entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability.
  - The equity instruments issued are measured at their fair value. If their fair value cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.
  - The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the entity's profit or loss for the period.

- **Revised IFRS 3: Business Combinations**
  (effective date – financial periods commencing on/after 1 July 2009)
  The revised standard establishes principles for recognising and measuring identifiable assets acquired, liabilities assumed and any non-controlling interest in an acquiree. Any classifications or designations made in recognising these items must be made in accordance with contractual terms, economic conditions, the acquirer's operating and accounting policies and other factors that exist at the acquisition date.

  Each identifiable asset and liability is measured at its fair value at acquisition date. Any non-controlling interest in an acquiree is measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

  The standard provides limited exceptions to these recognition and measurement principles.

- **Revised IAS 24: Related Party Disclosures**
  (effective date – financial periods commencing on/after 1 January 2011)
  The revised standard provides an exemption from disclosure requirements for transactions between entities controlled, jointly controlled or significantly influenced by the same state ('state-controlled entities').

  The definitions of a related party and of a related party transaction have also been amended to clarify the intended meaning and remove some inconsistencies.

- **Revised IAS 27: Consolidated and Separate Financial Statements**
  (effective date – financial periods commencing on/after 1 July 2009)
  The standard specifies the circumstances in which an entity must consolidate the financial statements of another entity (being a subsidiary), the accounting for changes in the level of ownership interest in a subsidiary, the accounting for the loss of control of a subsidiary and the information that an entity must disclose to enable users of the financial statements to evaluate the nature of the relationship between the entity and its subsidiaries.

  The standard further requires that non-controlling interests must be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income must be attributed to both the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

  Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

  When an entity loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in the income statement. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.

- **Amendment to IFRS 1: First-Time Adoption of International Financial Reporting Standards (limited exemption from comparative IFRS 7 disclosures for first-time adopters)**
  (effective date – financial periods commencing on/after 1 July 2010)
  The amendment allows certain exemptions from comparative IFRS 7 disclosures for entities that adopt IFRS for the first time.

- **Amendments to IFRS 2: Share-based payment (Group cash-settled share-based payment transactions)**
  (effective date – financial periods commencing on/after 1 January 2010)
  This amendment clarifies the scope and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

  It also incorporates the guidance contained in IFRIC 8: Scope of IFRS 2 and IFRIC 11: IFRS 2 – Group and treasury share transactions, resulting in the withdrawal of the aforementioned IFRICs.

- **Amendment to IAS 32: Financial Instruments: Presentation (Classification of Rights Issues)**
  (effective date – financial periods commencing on/after 1 February 2010)
  The amendment clarified that rights, options, or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments (and not financial liabilities) if the entity offers the rights, option or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

- **Amendment to IAS 39: Financial Instruments – Recognition and Measurement (Eligible Hedged Items)**
  (effective date – financial periods commencing on/after 1 July 2009)
  The amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows of a hedged item is eligible for designation in a hedging relationship, should be applied in particular situations.

- **Amendment to IFRIC 14: Prepayments of a Minimum Funding Requirement**
  (effective date – financial periods commencing on/after 1 January 2011)
  The amendment to IFRIC 14, which is itself an interpretation of IAS 19: Employee Benefits, applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset.

- **IASB first and second annual improvements projects**
  The IASB concluded its first two annual improvements projects, amending various accounting standards. These changes become effective for periods commencing on or after 1 July 2009, unless specified otherwise in the transitional provision for each amendment.

The application of the standards, interpretations and amendments to IFRS mentioned above in future financial reporting periods is not expected to have a significant effect on the Group's financial results, financial position and cash flow, except for the following:

- Revised *IFRS 3: Business Combinations* and revised *IAS 27: Consolidated and Separate Financial Statements* – These standards will be applied prospectively to all business combinations and changes in a parent's ownership interest in a subsidiary from 1 April 2010 and it will therefore only affect the Group after this date.

STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2010

R million	Notes	CONSOLIDATED 2010	CONSOLIDATED 2009	THE COMPANY 2010	THE COMPANY 2009
ASSETS					
Non-current assets					
Property, plant and equipment	2	**3 050**	2 756	–	–
Biological agricultural assets	3	**157**	76	–	–
Investment properties	4	**34**	34	–	–
Intangible assets	5	**361**	394	–	–
Investments – Associated companies	6	**28 052**	23 795	–	–
– Joint ventures	7	**55**	84	–	–
– Other	8	**6 644**	4 742	–	–
– Subsidiary companies	9			3 736	–
Retirement benefits	10	**121**	100	–	–
Loans		**108**	100	–	–
Deferred taxation	11	**6**	10	–	–
		38 588	32 091	3 736	–
Current assets		**9 470**	10 025	4 835	12 799
Inventories	12	**1 048**	911	–	–
Biological agricultural assets	3	**423**	430	–	–
Debtors and short-term loans	13	**1 941**	1 799	4 835	12 799
Derivative instruments	14	**145**	16	–	–
Taxation		**42**	65	–	–
Assets held for sale	15	**232**	176	–	–
Investment in money market funds	16	**1 812**	1 578	–	–
Cash and cash equivalents	17	**3 827**	5 050	–	–
Total assets		**48 058**	42 116	8 571	12 799
EQUITY AND LIABILITIES					
Share capital	18	**8**	8	8	8
Share premium	18	**3 714**	–	3 714	–
Reserves	19	**39 837**	38 324	4 817	159
Treasury shares		**(255)**	(260)	–	–
Shareholders' equity		**43 304**	38 072	8 539	167
Non-controlling interest		**779**	715		
Total equity		**44 083**	38 787	8 539	167
Non-current liabilities		**1 517**	1 172	–	–
Retirement benefits	10	**180**	156	–	–
Long-term loans	20	**175**	191	–	–
Deferred taxation	11	**1 162**	825	–	–
Current liabilities		**2 458**	2 157	32	12 632
Trade and other payables	21	**2 292**	1 999	32	56
Short-term loans	22	**146**	117	–	12 576
Provisions	23	**–**	23	–	–
Derivative instruments	14	**3**	18	–	–
Taxation		**17**	–	–	–
Total equity and liabilities		**48 058**	42 116	8 571	12 799

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

R million	Notes	CONSOLIDATED 2010	CONSOLIDATED 2009	THE COMPANY 2010	THE COMPANY 2009
CONTINUING OPERATIONS					
Sales		**11 849**	11 455	–	–
Inventory expenses		**(7 099)**	(7 245)	–	–
Staff costs	24	**(1 939)**	(1 744)	–	–
Depreciation	27	**(290)**	(271)	–	–
Other net operating expenses	27	**(1 680)**	(1 480)	(10)	(5)
Trading profit/(loss)		**841**	715	(10)	(5)
Dividend income	28	**116**	355	5 624	59 469
Interest received	27	**146**	197	–	–
Finance costs		**(59)**	(49)	–	–
Net impairment of investments, assets and goodwill	27	**(179)**	(442)	–	–
Profit/(loss) on sale of investments	27	**(9)**	24	–	(2 012)
Consolidated profit before tax		**856**	800	5 614	57 452
Taxation	11	**(309)**	(268)	–	(686)
Consolidated profit after tax		**547**	532	5 614	56 766
Share of after-tax profit of associated companies and joint ventures	29	**2 619**	2 389		
Net profit for the year from continuing operations		**3 166**	2 921	5 614	56 766
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	38	**–**	42 503	–	–
Net profit for the year		**3 166**	45 424	5 614	56 766
Attributable to:					
Equity holders		**3 060**	45 330	5 614	56 766
Continuing operations		**3 060**	2 827	5 614	56 766
Discontinued operations		**–**	42 503	–	–
Non-controlling interest		**106**	94		
		3 166	45 424	5 614	56 766

EARNINGS PER SHARE	1	Cents	Cents
Basic		**629.4**	9 607.9
Continuing operations		**629.4**	599.2
Discontinued operations		**–**	9 008.7
Diluted		**616.3**	9 570.4
Continuing operations		**616.3**	584.6
Discontinued operations		**–**	8 985.8

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2010

R million	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Shareholders' equity	Non-controlling interest	Total equity
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					CONSOLIDATED	
2010							
Net profit for the year				**3 060**	**3 060**	**106**	**3 166**
Other comprehensive income, net of tax	**(621)**	**(158)**	**1 200**	**(1 061)**	**(640)**	**–**	**(640)**
Exchange rate adjustments		**(155)**		**(1 061)**	**(1 216)**		**(1 216)**
Fair value adjustments for the year		**3**	**1 418**		**1 421**		**1 421**
Deferred taxation on fair value adjustments		**(1)**	**(218)**		**(219)**		**(219)**
Realisation of reserves previously deferred in equity		**(6)**			**(6)**		**(6)**
Change in reserves of associated companies and joint ventures	**(621)**	**1**			**(620)**		**(620)**
Total comprehensive income for the year	**(621)**	**(158)**	**1 200**	**1 999**	**2 420**	**106**	**2 526**
2009							
Net profit for the year				45 330	45 330	94	45 424
Other comprehensive income, net of tax	(2 022)	(1 126)	(3 588)	(510)	(7 246)	–	(7 246)
Exchange rate adjustments	(351)	(82)		(3)	(436)		(436)
Fair value adjustments for the year		9	(4 193)		(4 184)		(4 184)
Deferred taxation on fair value adjustments		(2)	623		621		621
Realisation of reserves previously deferred in equity	(1 141)	(1 050)	(18)	(507)	(2 716)		(2 716)
Change in reserves of associated companies and joint ventures	(530)	(1)			(531)		(531)
Total comprehensive income for the year	(2 022)	(1 126)	(3 588)	44 820	38 084	94	38 178

R million	THE COMPANY 2010	2009
Net profit for the year	5 614	56 766
Other comprehensive income	–	–
Total comprehensive income for the year	5 614	56 766

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2010

R million	Issued capital	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Treasury shares	Share-holders' equity	Non-controlling interest	Total equity
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							CONSOLIDATED	
2010									
Balances at 1 April	**8**	**8 642**	**314**	**3 389**	**25 979**	**(260)**	**38 072**	**715**	**38 787**
Total comprehensive income for the year		**(621)**	**(158)**	**1 200**	**1 999**		**2 420**	**106**	**2 526**
Dividends paid					**(950)**		**(950)**	**(56)**	**(1 006)**
Capital invested by minorities								**10**	**10**
Transfer between reserves and other movements			**266**		**(264)**		**2**	**–**	**2**
Transfer of retained income of associated companies and joint ventures		**1 456**	**(54)**		**(1 402)**		**–**		**–**
Long-term share incentive scheme reserve			**41**			**5**	**46**	**4**	**50**
Shares issued	**3 714**						**3 714**		**3 714**
Balances at 31 March	**3 722**	**9 477**	**409**	**4 589**	**25 362**	**(255)**	**43 304**	**779**	**44 083**
2009									
Balances at 1 April	45	25 340	1 586	6 977	24 794	(1 515)	57 227	648	57 875
Total comprehensive income for the year		(2 022)	(1 126)	(3 588)	44 820		38 084	94	38 178
Dividends paid					(1 938)		(1 938)	(52)	(1 990)
Dividend *in specie*					(55 225)	406	(54 819)		(54 819)
Purchase of shares by wholly owned subsidiary (treasury shares)						(666)	(666)		(666)
Capital invested by minorities								14	14
Transfer between reserves and other movements		(18 168)	63		18 134		29	(6)	23
Transfer of retained income of associated companies and joint ventures		3 492	(155)		(3 337)		–		–
Net disposal of shares by The Remgro Share Trust						213	213		213
Long-term share incentive scheme reserve			(54)				(54)	17	(37)
Cancellation of treasury shares	(37)				(1 269)	1 302	(4)		(4)
Balances at 31 March	8	8 642	314	3 389	25 979	(260)	38 072	715	38 787

R million	THE COMPANY 2010	2009
Balances at 1 April	167	2 300
Issued capital	8	45
Retained earnings	159	2 255
Shares issued/(cancelled)	3 714	(1 695)
Total comprehensive income for the year	5 614	56 766
Dividends paid	(956)	(1 979)
Dividend *in specie*	–	(55 225)
Balances at 31 March	8 539	167

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2010

		CONSOLIDATED		THE COMPANY	
R million	Notes	2010	2009	2010	2009
Cash flows – operating activities					
Trading profit/(loss)		841	715	(10)	(5)
Adjustments	30.1	231	245	–	–
Trading profit/(loss) before working capital changes		1 072	960	(10)	(5)
Working capital changes	30.2	(155)	21	(18)	40
Cash generated/(utilised) from/(by) operations		917	981	(28)	35
Cash flow generated from returns on investments		1 590	1 691	5 624	59 469
Interest received		146	197	–	–
Dividends received	30.3	1 444	1 494	5 624	59 469
Finance costs		(59)	(49)	–	–
Taxation paid	30.4	(144)	(280)	–	(686)
Cash available from operating activities		2 304	2 343	5 596	58 818
Dividends paid	30.5	(1 006)	(2 120)	(956)	(2 109)
Cash inflow from operating activities		1 298	223	4 640	56 709
Cash flows – investing activities					
Net investments to maintain operations		(240)	(221)	–	–
Replacement of property, plant and equipment		(274)	(273)	–	–
Proceeds on disposal of property, plant and equipment and other assets		34	52	–	–
Investments to expand operations		(1 005)	(479)	(22)	(57 108)
Additions to – property, plant and equipment and other assets		(153)	(191)	–	–
– investments and loans		(729)	(277)	(22)	(57 108)
Businesses acquired	31	(123)	(11)	–	–
Proceeds from disposal of investments and loans		98	115	–	–
Proceeds from the BAT unbundling		–	3 736	–	–
Purchase of treasury shares		–	(520)	–	–
Net cash generated/(utilised) before financing activities		151	2 854	4 618	(399)
Cash flows – financing activities		(5)	10	(4 618)	399
Shares cancelled		–	(4)	–	(1 695)
(Increase)/decrease in loans		(15)	–	(4 618)	2 094
Issue of new shares by subsidiary companies		10	9	–	–
Capital contributed by minorities of subsidiary company		–	5	–	–
Net increase in cash and cash equivalents		146	2 864	–	–
Increase in money market funds		(234)	(1 578)	–	–
Exchange rate loss on foreign cash		(1 190)	(98)	–	–
Cash and cash equivalents at the beginning of the year		5 019	3 831	–	–
Cash and cash equivalents at the end of the year		3 741	5 019	–	–
Cash and cash equivalents – per statement of financial position		3 827	5 050		
Bank overdraft		(86)	(31)		

1. EARNINGS

	2010 Gross R million	2010 Net R million	2009 Gross R million	2009 Net R million
HEADLINE EARNINGS RECONCILIATION				
CONTINUING OPERATIONS				
Net profit for the year attributable to equity holders		3 060		2 827
Plus/(minus):				
– Net impairment of investments	149	149	442	442
– Impairment of property, plant and equipment	4	3	–	–
– Impairment of intangible assets	26	20	–	–
– Profit/(loss) on sale of investments	9	17	(24)	(21)
– Net (surplus)/loss on disposal of property, plant and equipment	(4)	(1)	3	2
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	123	107	(117)	(82)
Headline earnings from continuing operations		3 355		3 168
DISCONTINUED OPERATIONS				
Net profit for the year attributable to equity holders		–		42 503
Plus/(minus):				
– Profit on the distribution of investments	–	–	(40 805)	(40 805)
– Non-headline earnings items included in equity accounted earnings of associated companies	–	–	(223)	(206)
Headline earnings from discontinued operations		–		1 492
Total headline earnings from continuing and discontinued operations		3 355		4 660

	2010 Cents	2009 Cents
EARNINGS PER SHARE		
Headline earnings per share		
– Basic	690.1	987.7
Continuing operations	690.1	671.5
Discontinued operations	–	316.2
– Diluted	676.4	954.8
Continuing operations	676.4	659.2
Discontinued operations	–	295.6
Earnings per share		
– Basic	629.4	9 607.9
Continuing operations	629.4	599.2
Discontinued operations	–	9 008.7
– Diluted	616.3	9 570.4
Continuing operations	616.3	584.6
Discontinued operations	–	8 985.8

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 486 152 822 (2009: 471 798 001), was taken into account after deduction of treasury shares as well as shares held in The Remgro Share Trust and certain associated companies.

Diluted earnings per share

In determining diluted earnings per share and diluted headline earnings per share the weighted number of shares in issue was adjusted for the deemed dilutive effect of the offers accepted by participants in the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme, but not yet delivered.

1. EARNINGS (continued)

EARNINGS PER SHARE (continued)

Diluted earnings per share (continued)

The delivery of scheme shares to participants will be regarded as an issue of shares. As the market value (fair value) of the shares at date of delivery will differ from the offer value, the number of shares represented by the difference will be regarded as an issue of ordinary shares for no consideration. These imputed shares total 533 594 (2009: 115 156) and have been added to the weighted number of shares to determine the dilutive effect.

Some subsidiary and associated companies have similar management incentive schemes as well as other instruments that can dilute these companies' earnings in the future. To calculate Remgro's diluted earnings per share from continuing operations, R63 million (2009: R57 million) and R61 million (2009: R68 million) were offset against headline earnings and earnings respectively to account for the potential diluted effect. For the comparative year R97 million and R98 million were offset against headline earnings and earnings respectively, to account for the potential diluted effect on earnings from discontinued operations.

2. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R million	*Machinery and equipment* R million	*Vehicles* R million	*Office equipment* R million	*Total* R million
Carrying value at 1 April 2008	896	1 372	267	33	2 568
Cost	1 320	2 740	421	51	4 532
Accumulated depreciation	(424)	(1 368)	(154)	(18)	(1 964)
Additions	113	263	83	4	463
Disposals	(2)	(2)	(7)	–	(11)
Depreciation	(34)	(203)	(31)	(3)	(271)
Businesses acquired	–	–	7	–	7
Transfers and other	(56)	56	–	–	–
Carrying value at 31 March 2009	917	1 486	319	34	2 756
Cost	1 377	3 015	489	53	4 934
Accumulated depreciation	(460)	(1 529)	(170)	(19)	(2 178)
Additions	**126**	**228**	**66**	**4**	**424**
Disposals	**(6)**	**(18)**	**(6)**	**–**	**(30)**
Depreciation	**(40)**	**(213)**	**(34)**	**(3)**	**(290)**
Businesses acquired	**45**	**148**	**4**	**1**	**198**
Transfers and other	**(51)**	**46**	**–**	**(3)**	**(8)**
Carrying value at 31 March 2010	**991**	**1 677**	**349**	**33**	**3 050**
Cost	**1 483**	**3 381**	**532**	**47**	**5 443**
Accumulated depreciation	**(492)**	**(1 704)**	**(183)**	**(14)**	**(2 393)**

Depreciation rates are as follows:	**2010** %	2009 %
Buildings	**0 – 50**	0 – 50
Machinery and equipment	**3⅓ – 100**	3⅓ – 100
Vehicles	**4 – 33⅓**	4 – 33⅓
Office equipment	**5 – 33⅓**	5 – 33⅓

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by assets with a book value of R2 million (2009: R4 million).

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

3. BIOLOGICAL AGRICULTURAL ASSETS

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the year	Sugar cane roots R million	Sugar cane plants R million	Other R million	2010 R million	Sugar cane roots R million	Sugar cane plants R million	Other R million	2009 R million
Balances at 1 April	33	27	16	76	27	25	15	67
Fair value adjustment	7	24	36	67	6	2	1	9
Transfer from assets "held for sale"	–	24	–	24	–	–	–	–
Disposals	(10)	–	–	(10)	–	–	–	–
Balances at 31 March	30	75	52	157	33	27	16	76

The quantity at 31 March is as follows:

	2010	2009
Sugar cane roots (ha)	2 922	3 649
Sugar cane plants (ha)	4 461	3 649
Other (ha)	1 694	1 754

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year	Breeding stock R million	Broiler stock R million	2010 R million	Breeding stock R million	Broiler stock R million	2009 R million
Balances at 1 April	245	185	430	213	156	369
Additions	735	3 643	4 378	729	3 578	4 307
Decrease due to harvest	(745)	(3 661)	(4 406)	(700)	(3 559)	(4 259)
Fair value adjustment	6	15	21	3	10	13
Balances at 31 March	241	182	423	245	185	430

4. INVESTMENT PROPERTIES

	2010 Cost R million	2010 Accumulated depreciation R million	2010 Net value R million	2009 Cost R million	2009 Accumulated depreciation R million	2009 Net value R million
Land	3	–	3	3	–	3
Buildings	31	–	31	31	–	31
	34	–	34	34	–	34

Reconciliation of carrying value at the beginning and end of the year	Land R million	Buildings R million	2010 R million	Land R million	Buildings R million	2009 R million
Balances at 1 April	3	31	34	3	30	33
Additions	–	–	–	–	1	1
Balances at 31 March	3	31	34	3	31	34

The investment properties were valued during the 2008 financial year by an independent, qualified valuer using market information. The fair value of the investment properties, VAT exclusive, is R345 million (2009: R345 million).

No depreciation was provided for on investment properties, as all the assets have significant residual values. The remaining useful life of the assets is estimated as 50 years.

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

5. INTANGIBLE ASSETS

	2010 Cost or valuation R million	2010 Accumulated impairment/ amortisation R million	2010 Net value R million	2009 Cost or valuation R million	2009 Accumulated impairment/ amortisation R million	2009 Net value R million
Goodwill	**350**	**(12)**	**338**	347	–	347
Trade marks and other	**100**	**(77)**	**23**	144	(97)	47
	450	**(89)**	**361**	491	(97)	394

Amortisation rates are as follows:	2010 %	2009 %
Trade marks and other	**5 – 100**	5 – 100

Reconciliation of carrying value at the beginning and end of the year	2010 Goodwill R million	2010 Trade marks and other R million	2010 R million	2009 Goodwill R million	2009 Trade marks and other R million	2009 R million
Balances at 1 April	**347**	**47**	**394**	345	63	408
Additions	**–**	**2**	**2**	–	–	–
Amortisation	**–**	**(10)**	**(10)**	–	(11)	(11)
Impairment	**(12)**	**(14)**	**(26)**	–	–	–
Businesses acquired	**5**	**2**	**7**	4	–	4
Other	**(2)**	**(4)**	**(6)**	(2)	(5)	(7)
Balances at 31 March	**338**	**23**	**361**	347	47	394

Goodwill is tested annually for any possible impairment and for this reason allocated to the respective cash-generating units as indicated below. During the year under review goodwill amounting to R12 million was impaired.

	Rainbow Chicken Limited and its subsidiaries	Tsb Sugar Holdings (Pty) Limited and its subsidiaries	Wispeco Holdings Limited and its subsidiaries	2010 Total
Goodwill allocated (R million)	**292**	**32**	**14**	**338**
Basis of valuation of cash-generating units	**Value in use**	**Value in use**	**Value in use**	

R287 million of the goodwill relating to Rainbow Chicken and its subsidiaries relates to the acquisition of Vector Logistics (Pty) Limited in 2005. In determining the value in use of the cash-generating unit to which this goodwill was allocated, the following assumptions were used:

Discount rate	16.8%
Growth rate	5.0%
Period	5 years

Sensitivity analysis of assumptions used in the goodwill impairment test:

Assumption	Movement	Impairment
Discount rate	+5%	Nil
Growth rate	–5%	Nil

6. INVESTMENTS – ASSOCIATED COMPANIES

(Annexures B & C)

	2010			2009		
	Listed **R million**	***Unlisted*** **R million**	***Total*** **R million**	*Listed* R million	*Unlisted* R million	*Total* R million
Shares – at cost	**9 318**	**6 245**	**15 563**	9 075	3 530	12 605
Equity adjustment	**7 917**	**4 039**	**11 956**	7 763	3 385	11 148
Carrying value	**17 235**	**10 284**	**27 519**	16 838	6 915	23 753
Long-term loans	**–**	**533**	**533**	–	42	42
	17 235	**10 817**	**28 052**	16 838	6 957	23 795
Market values of listed investments	**28 480**		**28 480**	18 904		18 904
Directors' valuation of unlisted investments		**17 720**	**17 720**		11 407	11 407
Market values and directors' valuation	**28 480**	**17 720**	**46 200**	18 904	11 407	30 311
Excess of market values and directors' valuation over the carrying value of investments:						
– attributable to equity holders			**18 148**			6 516
– attributable to non-controlling interest			**–**			–
			18 148			6 516

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R4 048 million (2009: R3 052 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

Reconciliation of carrying value at the beginning and end of the year	**2010 R million**	2009 R million
Carrying value at 1 April	**23 795**	43 175
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	**–**	(418)
Income of associated companies retained	**1 457**	3 492
Share of net attributable profit of associated companies	**2 678**	4 947
Dividends received from associated companies	**(1 221)**	(1 526)
Exchange rate differences on translation from average rate to year-end rates	**–**	71
Equity-accounted movements on reserves	**(621)**	(530)
Disposals/capital reductions	**(9)**	(78)
Investments made	**221**	29
Businesses acquired	**2 986**	–
Loans advanced	**150**	–
Transfer from investments – other	**258**	–
Transfer to assets "held for sale"	**(65)**	–
Unbundling of BAT	**–**	(21 432)
Impairment of investments	**(118)**	(438)
Other	**(2)**	(5)
Carrying value at 31 March	**28 052**	23 795

7. INVESTMENTS – JOINT VENTURES

(Annexure B)

	2010 R million	2009 R million
Unlisted shares – at cost	**8**	284
Equity adjustment	**39**	(201)
Carrying value	**47**	83
Long-term loans	**8**	1
	55	84
Directors' valuation of unlisted investments	**55**	84
Excess of directors' valuation over the carrying value of investments:		
– attributable to equity holders	**–**	–
– attributable to non-controlling interest	**–**	–
	–	–
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at 1 April	**84**	64
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	**(18)**	26
Losses of joint ventures recognised	**(55)**	(155)
Share of net attributable losses of joint ventures	**(59)**	(141)
Dividends received from joint ventures	**(1)**	(2)
Exchange rate differences on translation from average rate to year-end rates	**5**	(12)
Equity accounted movements on reserves	**1**	(1)
Investments made	**57**	150
Disposals	**(19)**	–
Transfer to investments – subsidiary companies	**(3)**	–
Loans repaid	**(1)**	–
Businesses acquired	**9**	–
Carrying value at 31 March	**55**	84

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

Loss	**(146)**	(141)
Sales	**146**	113
Assets	**95**	176
Liabilities	**49**	154

The Group's share in capital commitments of joint ventures amounted to RNil (2009: R8 million).

8. INVESTMENTS – OTHER

(Annexure B)

	2010 Listed R million	2010 Unlisted R million	2010 Total R million	2009 Listed R million	2009 Unlisted R million	2009 Total R million
Investments – other						
Shares	**6 357**	**287**	**6 644**	4 651	91	4 742
Market values of listed investments	**6 357**		**6 357**	4 651		4 651
Directors' valuation of unlisted investments		**287**	**287**		91	91
Market values and directors' valuation	**6 357**	**287**	**6 644**	4 651	91	4 742

Reconciliation of carrying value of investments – other at the beginning and end of the year	2010 R million	2009 R million
Balances at 1 April	**4 742**	8 551
Fair value adjustments for the year	**1 425**	(4 205)
Investments made	**300**	431
Businesses acquired	**476**	–
Exchange rate adjustments	**(5)**	–
Impairments	**(31)**	–
Transfer to investments – associated companies	**(258)**	–
Disposals	**(5)**	(35)
Balances at 31 March	**6 644**	4 742

9. INVESTMENTS – SUBSIDIARY COMPANIES

(Annexure A)

	2010 R million	2009 R million
Unlisted subsidiary companies		
Shares – at cost	**3 736**	–

10. RETIREMENT BENEFITS

	2010 R million	2009 R million
Statement of financial position obligations		
Retirement benefits	**(16)**	(9)
Post-retirement medical benefits	**(164)**	(147)
	(180)	(156)
Statement of financial position assets	**121**	100
Retirement benefits	**9**	9
Defined-contribution fund employer's surplus	**112**	91
Net defined-benefit post-retirement obligation	**(59)**	(56)
Represented by:		
Retirement benefits (refer note 10.1)	**(7)**	–
Post-retirement medical benefits (refer note 10.2)	**(164)**	(147)
Defined-contribution fund employer's surplus	**112**	91
	(59)	(56)
Income statement		
Retirement benefits*	**10**	5
Post-retirement medical benefits	**21**	13
Expense/(income)	**31**	18

** Refer note 24 on page 126.*

10. RETIREMENT BENEFITS (continued)

10.1 Retirement benefits

Some of the Company's subsidiaries have various defined-benefit and defined-contribution funds which are privately administered independent of the finances of the Group. The Group operates defined-benefit funds in South Africa, governed by the Pension Funds Act, 1956 (as amended), and the United Kingdom. All salaried employees are obliged to accept membership of one of these funds.

For statutory purposes the defined-benefit pension funds are actuarially valued every three years by independent actuaries using the projected unit credit method. The latest actuarial valuations of these funds were conducted between 31 March 2007 and 31 March 2010.

	Statement of financial position					Income statement
	Fair value of plan assets R million	*Present value of funded obligations* R million	*Unrecognised actuarial (gains)/ losses* R million	*Pension fund surplus limitation** R million	*Amount recognised in statement of financial position* R million	*Included in staff costs* R million
Balances at 1 April 2008	875	(845)	2	(113)	(81)	
Current service cost	–	(2)	–	–	(2)	2
Interest cost	–	(54)	–	–	(54)	54
Expected return on assets	66	–	–	–	66	(66)
Surplus limitation utilisation	–	–	(47)	32	(15)	15
Contributions	79	–	–	–	79	–
Exchange rate differences	(88)	108	(13)	–	7	–
Benefit payments	(43)	43	–	–	–	–
Actuarial movements: fund obligation	–	53	(53)	–	–	–
Actuarial movements: plan assets	(171)	–	171	–	–	–
Balances at 31 March 2009	718	(697)	60	(81)	–	5
Current service cost	**–**	**(1)**	**–**	**–**	**(1)**	**1**
Interest cost	**–**	**(45)**	**–**	**–**	**(45)**	**45**
Expected return on assets	**53**	**–**	**–**	**–**	**53**	**(53)**
Surplus limitation utilisation	**–**	**–**	**29**	**(41)**	**(12)**	**12**
Actuarial gain amortisation	**–**	**–**	**(5)**	**–**	**(5)**	**5**
Transferred to defined-contribution fund**	**(19)**	**14**	**–**	**5**	**–**	**–**
Exchange rate differences	**(87)**	**109**	**(19)**	**–**	**3**	**–**
Benefit payments	**(38)**	**38**	**–**	**–**	**–**	**–**
Actuarial movements: fund obligation	**–**	**(114)**	**114**	**–**	**–**	**–**
Actuarial movements: plan assets	**117**	**–**	**(117)**	**–**	**–**	**–**
Balances at 31 March 2010	**744**	**(696)**	**62**	**(117)**	**(7)**	**10**

* *The Financial Services Board approved the surplus allocation scheme on 6 September 2005. The present value of economic benefits recognised in the financial statements is limited to the value of the surplus allocated to the Employer Surplus Account. The Trustees have decided not to allocate any of the current surpluses in the Fund.*

** *During the year, Rainbow Chicken's pension fund was replaced by a defined-contribution fund.*

10. RETIREMENT BENEFITS (continued)

10.1 Retirement benefits (continued)

	2010 R million	2009 R million
Amount of plan assets represented by investment in the entity's own financial instruments	–	6
Actual return on plan assets	170	(105)
Adjustment for experience on funded obligations	(9)	3
Expected contributions to retirement funds for the year ended 31 March 2011: R1 million		

	Number	Number
Number of members	389	7 870

Composition of plan assets	%	%
Cash	8.88	7.16
Equity	20.22	21.23
Bonds	3.72	1.80
Property	0.69	1.15
International	65.41	68.66
Other	1.08	–
	100.00	100.00

Principal actuarial assumptions on reporting date		
Discount rate	5.50 – 9.25	6.50 – 9.25
Expected rates of return on plan assets*	6.23 – 10.00	6.76 – 10.25
Future salary increases	8.00	6.25 – 7.25
Future pension increases	3.50 – 5.25	3.00 – 5.25
Inflation rate	5.50	5.25

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

Fund history for the current and previous 4 years	2010 R million	2009 R million	2008 R million	2007 R million	2006 R million
Fair value of plan assets	744	718	875	771	722
Present value of funded obligations	(696)	(697)	(845)	(767)	(633)
Surplus	48	21	30	4	89

10. RETIREMENT BENEFITS (continued)

10.2 Post-retirement medical benefits

	Statement of financial position				Income statement
	Fair value of plan assets R million	*Present value of funded obligations* R million	*Unrecognised actuarial (gains)/ losses* R million	*Amount recognised in statement of financial position* R million	*Included in staff costs* R million
Balances at 1 April 2008	37	(153)	(22)	(138)	
Current service cost	–	(5)	–	(5)	5
Interest cost	–	(13)	–	(13)	13
Expected return on assets	3	–	–	3	(3)
Amortisation of actuarial (gains)/losses	–	–	2	2	(2)
Contributions	–	2	–	2	–
Benefit payments	(2)	4	–	2	–
Actuarial movements	(4)	(29)	33	–	–
Balances at 31 March 2009	34	(194)	13	(147)	13
Current service cost	**–**	**(6)**	**–**	**(6)**	**6**
Interest cost	**–**	**(16)**	**–**	**(16)**	**16**
Expected return on assets	**3**	**–**	**–**	**3**	**(3)**
Amortisation of actuarial (gains)/losses	**–**	**(2)**	**–**	**(2)**	**2**
Liability assumed as part of VenFin acquisition	**1**	**(2)**	**–**	**(1)**	**–**
Benefit payments	**(2)**	**7**	**–**	**5**	**–**
Actuarial movements	**4**	**21**	**(25)**	**–**	**–**
Balances at 31 March 2010	**40**	**(192)**	**(12)**	**(164)**	**21**

	2010 R million	2009 R million
Amount of plan assets represented by investment in the entity's own financial instruments	**1**	2
Actual return on plan assets	**7**	(1)
Expected contributions to retirement funds for the year ended 31 March 2011: R12 million		

	Number	Number
Number of members	**895**	959

Fund history for the current and previous 4 years	**2010 R million**	2009 R million	2008 R million	2007 R million	2006 R million
Fair value of plan assets	**40**	34	37	35	16
Present value of funded obligations	**(192)**	(194)	(153)	(146)	(121)
Surplus/(deficit)	**(152)**	(160)	(116)	(111)	(105)

Composition of plan assets	**2010 %**	2009 %
Cash	**16.00**	16.00
Equity	**78.00**	81.00
Bonds	**6.00**	3.00
	100.00	100.00

10. RETIREMENT BENEFITS (continued)

10.2 Post-retirement medical benefits (continued)

	2010 %	2009 %
Principal actuarial assumptions on reporting date		
Discount rate	**9.25 – 9.50**	8.25 – 9.00
Expected rates of return on plan assets*	**10.25**	10.00
Annual increase in healthcare costs	**5.50 – 5.75**	5.25 – 7.25

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

	2010 Increase R million	2010 Decrease R million
The effect of a 1% movement in the above-mentioned expected yearly increase in healthcare costs is as follows:		
Post-retirement medical liability	**28**	**27**
Current service costs and interest on obligation	**5**	**4**

11. TAXATION

11.1 Deferred taxation

	2010 R million	2009 R milliion
Deferred taxation liability	**1 162**	825
Property, plant and equipment	**432**	359
Intangibles	**4**	10
Inventories	**173**	152
Provisions	**(48)**	(61)
Biological agricultural assets	**46**	38
Investments	**614**	372
Tax losses	**(14)**	(25)
Future capital gain taxable	**46**	32
Other	**(91)**	(52)
Deferred tax asset	**(6)**	(10)
Property, plant and equipment	**(1)**	21
Inventories	**–**	4
Provisions	**(3)**	(2)
Tax losses	**–**	(25)
Other	**(2)**	(8)
Net deferred taxation	**1 156**	815
The movement between balances of deferred taxation at the beginning and end of the year can be analysed as follows:		
Beginning of the year	**815**	1 450
Businesses acquired	**5**	–
As per income statement	**117**	(14)
Accounted for in other comprehensive income	**219**	(621)
	1 156	815

No deferred tax is provided on temporary differences relating to investments in subsidiary companies and joint ventures as Remgro controls the dividend policy of these companies and consequently also controls the reversal of the temporary differences.

Deferred taxation on capital distributions received from 1 October 2001 to 30 September 2007 is provided at 14.0%, as a result of the promulgation of retrospective legislation.

11. TAXATION (continued)

11.2 Tax losses

	2010 R million	2009 R million
Estimated tax losses available for set-off against future taxable income	**215**	118
Utilised to create deferred tax asset	**(128)**	(36)
	87	82

The calculated capital losses on 31 March, which could be set off against future capital gains of the Company, amount to R3 906 million (2009: R3 906 million).

11.3 Secondary taxation on companies (STC)

	2010	2009
The STC credits on 31 March, which could be set off against future dividend payments, amount to		
– The Company	**4 727**	3 260
– Subsidiary companies	**1 794**	2 595
Unutilised STC credits	**6 521**	5 855

Remgro's history of dividends received compared to ordinary dividends paid suggests increasing STC credits over time. It is therefore unlikely that Remgro's STC credits will be utilised against ordinary dividends paid in the foreseeable future, and consequently no deferred tax asset has been created for the Company's unutilised STC credits.

11.4 Taxation in income statement

	2010	2009
CONSOLIDATED		
Current	**172**	261
– current year – South African normal taxation	**167**	246
– Taxation on capital gain	**–**	2
– Foreign taxation	**8**	7
	175	255
– previous year – South African normal taxation	**(3)**	6
Secondary taxation on companies – current	**20**	21
Deferred – current year	**107**	–
– previous year	**2**	(10)
– tax on capital gain	**8**	(4)
	309	268
THE COMPANY		
Secondary taxation on companies – current	**–**	686

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

	%	%
Effective tax rate	**36.1**	33.5
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	**4.0**	12.2
Non-taxable capital profit	**–**	0.9
Other non-taxable expenditure	**(8.2)**	(12.3)
Foreign taxation	**(0.9)**	(4.2)
Previous year taxation	**0.2**	0.3
Future capital gain payable	**(0.9)**	0.2
Secondary taxation on companies	**(2.3)**	(2.6)
Standard rate	**28.0**	28.0

12. INVENTORIES

	2010 R million	2009 R million
Raw materials	282	326
Finished products	661	516
Work in progress	4	3
Consumable stores	101	66
	1 048	911

13. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	2010 R million	2009 R million	2010 R million	2009 R million
Trade debtors (gross)	–	6	1 488	1 241
Less: Provision for impairments	–	–	(44)	(45)
Trade debtors (net)	–	6	1 444	1 196
Dividends receivable	–	–	327	389
Advance payments and other	–	–	170	214
Loans – Subsidiary companies	4 835	12 793	–	–
	4 835	12 799	1 941	1 799

Debtors with a carrying value of R43 million (2009: R42 million) provided collateral to the Group. Loans to subsidiary companies are unsecured, carry no interest and are repayable on request.

Movements on the provision for impairments of trade debtors are as follows:

	2010 R million	2009 R million
Balances at 1 April	45	44
Provision for impairments on debtors	8	13
Debtors written off as uncollectable during the year	(3)	(9)
Unused amounts written back	(6)	(1)
Other	–	(2)
Balances at 31 March	44	45

During the year, bad debts amounting to R3 million (2009: R9 million) were written off. The other classes of assets in debtors and short-term loans have no assets where impairments were made. For further information refer to note 32.

14. DERIVATIVE INSTRUMENTS

The following derivative instruments existed at 31 March:

	2010			2009		
Assets	*Currency value* million	*Forward value* R million	*Fair value* R million	*Currency value* million	*Forward value* R million	*Fair value* R million
Foreign exchange contracts						
Sell: USA dollar	35.9	281.4	12.4	18.1	186.6	9.3
			12.4			9.3
Other derivative instruments						
Conversion right on preference shares			132.6			–
Soy option contracts			–			2.0
Exchange option contracts			–			4.3
			132.6			6.3
			145.0			15.6

14. DERIVATIVE INSTRUMENTS (continued)

The following derivative instruments existed at 31 March:

	2010			2009		
Liabilities	***Currency value*** **million**	***Forward value*** **R million**	***Fair value*** **R million**	*Currency value* million	*Forward value* R million	*Fair value* R million
Foreign exchange contracts						
Buy: Euro	**1.0**	**10.1**	**0.2**	3.5	3.5	–
USA dollar	**–**	**–**	**–**	89.3	85.8	3.6
GBP	**1.0**	**10.2**	**0.7**	–	–	–
			0.9			3.6
Other derivative instruments						
Commodity option contracts			**0.1**			2.1
Exchange option contracts			**–**			10.5
Interest rate swaps			**2.4**			1.7
			2.5			14.3
			3.4			17.9

15. ASSETS HELD FOR SALE

	2010 **R million**	2009 R million
On 31 January 2007 Tsb Sugar entered into an agreement to sell certain assets in terms of a land reform transaction. The effective date of the Tenbosch transaction was 1 April 2007. The second phase of the land reform transaction, which were initially anticipated to have been finalised during the 2009 financial year is still in process and the assets that will be sold in terms of the agreement are therefore classified as held for sale and valued in terms of the requirements of IFRS 5.		
Carrying value of the assets classified as "held for sale"	**167**	176
Property, plant and equipment	**119**	116
Biological agricultural assets	**48**	60
Effective 30 November 2009 the investment in Trans Hex was reclassified as "held for sale" and accordingly the investment is measured in terms of the requirements of IFRS 5.		
Carrying value of the investment classified as "held for sale"	**65**	–
	232	176

16. INVESTMENT IN MONEY MARKET FUNDS

Money market fund investments are held in the following currencies:		
USA dollar (2010: $161 million; 2009: $80 million)	**1 172**	766
British pound (2010: £13 million; 2009: £13 million)	**146**	181
Euro (2010: €50 million; 2009: €50 million)	**494**	631
	1 812	1 578

Investments in money market funds relate to investments in shares of JP Morgan liquidity funds, specifically the Sterling Gilt Liquidity Fund, the US Treasury Liquidity Fund and the Euro Government Liquidity Fund. The portfolios of the funds on 31 March 2010 consisted of government bonds with maturities of up to one year and bank repurchase agreements to ensure liquidity on demand as the shares in the funds are callable on a daily basis. Distributions from these funds are disclosed as dividend income. These instruments carry very low risk and provide daily liquidity, but cannot be classified as cash and cash equivalents as the individual instruments held by the funds do not meet the maturity criteria of *IAS 7: Statement of Cash Flows.* These investments are considered to be equity instruments categorised as "financial assets at fair value through profit and loss."

17. CASH AND CASH EQUIVALENTS

	2010 R million	2009 R million
Cash at the centre	**2 850**	4 389
Operating subsidiaries	**977**	661
	3 827	5 050
The cash is held in the following currencies:		
South African rand	**1 388**	1 513
British pound	**109**	118
USA dollar	**1 255**	2 283
Euro	**896**	946
Swiss franc	**158**	190
Other	**21**	–
	3 827	5 050

At year-end cash and cash equivalents earned interest at effective interest rates that varied between 6.00% and 7.73% (2009: 9.25% and 10.86%) per annum at local financial institutions and between 0.02% and 6.15% (2009: 0.03% and 5.30%) per annum abroad.

	2010 R million	2009 R million
Cash and cash equivalents are represented by the following:		
United Kingdom treasury bills	**33**	41
United States treasury bills	**–**	772
German treasury instruments	**122**	157
Current accounts and money market instruments	**3 672**	4 079
Cash	**–**	1
	3 827	5 050
At year-end the Group's cash was invested at financial institutions with the following Moody's credit rating (unless otherwise indicated):		
Aa1	**489**	–
Aa2	**693**	1 051
Aa3	**65**	27
A1	**–**	1 063
A2	**857**	970
A3	**1 323**	1 475
AAA/V1 (Fitch credit rating)	**400**	463
Cash on hand	**–**	1
	3 827	5 050

18. SHARE CAPITAL AND SHARE PREMIUM

Share capital

	2010 R million	2009 R million
Authorised		
512 493 650 ordinary shares of 1 cent each	**5.1**	5.1
40 506 352 B ordinary shares of 10 cents each	**4.1**	4.1
	9.2	9.2
Issued		
481 106 370 (2009: 439 479 751) ordinary shares of 1 cent each	**4.8**	4.4
35 506 352 (2009: 35 506 352) B ordinary shares of 10 cents each	**3.6**	3.5
	8.4	7.9

18. SHARE CAPITAL AND SHARE PREMIUM (continued)

	2010 Number of shares	2009 Number of shares
Movement of the ordinary shares of 1 cent each for the year:		
Total number of shares issued at 1 April	**439 479 751**	449 003 606
Shares issued	**41 626 619**	–
Shares cancelled	**–**	(9 523 855)
Total number of shares issued at 31 March*	**481 106 370**	439 479 751

** Treasury shares held by wholly owned subsidiary companies included.*

Share premium	2010 R million	2009 R million
Movement of the share premium account for the year:		
Balance at 1 April	**–**	37
Shares issued	**3 714**	–
Shares cancelled	**–**	(37)
Balance at 31 March	**3 714**	–

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

Number of shares held in treasury by a wholly owned subsidiary (ordinary shares of 1 cent each): 3 424 044 (2009: 3 500 000).

At a general meeting of shareholders held on 7 October 2008, 21 000 000 Remgro ordinary shares were placed under the control of the Remgro Board as a specific authority for purposes of issuing and allotting such Remgro ordinary shares to participants in the Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme") in accordance with the provisions of the rules of the SAR Scheme.

Details in respect of the share schemes and the current year's offers are disclosed in note 26 and the Report of the Board of Directors.

19. RESERVES

19.1 Composition of reserves

	2010 R million	2009 R million
The Company:		
Retained earnings	**4 817**	159
Subsidiary companies and joint ventures	**25 543**	29 523
Fair value reserve	**4 589**	3 389
Other reserves	**409**	314
Retained earnings	**20 545**	25 820
Associated companies:		
Equity reserves	**9 477**	8 642
	39 837	38 324

Statutory non-distributable reserves included in other reserves	**6**	11

19. RESERVES (continued)

19.2 Included in the respective reserves above are reserves arising on exchange rate translation

	Other reserves R million	Retained earnings R million	2010 Total R million	2009 Total R million
Balances at 1 April	23	(58)	(35)	6 243
Exchange rate adjustments during the year	(155)	(1 061)	(1 216)	(436)
Transfer of equity adjustment	5	(5)	–	–
Realised to the income statement	(11)	–	(11)	(5 842)
Balances at 31 March	(138)	(1 124)	(1 262)	(35)

20. LONG-TERM LOANS

	2010 R million	2009 R million
Interest-bearing loans		
Secured long-term loans with effective interest rates of between 9.37% and 10% (2009: 9.37% and 13%) per annum repayable over a period of between four to ten years These liabilities are secured by assets with a book value of R62 million (2009: R56 million).	188	204
Net liabilities resulting from various capitalised finance leases and instalment sale agreements payable in monthly, quarterly and annual instalments at varying interest rates per annum amount to These liabilities are secured by plant, machinery and equipment with a book value of R2 million (2009: R4 million).	3	4
Various unsecured loans with varying terms and interest rates	5	3
	196	211
Instalments payable within one year transferred to short-term interest-bearing loans	(21)	(20)
	175	191
Payable – two to five years	173	191
Payable thereafter	2	–
	175	191

21. TRADE AND OTHER PAYABLES

	THE COMPANY		CONSOLIDATED	
	2010 R million	2009 R million	2010 R million	2009 R million
Trade payables	32	56	1 724	1 418
Accrued expenses	–	–	568	581
	32	56	2 292	1 999

22. SHORT-TERM LOANS

	THE COMPANY 2010 R million	THE COMPANY 2009 R million	CONSOLIDATED 2010 R million	CONSOLIDATED 2009 R million
Interest-bearing loans				
Portion of long-term interest-bearing loans payable within one year	–	–	21	20
Bank overdrafts	–	–	86	31
	–	–	107	51
Interest-free loans with no fixed repayment conditions	–	–	39	66
Loans – Subsidiary companies	–	12 576		
	–	12 576	146	117

23. PROVISIONS

	Legal disputes* R million	Other** R million	2010 R million	Legal disputes* R million	Other** R million	2009 R million
Balances at 1 April	18	5	23	43	5	48
Unused amounts	–	(5)	(5)	(25)	–	(25)
	18	–	18	18	5	23
Provisions utilised during the year	(18)	–	(18)	–	–	–
Balances at 31 March	–	–	–	18	5	23

* *Litigation, of which the timing and outcome is uncertain, is in progress against certain subsidiary companies.*
** *Various smaller provisions.*

24. STAFF COSTS

	2010 R million	2009 R million
Salaries and wages	1 699	1 513
Share-based payments	54	49
Pension costs – defined contribution	119	99
Pension costs – return on defined-contribution asset	(21)	–
Pension costs – defined benefit	10	5
Post-retirement medical benefits	21	13
Other	57	65
	1 939	1 744

25. DIRECTORS' EMOLUMENTS

	2010 Executive R'000	2010 Non-executive R'000	2010 Total R'000	2009 Executive R'000	2009 Non-executive R'000	2009 Total R'000
Executive directors						
Fees	1 104		1 104	880		880
Salaries	20 107		20 107	15 000		15 000
Share Scheme bonuses*	–		–	20 064		20 064
Retirement fund contributions	4 135		4 135	3 344		3 344
Other benefits	1 269		1 269	1 547		1 547
Subtotal	26 615		26 615	40 835		40 835
Non-executive directors						
Independent		1 361	1 361		1 257	1 257
Non-independent		2 839	2 839		3 943	3 943
Total	26 615	4 200	30 815	40 835	5 200	46 035
Increase in value – Remgro Share Scheme*	–	–	–	133 530	103 104	236 634

* *Refer note 26.1 on page 128.*

	2010 Fees R'000	2010 Salaries and other R'000	2010 Total R'000	2009 Fees R'000	2009 Salaries and other R'000	2009 Total R'000
Paid by:						
The Company	1 533		1 533	1 417		1 417
Subsidiary company	1 448	27 834	29 282	1 280	43 338	44 618
	2 981	27 834	30 815	2 697	43 338	46 035

25. DIRECTORS' EMOLUMENTS (continued)

	2010					2009					
	Fees	***Salaries***	***Retirement fund***	***Other benefits[13]***	***Total***	*Fees*	*Salaries*	*Share Scheme bonuses[12]*	*Retirement fund*	*Other benefits[13]*	*Total*
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000	R'000	R'000	R'000
Executive											
W E Bührmann	**172**	**1 957**	**422**	**225**	**2 776**	160	1 806	6 583	389	289	9 227
L Crouse[1]	**172**	**3 070**	**642**	**225**	**4 109**	160	2 750		588	223	3 721
J W Dreyer[2]	**172**	**1 926**	**416**	**106**	**2 620**	80	698		132	35	945
J J Durand[3]	**72**	**2 122**	**313**	**75**	**2 582**						
D M Falck[4]							560		111	80	751
J A Preller (Mrs)	**172**	**1 074**	**247**	**225**	**1 718**	160	999	3 659	229	242	5 289
T van Wyk	**172**	**1 896**	**410**	**141**	**2 619**	160	1 591	4 694	343	175	6 963
M H Visser[5]	**172**	**8 062**	**1 685**	**272**	**10 191**	160	6 596	5 128	1 552	503	13 939
Subtotal	**1 104**	**20 107**	**4 135**	**1 269**	**26 615**	880	15 000	20 064	3 344	1 547	40 835
Non-executive (independent)											
G D de Jager[6]	**93**				**93**	241					241
G T Ferreira[7]	**84**				**84**						
P K Harris	**201**				**201**	187					187
N P Mageza[7]	**96**				**96**						
P J Moleketi[7]	**96**				**96**						
M M Morobe	**172**				**172**	160					160
M A Ramphele (Dr)[7]	**72**				**72**						
D Prins[8]						134					134
M Ramos (Mrs)[9]						160					160
F Robertson	**259**				**259**	241					241
H Wessels[10]	**288**				**288**	134					134
Subtotal	**1 361**				**1 361**	1 257					1 257
Non-executive (non-independent)											
P E Beyers	**172**	**610**	**155**	**106**	**1 043**	160	568	–	144	104	976
J W Dreyer[2]						80	929	–	218	69	1 296
E de la H Hertzog	**172**	**1 141**	**232**	**79**	**1 624**	160	1 059	–	215	77	1 511
J Malherbe	**172**	**–**	**–**	**–**	**172**	160	–	–	–	–	160
J P Rupert[11]	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Subtotal	**516**	**1 751**	**387**	**185**	**2 839**	560	2 556	–	577	250	3 943
Total	**2 981**	**21 858**	**4 522**	**1 454**	**30 815**	2 697	17 556	20 064	3 921	1 797	46 035

[1] *Mr L Crouse was appointed as financial director on 18 June 2008.*

[2] *Mr J W Dreyer was appointed as executive director on 25 November 2008. Prior to this date he served on the Board as a non-independent non-executive director.*

[3] *Mr J J Durand was appointed as an executive director on 4 November 2009.*

[4] *Mr D M Falck retired as financial director on 18 June 2008.*

[5] *Mr M H Visser earned, in addition to the above, a director's fee of GBP7 500 (2009: GBP78 750) from BAT. He retired as a director of BAT on 30 April 2009.*

[6] *Mr G D de Jager retired as an independent non-executive director on 5 August 2009.*

[7] *Messrs N P Mageza, P J Moleketi, G T Ferreira and Dr M A Ramphele were appointed as independent non-executive directors on 4 November 2009.*

[8] *Mr D Prins retired as a non-executive director on 22 August 2008. He was the chairman of the Audit and Risk Committee.*

[9] *Mrs M Ramos retired as an independent non-executive director on 26 February 2009.*

[10] *Mr H Wessels was appointed as an independent non-executive director on 22 August 2008. He was also appointed as the chairman of the Audit and Risk Committee.*

[11] *Mr J P Rupert receives no emoluments.*

[12] *This bonus represents the gain paid to participants to the Remgro Share Scheme relating to ordinary shares in Remgro Limited purchased by participants after 30 September 2004, which have not vested by 6 August 2008. The gain was calculated as the difference between the original offer price of the shares and the five-day volume weighted average price up to 27 October 2008, being the last day to trade in order to have qualified for the BAT unbundling. The treatment as described was approved by Remgro shareholders on 7 October 2008.*

[13] *Benefits include medical aid contributions and vehicle benefits.*

26. SHARE-BASED PAYMENTS

The share-based payments that are accounted for in the financial statements are in respect of the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme, as well as the Rainbow Share Scheme and the Rainbow Share Appreciation Right Scheme.

Background to the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme

The valuation of both share schemes were performed using an actuarial model. This model was developed by an independent third party from the standard binomial option pricing model in order to address the unique nature of the schemes, especially with regard to early exercise of offers.

The expected contract lifetimes are estimated by considering separately each of the tranches within that grant. The risk-free rate was estimated by using the implied yield on an SA zero-coupon government bond and the yield curve over the expected contract lifetimes of five, six and seven years from the offer date.

Share price volatility of ordinary shares in Remgro Limited was determined with reference to movements in the share price since 1 October 2000, that being the date from which Remgro commenced trading on the JSE.

Dividend yield was calculated using the two-year moving average dividend yield at each offer date.

26.1 Remgro Share Scheme (the "Scheme")

Share-based payments in terms of the Scheme consist of ordinary shares in Remgro Limited that were offered to participants. The offers are valid for one year from the offer date. The Scheme is a deferred purchase scheme and payment takes place in three equal yearly instalments, the first of which is payable three years after the offer date. Participants have no rights to delivery, voting or ordinary dividends on shares before payment has been made. Participants may choose to pay on a later date, with the resultant deferment of rights. Payment relating to offers before 26 November 2004 must be settled within ten years, while offers thereafter must be settled before seven years have passed. The Scheme was superseded by the Remgro Equity Share Appreciation Right Scheme following the unbundling of BAT.

	2010	2009
	R million	R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	**2**	16

Although the Group elected, in accordance with the transitional provisions of IFRS, to only apply IFRS 2 on transactions entered into after 7 November 2002 that had not vested at 1 January 2005, the following information relates to all offers to the participants of the Scheme.

Number and weighted average exercise prices of all share offers to participants of the Scheme:

	2010		2009	
	Number of shares	***Rand***	*Number of shares*	*Rand*
Carried forward from previous financial years	**415 525**	**123.68**	3 411 923	78.01
Resignations and other	**–**	**–**	(547 698)	124.58
Shares paid for and delivered	**–**	**–**	(2 448 700)	59.84
Total at 31 March	**415 525**	**123.68**	415 525	123.68
Exercisable at the end of the period	**232 175**	**99.55**	60 452	87.86

26. SHARE-BASED PAYMENTS (continued)

26.1 Remgro Share Scheme (the "Scheme") (continued)

Exercise price range of all offers:

	2010 Number of shares outstanding at year-end	2010 Weighted average remaining contract lifetime in years	2010 Weighted average exercise price per share (Rand)*	2009 Number of shares outstanding at year-end	2009 Weighted average remaining contract lifetime in years	2009 Weighted average exercise price per share (Rand)
R80 – R100	**174 614**	**1.67**	**87.86**	174 614	2.67	87.86
R120 – R140	**172 681**	**3.24**	**135.00**	172 681	4.24	135.00
R180 – R200	**68 230**	**4.22**	**186.70**	68 230	5.22	186.70

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

Average expected exercise period (years)	5 – 7
Price volatility (%)	19.2 – 20.2
Risk-free rate	7.7 – 8.4
Expected dividend yield (%)	2.5 – 2.6

No offers were made during the current financial year in terms of this share scheme.

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

26.2 Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme")

Participants of the SAR Scheme are remunerated with shares to the value of the appreciation of a specified number of Remgro ordinary shares that must be exercised within a period of seven years after the grant date.

The earliest intervals at which the share appreciation rights (SARs) are exercisable are as follows:
- One-third after the third anniversary of the grant date
- Two-thirds after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

	2010 R million	2009 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	**33**	13
Fair value of offers made during the year	**13**	63

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

	2010 Number of SARs	2010 Rand	2009 Number of SARs	2009 Rand
Carried forward from previous financial years	**3 634 754**	**73.24**	–	–
Offered during current financial year	**145 785**	**75.72**	3 641 533	73.24
SARs issued due to the VenFin transaction*	**2 010 335**	**43.93**	–	–
Forfeited during the year	**(8 713)**	**75.77**	(6 779)	73.21
Exercised during the period	**(215 655)**	**56.40**	–	–
Outstanding at the end of the period	**5 566 506**	**65.35**	3 634 754	73.24
Exercisable at the end of the period	**2 053 903**	**63.93**	295 159	72.00

** After the acquisition of VenFin Limited by the Group became unconditional during November 2009, participants to the VenFin Share Appreciation Rights Scheme (VenFin SAR Scheme) were given the opportunity to join the SAR scheme on the basis of equivalent value, terms, conditions and vesting dates that were applicable in terms of the VenFin SAR Scheme. Each VenFin SAR Scheme participant accordingly received 1 Remgro SAR for every 6.25 unexercised and/or unvested VenFin SARs held.*

26. SHARE-BASED PAYMENTS (continued)

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

Exercise prices of all options:

	2010		2009	
	Number of SARs outstanding at year-end	*Weighted average remaining contract lifetime in years*	*Number of SARs outstanding at year-end*	*Weighted average remaining contract lifetime in years*
R30.00 – R39.99	**949 709**	**2.22**	–	–
R40.00 – R49.99	**368 247**	**2.23**	–	–
R50.00 – R59.99	**3 640**	**2.29**	–	–
R60.00 – R69.99	**26 131**	**5.92**	–	–
R70.00 – R79.99	**3 609 240**	**4.64**	3 634 754	5.52
R80.00 – R89.99	**530 592**	**5.41**	–	–
R90.00 – R99.99	**78 947**	**3.90**	–	–

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

	2010	2009
Weighted average Remgro share price for the year following the BAT unbundling (R)	**84.11**	70.37
Exercise price (R)	**39.19 – 97.19**	72.00 – 74.00
Average expected exercise period (years)	**4 – 5**	3 – 6
Price volatility (%)	**22.21 – 22.36**	20.78 – 22.36
Risk-free rate (%)	**7.32 – 8.46**	8.13 – 8.76
Expected dividend yield (%)	**2.37 – 2.41**	2.37

26.3 Current status – offers to directors

Remgro Share Scheme

– ordinary shares

Participant	*Balance of shares accepted as at 31 March 2009*	*Shares accepted during the year*	*Date of acceptance of shares*	*Offer price (Rand)*	*Number of shares paid and delivered*	*Date of payment and delivery of shares*	*Share price on date of payment and delivery of shares (Rand)*	*Increase in value[1] (R'000)*	*Balance of shares accepted as at 31 March 2010*
Executive									
M H Visser	174 614			**87.86**					**174 614**
	172 681			**135.00**					**172 681**
	68 230			**186.70**					**68 230**
Total	415 525	**–**			**–**			**–**	**415 525**

[1] It refers to the increase in value of the Scheme shares of the indicated participants from the offer date to the date of payment and delivery.

26. SHARE-BASED PAYMENTS (continued)

26.3 Current status – offers to directors (continued)

Remgro Share Scheme (continued)

– ordinary shares

Participant	*Balance of shares accepted as at 31 March* 2008	*Shares accepted during the year*	*Date of acceptance of shares*	*Offer price (Rand)*	*Number of shares paid and delivered*	*Date of payment and delivery of shares*	*Share price on date of payment and delivery of shares (Rand)*	*Increase in value[1] (R'000)*	*Shares forfeited on 27/10/08[2]*	*Balance of shares accepted as at 31 March* 2009
Executive										
W E Bührmann	97 872			87.86	32 624	13/10/08	167.00	2 582	65 248	–
	7 303			135.00					7 303	–
	38 645			186.70					38 645	–
D M Falck[3]	458 716			43.60	458 716	08/08/08	194.22	69 092		–
	104 917			63.00	104 917	08/08/08	194.22	13 767		–
	30 050			87.86	30 050	13/10/08	167.00	2 378		–
	92 988			135.00	92 988	13/10/08	167.00	2 976		–
	18 146			186.70	18 146	13/10/08	167.00	(357)		–
J A Preller	24 466			43.60	24 466	13/10/08	167.00	3 019		–
	34 572			87.86	11 524	13/10/08	167.00	912	23 048	–
	30 167			135.00					30 167	–
	2 319			186.70					2 319	–
M H Visser	278 979			63.00	278 979	13/10/08	167.00	29 014		–
	342 488			87.86	114 164	13/10/08	167.00	9 035	53 710	174 614
	172 681			135.00						172 681
	68 230			186.70						68 230
T van Wyk	42 161			87.86	14 055	13/10/08	167.00	1 112	28 106	–
	41 598			135.00					41 598	–
	3 029			186.70					3 029	–
Subtotal	1 889 327	–			1 180 629			133 530	293 173	415 525
Non-executive										
P E Beyers	191 130			43.60	191 130	13/10/08	167.00	23 585		–
J W Dreyer	191 130			43.60	191 130	13/10/08	167.00	23 585		–
J P Rupert	414 938			48.20	414 938	23/09/08	183.00	55 934		–
Subtotal	797 198	–			797 198			103 104	–	–
Total	2 686 525	–			1 977 827			236 634	293 173	415 525

(1) It refers to the increase in value of the Scheme shares of the indicated participants from the offer date to the date of payment and delivery.

(2) In lieu of shares forfeited, directors were paid a cash bonus. Refer to note 25.

(3) Mr D M Falck retired as a director on 18 June 2008.

26. SHARE-BASED PAYMENTS (continued)

26.3 Current status – offers to directors (continued)

Remgro Equity Settled Share Appreciation Right Scheme

– Share appreciation rights (SARs)

Participant	Balance of SARs accepted as at 31 March 2009	SARs accepted during the year	Offer date	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[1] (R'000)	Balance of SARs accepted as at 31 March 2010
Executive									
W E Bührmann	283 148			72.00					283 148
	124 771			74.00					124 771
L Crouse	418 108			74.00					418 108
J J Durand		427 047	23/11/09	39.19					427 047
		162 354	23/11/09	87.50					162 354
		22 717	23/11/09	83.94					22 717
		12 662	23/11/09	90.81					12 662
J A Preller	141 411			72.00					141 411
	48 788			74.00					48 788
T van Wyk	185 207			72.00					185 207
	87 829			74.00					87 829
M H Visser	136 767			72.00					136 767
	542 424			74.00					542 424
J W Dreyer	270 270			74.00					270 270
Subtotal	2 238 723	624 780			–			–	2 863 503
Non-executive									
J Malherbe[2]		195 730	23/11/09	39.19					195 730
		75 761	23/11/09	87.50					75 761
		20 847	23/11/09	83.94					20 847
		5 807	23/11/09	90.81					5 807
Subtotal	–	298 145			–			–	298 145
Total	2 238 723	922 925			–			–	3 161 648

Participant	Balance of SARs accepted as at 31 March 2008	SARs accepted during the year	Offer date	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[1] (R'000)	Balance of SARs accepted as at 31 March 2009
Executive									
W E Bührmann		283 148	04/11/08	72.00					283 148
		124 771	27/11/08	74.00					124 771
L Crouse		418 108	27/11/08	74.00					418 108
J A Preller		141 411	04/11/08	72.00					141 411
		48 788	27/11/08	74.00					48 788
T van Wyk		185 207	04/11/08	72.00					185 207
		87 829	27/11/08	74.00					87 829
M H Visser		136 767	04/11/08	72.00					136 767
		542 424	27/11/08	74.00					542 424
J W Dreyer		270 270	27/11/08	74.00					270 270
Total	–	2 238 723			–			–	2 238 723

(1) *It refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.*

(2) *Subsequent to the acquisition of VenFin, Mr J Malherbe was awarded SARs to compensate him for the cancellation of the VenFin Share Appreciation Rights Scheme.*

26.4 Rainbow Share Schemes

Rainbow has an equity settled share scheme, as well as a share appreciation right scheme, for certain of its employees in terms of which share options offered are exercisable in three equal tranches from two, three and four years (for the share scheme) and three, four and five years (for the share appreciation right scheme) after the grant date. Subject to the discretion of the Rainbow Share Incentive Trust's trustees, options are forfeited if not exercised before termination of employment. An expense of R19 million (2009: R20 million) relating to these schemes were recognised in the income statement.

27. PROFIT

	2010 R million	2009 R million
Profit is stated after taking the following into account:		
CONSOLIDATED		
Income		
Fair value adjustment – biological assets	74	27
Fair value adjustment – derivative instruments	78	15
Rental income – investment properties	10	10
Interest received	146	197
Shareholder's loan to associated company	18	–
Financial institutions and other	128	197
Profit on sale of investments	–	24
Exchange rate gains	–	121
Profit on sale of property, plant and equipment	4	–
Expenses		
Amortisation of intangible assets	10	11
Fair value adjustment – derivative instruments	117	164
Expenses – investment properties	1	5
Rental	130	84
Land and buildings	55	45
Machinery and equipment	55	15
Vehicles	5	7
Office equipment	15	17
Research and development costs written off	6	7
Auditors' remuneration – audit fees	15	13
– other services	2	3
Net impairment of investments, assets and goodwill	179	442
Investment in PGSI	107	411
Investment in the Kagiso Infrastructure Empowerment Fund	31	–
Investment in Premier Team Holdings	30	–
Other investments, assets and goodwill	11	31
Professional fees	38	49
Depreciation	290	271
Buildings	40	34
Machinery and equipment	213	203
Vehicles	34	31
Office equipment	3	3
Loss on sale of investments	9	–
Exchange rate losses	9	–
Loss on sale of property, plant and equipment	–	3
THE COMPANY		
Loss on exchange of investment in BAT for investment in Reinet depository receipts and other costs relating to the BAT unbundling	–	2 012

28. DIVIDEND INCOME

	THE COMPANY		CONSOLIDATED	
	2010 R million	2009 R million	2010 R million	2009 R million
Included in profit:				
Listed	–	–	113	352
Unlisted – Subsidiary companies	5 624	59 469		
– Other	–	–	3	3
	5 624	59 469	116	355
Dividends from associated companies and joint ventures set off against investments			1 222	1 528

29. EQUITY ADJUSTMENT

	2010 R million	2009 R million
Share of after-tax profit of associated companies and joint ventures (continuing operations)		
Profit before taking into account impairments, non-recurring and capital items	3 952	3 208
Net impairment of investments, assets and goodwill	(118)	(253)
Profit on the sale of investments	41	360
Other non-recurring and capital items	(46)	(11)
Profit before tax and non-controlling interest	3 829	3 304
Taxation	(981)	(809)
Non-controlling interest	(229)	(106)
Continuing operations	2 619	2 389
Discontinued operations	–	2 417
Share of net attributable profit of associated companies and joint ventures – per income statement	2 619	4 806
Dividends received from associated companies and joint ventures	(1 222)	(1 528)
Share of net profit retained by associated companies and joint ventures	1 397	3 278
Exchange rate differences on translation from average rates to year-end rates	5	59
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	1 402	3 337
Portion of the share of net attributable profit of associated companies and joint ventures, that has been accounted for from unaudited interim reports and management accounts. The results of these associated companies and joint ventures will be audited in later financial periods that coincide with their financial year-ends.	1 219	1 291
Contingent liabilities of associated companies and joint ventures		
Guarantees to third parties – Performance guarantees, suretyships and letters of credit of various associated companies and joint ventures	190	170
Contingent tax liabilities	23	11

Claims – There are a number of existing and potential legal claims against various associated companies, the outcome of which cannot be foreseen, but are not regarded as material individually or on a group basis.

30. CASH FLOW INFORMATION

30.1 Adjustments

	THE COMPANY		CONSOLIDATED	
	2010	2009	2010	2009
	R million	R million	R million	R million
Amortisation of intangible assets and depreciation	–	–	**300**	282
Movement in provisions	–	–	**(21)**	(96)
Net movement in derivative instruments	–	–	**(86)**	31
Share scheme cost	–	–	**54**	49
(Profit)/loss on the sale of property, plant and equipment	–	–	**(4)**	3
Other	–	–	**(12)**	(24)
	–	–	**231**	245
30.2 Decrease/(increase) in working capital				
Decrease/(increase) in inventories and biological agricultural assets	–	–	**(109)**	(27)
Decrease/(increase) in trade and other receivables	5	(3)	**(54)**	(117)
Increase/(decrease) in trade and other payables	(23)	43	**8**	165
	(18)	40	**(155)**	21
30.3 Reconciliation of dividends received				
Receivable at the beginning of the year	–	–	**389**	–
Per income statement	5 624	59 469	**116**	355
Dividends from associated companies and joint ventures set off against investments	–	–	**1 222**	1 528
Businesses acquired	–	–	**44**	–
Receivable at the end of the year	–	–	**(327)**	(389)
Cash received	5 624	59 469	**1 444**	1 494
30.4 Reconciliation of taxation paid with the amount disclosed in the income statement				
Paid in advance at the beginning of the year	–	–	**65**	80
Unpaid at the beginning of the year	–	–	**–**	(13)
Per income statement	–	(686)	**(192)**	(282)
– normal income	–	–	**(172)**	(259)
– capital gain	–	–	**–**	(2)
– STC	–	(686)	**(20)**	(21)
Businesses acquired	–	–	**8**	–
Unpaid at the end of the year	–	–	**17**	–
Paid in advance at the end of the year	–	–	**(42)**	(65)
Cash paid	–	(686)	**(144)**	(280)
30.5 Reconciliation of dividends paid				
Per statements of changes in equity	(956)	(57 204)	**(950)**	(56 757)
Dividend *in specie*	–	55 095	**–**	54 689
Paid by subsidiary companies to minority	–	–	**(56)**	(52)
Cash paid	(956)	(2 109)	**(1 006)**	(2 120)

31. BUSINESSES ACQUIRED

With effect from 23 November 2009 Remgro acquired 100% of VenFin Limited (VenFin), an investment holding company with investments mainly in the media and technology sectors. In terms of the transaction, VenFin shareholders received 1 Remgro share for every 6.25 VenFin shares held and on 23 November 2009 Remgro issued 41 626 619 shares at a price of R89.25 per share. Apart from VenFin's investments in associated companies the carrying values of all the other assets and liabilities approximated their fair value. The cost of the acquisition was allocated to the assets acquired and liabilities and contingent liabilities assumed as required by the International Financial Reporting Standards (*IFRS 3: Business Combinations*). Goodwill that arose was allocated to the different associated companies and forms part of each associated company's underlying purchase price. Since the acquisition, the results of VenFin included in Remgro's reported results were immaterial and consisted of headline earnings from investee companies of approximately R53 million and after-tax corporate costs of approximately R16 million. By applying the Group's accounting policies and based on the assumption that the acquisition was effective on 1 April 2009, it is calculated that VenFin's headline earnings for the full year would have amounted to approximately R117 million.

With effect from 3 August 2009, Tsb Sugar Holdings (Pty) Limited, a wholly owned subsidiary of Remgro, acquired the Pongola sugar mill from Illovo Limited. For the eight months since acquisition the Pongola sugar mill contributed R248 million to turnover, while an operating loss of R46 million, before interest and tax, was reported. If the acquisition had occurred on 1 April 2009, the Pongola sugar mill would have contributed R471 million to turnover and an operating loss of R37 million, before interest and tax.

During the past two years subsidiary companies in the Group also acquired various other small businesses.

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

	***VenFin Limited* R million**	***Pongola sugar mill* R million**	***Other* R million**	**2010 Total R million**	2009 Total R million
Assets					
Property, plant and equipment (refer note 2)	**–**	**167**	**31**	**198**	7
Intangible assets (refer note 5)	**–**	**–**	**2**	**2**	–
Investments – Associated companies (refer note 6)	**2 986**	**–**	**–**	**2 986**	–
– Joint ventures (refer note 7)	**9**	**–**	**–**	**9**	–
– Other (refer note 8)	**476**	**–**	**–**	**476**	–
Loans	**116**	**–**	**–**	**116**	–
Deferred taxation (refer note 11)	**–**	**1**	**–**	**1**	–
Inventories	**–**	**55**	**23**	**78**	–
Debtors and short-term loans	**106**	**75**	**13**	**194**	–
Derivative instruments	**55**	**–**	**–**	**55**	–
Taxation	**9**	**–**	**–**	**9**	–
Cash and cash equivalents	**317**	**–**	**3**	**320**	–
Liabilities					
Long-term loans	**(1)**	**–**	**(2)**	**(3)**	–
Deferred taxation (refer note 11)	**(6)**	**–**	**–**	**(6)**	–
Trade and other payables	**(89)**	**(181)**	**(9)**	**(279)**	–
Bank overdrafts	**(242)**	**–**	**–**	**(242)**	–
Taxation	**(1)**	**–**	**–**	**(1)**	–
Fair value of net assets acquired	**3 735**	**117**	**61**	**3 913**	7
Investment previously held	**–**	**–**	**(3)**	**(3)**	–
Goodwill (refer note 5)	**–**	**5**	**–**	**5**	4
Total purchase consideration	**3 735**	**122**	**58**	**3 915**	11
Fair value of shares issued*	**(3 714)**	**–**	**–**	**(3 714)**	–
Purchase consideration settled in cash	**21**	**122**	**58**	**201**	11
Cash and cash equivalents in subsidiary acquired	**(75)**	**–**	**(3)**	**(78)**	–
Cash (inflow)/outflow on acquisition	**(54)**	**122**	**55**	**123**	11

** The fair value of the shares issued was based on the published share price on 13 November 2009.*

32. FINANCIAL INSTRUMENTS

32.1 Classes of financial instruments and fair value

Financial instruments on the statement of financial position include investments, investment in money market funds, loans receivable, debtors, cash, creditors, short-term loans, long-term loans and derivative instruments. Details of the nature, extent and terms of these instruments are explained in the notes to the relevant items.

The accounting policy for financial instruments was applied to the following statement of financial position line items.

Financial assets	Non-financial assets R million	Loans and receivables R million	Assets at fair value through profit and loss R million	Available-for-sale R million	Carrying value R million	Fair value R million
2010						
Investments – other			**60**	**6 584**	**6 644**	**6 644**
Loans		**108**			**108**	**108**
Loans to associated companies and joint ventures		**541**			**541**	**541**
Debtors and short-term loans	**62**	**1 879**			**1 941**	**1 941**
Derivative instruments			**145**		**145**	**145**
Investment in money market funds			**1 812**		**1 812**	**1 812**
Cash and cash equivalents		**3 827**			**3 827**	**3 827**
	62	**6 355**	**2 017**	**6 584**	**15 018**	**15 018**
2009						
Investments – other			40	4 702	4 742	4 742
Loans		100			100	100
Loans to associated companies and joint ventures		43			43	43
Debtors and short-term loans	62	1 737			1 799	1 799
Derivative instruments			16		16	16
Investment in money market funds			1 578		1 578	1 578
Cash and cash equivalents		5 050			5 050	5 050
	62	6 930	1 634	4 702	13 328	13 328

Financial liabilities	Liabilities at amortised cost R million	Liabilities at fair value through profit and loss R million	Carrying value R million	Fair value R million
2010				
Long-term loans	**175**		**175**	**175**
Trade and other payables	**2 292**		**2 292**	**2 292**
Short-term loans	**146**		**146**	**146**
Derivative instruments		**3**	**3**	**3**
	2 613	**3**	**2 616**	**2 616**
2009				
Long-term loans	191		191	191
Trade and other payables	1 999		1 999	1 999
Short-term loans	117		117	117
Derivative instruments		18	18	18
	2 307	18	2 325	2 325

32. FINANCIAL INSTRUMENTS (continued)

32.1 Classes of financial instruments and fair value (continued)

Fair value

On 31 March 2010 and 2009 the fair value of financial instruments approximates their carrying value.

Fair value estimation

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

- Financial instruments available-for-sale and investment in money market funds: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies.
- Cash and cash equivalents, debtors, creditors and short-term loans: Due to the expected short-term maturity of these financial instruments their carrying values approximate their fair value.
- Borrowings: The fair value of long-term borrowings is based on discounted cash flows using the effective interest rate method. As the interest rates of long-term borrowings are all market related their carrying values approximate their fair value.
- Derivative instruments: The fair value of derivative instruments is determined by using mark-to-market valuations.

The following table illustrates the fair values of financial assets that are measured at fair value, by hierarchy level:

	Level 1 R million	*Level 2* R million	*Level 3* R million	Total R million
2010				
Available-for-sale	6 310	–	274	6 584
Assets at fair value through profit and loss	47	–	13	60
Derivative instruments	–	12	133	145
Investment in money market funds	1 812	–	–	1 812
	8 169	12	420	8 601

Reconciliation of carrying value of level 3 assets at the beginning and end of the year	*Available-for-sale* R million	*Assets at fair value through profit and loss* R million	*Derivative instruments* R million	Total R million
2010				
Balances at 1 April	91	–	–	91
Businesses acquired	201	9	55	265
Additions	37	4	–	41
Disposals	(5)	–	–	(5)
Exchange rate adjustments	(3)	–	–	(3)
Impairments	(32)	–	–	(32)
Fair value adjustments through profit and loss	–	–	78	78
Fair value adjustments through comprehensive income	(15)	–	–	(15)
Balances at 31 March	274	13	133	420

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

	Level 1 R million	*Level 2* R million	*Level 3* R million	Total R million
2010				
Derivative instruments	–	3	–	3

32. FINANCIAL INSTRUMENTS (continued)

32.2 Financial instruments and risk management

Various financial risks have an impact on the Group's results: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Company and its subsidiary companies' risk management programmes, of which key aspects are explained below, acknowledge the unpredictability of financial markets and are aimed to minimise any negative effect thereof. Derivative instruments are used to hedge against certain financial risk exposures.

Risk management is performed by the central treasury department in terms of policy that was approved by the Board of Directors. A treasury committee identifies, evaluates and hedges financial risks in terms of the Group's risk appetite, sets risk limits and monitors compliance to policy and procedures. The committee is assisted by the internal audit department that regularly, and on an ad hoc basis, reviews risk management controls and procedures. It is the responsibility of the Remgro Audit and Risk Committee to supervise these functions and assess the appropriateness of risk management strategies.

Relevant financial risks and risk management programmes are summarised as follows:

Market risk

Price risk

Exposure to price risk is due to investments in listed and unlisted shares which are classified as "Investments available-for-sale", conversion rights on preference shares, investments in money market funds and investments in commodity future contracts.

"Investments available-for-sale" consists mainly of the investment in Impala Platinum Holdings Limited. The Management Board monitors all the investments continuously and makes recommendations to the investment committee and the Board of Directors in this regard.

Conversion rights on preference shares are preference shares in associated companies, the valuation of which is influenced by the underlying valuation of the associated company. The underlying valuations are monitored by the Board of Directors, through representation on the associated companies' boards.

Investments in money market funds consist mainly of interest-bearing liquid investments with a low risk. Refer to note 16 for further details.

Some operating subsidiaries have commodity options and future contracts that are influenced by the prices of the underlying commodities. The Board of Directors monitors this through representation on the subsidiaries' boards.

Foreign exchange risk

Certain subsidiary companies operate internationally and are therefore exposed to foreign currency risk due to commercial transactions denominated in foreign currencies. These risks are limited by using foreign exchange contracts when deemed necessary. Refer to note 14 for further details.

The Group is also exposed to foreign exchange translation risk through its investment in money market funds (note 16) and foreign cash (note 17).

The Board of Directors monitors the exposure on money market funds and foreign cash on a regular basis and the risk is limited through the diversification in foreign currencies.

Interest rate risk

Due to significant cash investments, movements in market interest rates influence income. The profile of the cash and cash equivalents is explained in note 17. Interest rate risk is managed by the treasury department by using approved counterparties that offer the best rates.

The Company and its subsidiary companies are also exposed to interest rate risk due to long-term debt. The interest rate profile of the liabilities is disclosed in note 20.

32. FINANCIAL INSTRUMENTS (continued)

32.2 Financial instruments and risk management (continued)

The Group's sensitivity to market risk

The following table illustrates the sensitivity of the Group's profit and equity to market risk if markets change with the following percentages:

		2010			2009	
	Change	*Income statement* R million	*Equity* R million	*Change*	*Income statement* R million	*Equity* R million
Interest rates	2.0%	86	–	2.0%	92	–
Foreign exchange	5.0%	1	231	5.0%	–	183
Equity prices	10.0%	9	566	10.0%	–	408
		96	797		92	591

The above was calculated with reference to the carrying value of financial instruments at year-end and a possible change in the market risk factor.

Credit risk

The Group's exposure to credit risk is the fair value of loans, loans to associated companies and joint ventures, debtors, short-term loans, derivative instruments and cash and cash equivalents as indicated above, as well as financial guarantee contracts.

Loans to associated companies and joint ventures

Management continuously assesses the credit risk of loans to associated companies and joint ventures through its representation on the respective boards. Loans to associated companies and joint ventures are within their mandated terms and none have been impaired in the current financial year.

Financial guarantee contracts

Credit risk exposure relating to items not recognised on the statement of financial position relates to financial guarantee contracts. Refer to note 36 for further details.

Loans receivable and debtors

At year-end "Loans receivable" consisted of various insignificant loans. No significant concentration of credit risk existed regarding debtors as customers are spread over a wide geographical area. Policies and procedures are in place ensuring that sales occur only to customers with an acceptable credit history. Other debtors consist mainly of prepayments and dividends receivable.

Terms granted to trade debtors are determined by the respective credit policies of each operating subsidiary, i.e. Rainbow Chicken, Tsb Sugar and Wispeco.

The following table indicates the age analysis of trade debtors in arrears and the corresponding outstanding amount of debtors at year-end:

	Age analysis of trade debtors in arrears				*Total trade debtors in arrears*
Debtors	*30 days* R million	*60 days* R million	*90 days* R million	*120 days +* R million	R million
2010	79	21	–	8	108
2009	159	17	2	19	197

A provision for doubtful debts of R44 million (2009: R45 million) was made. Refer note 13.

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

	2010 R million	2009 R million
Existing customers (history of six months +) – no past defaults	1 234	778
Existing customers (history of six months +) – with past defaults	57	61
New customers (history of less than six months)	45	160
	1 336	999

32. FINANCIAL INSTRUMENTS (continued)

32.2 Financial instruments and risk management (continued)

Derivative instrument transactions and cash investments

Derivative instrument transactions are limited to transactions with financial institutions with a good credit rating. The treasury committee approves these institutions and determines the limit of credit exposure of each separate entity.

Cash and cash equivalents are only held by approved institutions with an acceptable credit-worthiness. The treasury committee sets the limit for each financial institution. Refer to the cash and cash equivalents note (note 17) for additional information.

Liquidity risk

The Company and its subsidiary companies have substantial cash balances at their disposal and minimum long-term debt that limit their liquidity risk. Nevertheless it is ensured that adequate credit facilities are available to maintain flexibility in the funding of transactions.

The following schedule indicates the repayment terms of outstanding debt:

			Non-discounted cash flow		
Financial liabilities	*Carrying value* R million	*Contractual cash flow* R million	*0 to 12 months* R million	*1 to 5 years* R million	*5 years and longer* R million
2010					
Long-term loans	**175**	**273**	**–**	**270**	**3**
Trade and other payables	**2 292**	**2 292**	**2 292**	**–**	**–**
Short-term loans	**146**	**146**	**146**	**–**	**–**
Derivative instruments	**3**	**63**	**35**	**28**	**–**
Financial guarantee contracts (note 36)	**–**	**644**	**644**	**–**	**–**
	2 616	**3 418**	**3 117**	**298**	**3**
2009					
Long-term loans	191	255	–	250	5
Trade and other payables	1 999	1 999	1 999	–	–
Short-term loans	117	139	139	–	–
Derivative instruments	18	159	117	28	14
Financial guarantee contracts (note 36)	–	644	644	–	–
	2 325	3 196	2 899	278	19

33. CAPITAL MANAGEMENT

The Company manages its shareholders' equity, i.e. its issued capital (including share premium), reserves and treasury shares, as capital. The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders in the form of dividends and capital appreciation.

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue shares or repurchase shares from shareholders. For the year under review cash dividends amounting to R1 080 million (2009: R902 million) were declared. The Group also issued shares to the value of R3 714 million (2009: repurchased R666 million).

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

34. COMMITMENTS

	2010 R million	2009 R million
Capital commitments	**882**	751
Uncompleted contracts for capital expenditure	**114**	100
Capital expenditure authorised but not yet contracted	**130**	173
Investments	**638**	478
Operating lease commitments	**170**	131
Due within one year	**63**	43
Due – two to five years	**94**	82
Due thereafter	**13**	6
	1 052	882

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

35. BORROWING POWERS

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

36. GUARANTEES AND CONTINGENT LIABILITIES

36.1 Guarantees

	2010 R million	2009 R million
Guarantee to associated company*	**–**	386
Guarantees by subsidiary companies**	**144**	1
	144	387

36.2 Contingent liabilities

	2010 R million	2009 R million
SARS dispute – STC***	**214**	–
Contract grower guarantees****	**31**	48
	245	48

* *Unilever Plc and Unilever NV, hereafter Unint, and Robertsons Holdings (Pty) Limited (Robertsons), a wholly owned subsidiary company of Remgro, issued a guarantee to the holders of commercial paper issued by Unilever SA (Pty) Limited (Unilever SA). The companies are jointly and severally liable in the event of non-performance by Unilever SA. In terms of its commercial paper programme, Unilever SA may issue commercial paper to the value of R2.5 billion. On 31 March 2010, commercial paper amounting to RNil (2009: R1.5 billion) was issued by Unilever SA. Unint issued a cross-guarantee that limits Robertson's liability to 25.75% of the paper in issue. If Unilever SA issues commercial paper to the full extent of the programme, Robertson's maximum exposure in terms of this arrangement amounts to R643.75 million.*

** *Various guarantees given to financial institutions on behalf of associated companies.*

*** *Legal dispute relating to VenFin Limited (VenFin) regarding a possible STC liability involving shares held in treasury by a subsidiary that was subsequently sold to VenFin and cancelled.*

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

37. RELATED PARTY INFORMATION

Subsidiaries

Details of income from and investments in subsidiary companies are disclosed in note 28 and in Annexure A respectively.

Associated companies and joint ventures

Details of investments in and income from associated companies and joint ventures are disclosed in notes 6, 7 and 29 respectively, as well as in Annexures B and C.

Key management personnel

Only Remgro's directors and members of the Management Board are key management personnel. Information on directors' emoluments and their shareholding in the Company appears in notes 25 and 26 as well as in the Report of the Board of Directors.

Shareholders

Details of the principal shareholder appear in the Report of the Board of Directors. A detailed analysis of shareholders appears on pages 152 and 153 of the Annual Report.

Related party transactions

	2010 R million	2009 R million
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
Controlling shareholder		
Cash dividends	**69**	146
Dividend *in specie*	**–**	4 128
Associated companies and joint ventures		
Interest received	**32**	12
Dividends received	**1 222**	1 528
Sales	**50**	69
Administration fees	**17**	16
Purchases	**141**	148
Key management personnel		
Salaries and other benefits	**27**	23
Share Scheme bonuses	**–**	20
Retirement benefits	**4**	3
Share-based payments	**20**	13
Other		
Fees received from VenFin Limited	**11**	19

37. RELATED PARTY INFORMATION (continued)

Related party transactions (continued)

	2010 R million	2009 R million
CONSOLIDATED (continued)		
Balances due from/(to) related parties:		
Associated companies	**(19)**	(20)
Associated companies	**413**	473
Other	**57**	–
Loans to directors	**3**	38
Balance – 1 April	**38**	–
Loans advanced during the year	**–**	40
Interest charged	**2**	1
Repayments made	**(37)**	(3)
THE COMPANY		
Transactions of Remgro Limited with:		
Controlling shareholder		
Cash dividends	**69**	146
Dividend *in specie*	**–**	4 128
Subsidiary companies		
Dividends received	**5 624**	59 469
Administration fees received	**–**	5
Balances due by related parties		
Subsidiary companies	**4 815**	179

No security is given for any outstanding balances. No provisions for bad debts against outstanding balances with related parties have been made and no bad debt of related parties has been written off during the year. Loans were advanced to participants of the Remgro Share Scheme relating to the purchase of ordinary shares in Remgro by participants awarded before 30 September 2004, which have not vested by 6 August 2008.

38. DISCONTINUED OPERATIONS

	2010 R million	2009 R million
Equity accounted income from discontinued operations	–	2 417
Realisation of reserves previously deferred in equity	–	2 695
Pre-tax profit on distribution of discontinued operations	–	38 068
Tax on the distribution of discontinued operations	–	(677)
Profit for the year from discontinued operations	–	42 503
Cash flows from discontinued operations:		
Operating activities	–	169
Investing activities	–	3 736
Net cash flow from discontinued operations	–	3 905

On 7 October 2008 Remgro shareholders approved the unbundling of the investment in BAT by way of an interim dividend *in specie*, and on 3 November 2008 Remgro distributed 192.9 million ordinary shares in BAT and 302.6 million Reinet Investments S.C.A. (Reinet) depositary receipts (DRs) to Remgro shareholders in the ratio of 40.6054 BAT ordinary shares and 63.6977 Reinet DRs for every 100 Remgro shares held.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 31 MARCH 2010

NAME OF COMPANY					HELD BY COMPANY			
		Issued capital						
		R (unless	Effective interest		Shares		Loan	
Incorporated in South Africa		otherwise	**2010**	2009	**2010**	2009	**2010**	2009
unless otherwise stated		stated)	**%**	%	**R**	R	**R million**	R million
Eikenlust (Pty) Limited		100	**100.0**	100.0				
Entek Investments Limited		810 630	**65.6**	65.3				
Financial Securities Limited		250 000	**100.0**	100.0	**250 000**	250 000		
Historical Homes of South Africa Limited		555 000	**55.0**	54.0				
Industrial Electronic Investments Limited	#	1 000	**100.0**	–				
Industrial Partnership Investments Limited		125 000	**100.0**	100.0	**125 000**	125 000		
InVenFin (Pty) Limited	#	100	**100.0**	–				
IPI (Overseas) Limited – Jersey		1 132 917	**100.0**	100.0				
IPROP Holdings Limited – British Virgin Islands	# (USD)	4 882 892	**100.0**	–				
Partnership in Mining Limited		100	**100.0**	100.0	**100**	100		
Rainbow Chicken Limited	*	1 177 057 000	**73.3**	73.7				
Remgro CHF Limited – Jersey	(CHF)	2	**100.0**	100.0				
Remgro Continental Limited – Jersey	(EUR)	1	**100.0**	100.0				
Remgro Finance Corporation Limited		300 000	**100.0**	100.0				
Remgro International Holdings (Pty) Limited		2	**100.0**	100.0	**2**	2		
Remgro International Limited – Jersey		51 359	**100.0**	100.0				
Remgro Investment Corporation (Pty) Limited		100	**100.0**	100.0	**100**	100		
Remgro Loan Corporation Limited		700	**100.0**	100.0			**4 584**	12 148
Remgro Management Services Limited	Δ	100	**100.0**	100.0			**251**	645
Remgro South Africa (Pty) Limited		48 614	**100.0**	100.0	**96 506**	96 506		
Remgro Sterling Limited – Jersey	(GBP)	2	**100.0**	100.0				
Remgro USA Limited – Jersey	(USD)	2	**100.0**	100.0				
Remont (Pty) Limited		100	**100.0**	100.0	**100**	100		
Robertsons Holdings (Pty) Limited		1 000	**100.0**	100.0				
RPII Holdings Limited	#	8 600 000	**100.0**	–				
SEACOM SA SPV (Pty) Limited	#	100	**100.0**	–				
Tegniese Mynbeleggings Limited		2	**100.0**	100.0				
Tracking and Signal Distribution Technologies (Pty) Limited	#	21 412	**100.0**	–				
Tsb Sugar Holdings (Pty) Limited		100	**100.0**	100.0				
VenFin Holdings Limited – Jersey	# (EUR)	79 533 052	**100.0**	–				
VenFin Limited	#	5 797 236	**100.0**	–	**3 735 678 454**	–		
VenFin Media Investments (Pty) Limited	#	2	**100.0**	–				
VenFin Sport Investments (Pty) Limited	#	100	**100.0**	–				
VenFin Technology (Pty) Limited	#	200	**100.0**	–				
Wispeco Holdings Limited		5 000 000	**100.0**	100.0				
							4 835	12 793

(GBP) British pound
(CHF) Swiss franc
(EUR) euro
(USD) USA dollar
** Listed company*
 # Acquired in terms of the VenFin transaction.
Δ During the year under review the name of M&I Group Services Limited was changed to Remgro Management Services Limited.

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

ANNEXURE B

PRINCIPAL INVESTMENTS AT 31 MARCH 2010

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		LISTED 2010 Shares held	LISTED 2010 Effective interest %	LISTED 2009 Shares held	LISTED 2009 Effective interest %	UNLISTED 2010 Shares held	UNLISTED 2010 Effective interest %	UNLISTED 2009 Shares held	UNLISTED 2009 Effective interest %
Financial services									
RMB Holdings Limited	(2)	**302 279 403**	**25.0**	302 279 403	25.0				
– held by RMB Holdings Limited:									
– FirstRand Limited (33%)			**8.1**		8.1				
FirstRand Limited	(2)	**481 142 375**	**9.1**	481 142 375	9.2				
Industrial interests									
Air Products South Africa (Pty) Limited	(1)					**4 500 000**	**50.0**	4 500 000	50.0
Capevin Holdings Limited	(5)					**38 551 857**	**8.6**	–	–
– indirectly held by Capevin Holdings Limited through Remgro-Capevin Investments Limited:									
– Distell Group Limited (15%)			**1.3**		–				
Capevin Investments Limited	(6)	**4 034 692**	**9.6**	–	–				
– indirectly held by Capevin Investments Limited through Remgro-Capevin Investments Limited:									
– Distell Group Limited (29%)			**2.8**		–				
Dorbyl Limited	(1)	**14 058 346**	**41.4**	14 058 346	41.4				
Kagiso Trust Investments (Pty) Limited	*(2)					**10 344**	**42.5**	10 344	42.5
Medi-Clinic Corporation Limited	(1)	**257 346 286**	**45.7**	257 346 286	45.9				
Nampak Limited	(1)	**78 096 694**	**13.3**	78 096 694	13.3				
PGSI Limited – BVI	*(2)					**13 272 128**	**28.7**	11 387 737	29.1
PGSI Limited preference shares	**					**129 607 022**	**91.7**	–	–
Unilever South Africa Holdings (Pty) Limited	(1)					**5 348 135**	**25.8**	5 348 135	25.8
Total South Africa (Pty) Limited	*(2)					**12 872 450**	**31.1**	12 872 450	33.2
Remgro-Capevin Investments Limited	(2)					**50**	**50.0**	50	50.0
– held by Remgro-Capevin Investments Limited:									
– Distell Group Limited (58%)			**29.2**		29.2				
Media interests									
Sabido Investments (Pty) Limited	(7)					**17 730 595**	**31.6**	–	–
MARC Group Limited	(5)					**81 392 413**	**33.7**	–	–
MARC Group Limited preference shares	**					**144 788 321**	**100.0**		
Mining interests									
Impala Platinum Holdings Limited	**	**26 687 288**	**4.4**	26 687 288	4.4				
Trans Hex Group Limited	(3)	**30 215 000**	**28.6**	30 215 000	28.5				
Technology interests									
CIV Fibre Network Solutions (Pty) Limited	(7)					**150**	**30.0**	–	–
CIE Telecommunications Limited	(7)					**90 000**	**30.0**	–	–
CIV Power Limited	(7)					**90 000**	**30.0**	–	–
Central Lake Trading No. 77 (Pty) Limited	(7)					**21 445**	**18.8**	–	–
SEACOM Capital Limited – Mauritius	(5)					**1 000**	**25.0**	–	–
Tracker Investment Holdings (Pty) Limited	(5)					**28 374**	**31.0**	–	–
Other investments									
Business Partners Limited	*(1)					**37 210 149**	**21.5**	37 135 149	21.5
Xiocom Wireless, Inc. – USA	(4)					**–**	**–**	22 500 000	44.4

Financial period accounted for:

(1) *Twelve months to 31 March 2010.*
(2) *Twelve months to 31 December 2009.*
(3) *On 30 November 2009 the investment in Trans Hex Group Limited was reclassified as an investment "held for sale." As a result the investment was only equity accounted for the eight months to 30 November 2009.*
(4) *Twelve months to 31 March 2010. The investment in Xiocom Wireless, Inc. was sold during March 2010.*
(5) *No income accounted for during the year under review.*
(6) *Only dividend income accounted for during the year under review.*
(7) *Three months to 31 March 2010.*

* *Effective interest, on a fully diluted basis:*
- *Total South Africa (Pty) Limited 24.9% (2009: 24.9%)*
- *Kagiso Trust Investments (Pty) Limited 37.7% (2009: 37.7%)*
- *Business Partners Limited 20.8% (2009: 20.8%)*
- *PGSI Limited 25.1% (2009: 25.0%)*

** *Not an associated company.*

BVI – British Virgin Islands
USA – United States of America

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

ANNEXURE C

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMBH (Financial services) 2010	FirstRand (Financial services) 2010	Medi-Clinic (Industrial interests) 2010	Unilever South Africa (Industrial interests) 2010
Effective interest	25.0%	9.1%	45.7%	25.8%
	R million	R million	R million	R million
Carrying value of investments	6 400	6 026	3 111	3 109
Share of retained equity income				
– Current year	373	298	(422)	159
Normal income	720	635	461	275
Dividends	(299)	(270)	(180)	(116)
Non-recurring and capital items and impairments	(21)	(15)	13	–
Other changes in reserves and exchange rates	(27)	(52)	(716)	–
– Cumulative	3 074	3 270	1 048	399

Summarised financial information:

	Per Interim Report 31/12/2009	Per Interim Report 31/12/2009	Per Annual Report 31/03/2010	Per Quarterly Report 31/03/2010
				Note 1
STATEMENT OF FINANCIAL POSITION				
Assets				
Net advances, loans and bank-related securities	1 082	50 180	–	–
Intangible assets	13	5 632	5 243	10 496
Property, plant and equipment and other	143	7 990	28 046	2 726
Investments and loans	21 664	24 436	26	22
Net current assets/(liabilities)	–	(21 321)	(4 686)	173
	22 902	66 917	28 629	13 417
Equity and liabilities				
Shareholders' funds	22 902	56 622	7 616	12 148
Long-term debt	–	10 295	21 013	1 269
	22 902	66 917	28 629	13 417

	12 months ended 31/12/2009	12 months ended 31/12/2009	12 months ended 31/03/2010	12 months ended 31/03/2010
INCOME STATEMENT				
Headline earnings	2 879	6 880	1 004	1 083
Net profit for the year	2 797	6 717	1 034	1 070
Dividends paid	1 197	2 929	374	450

There are no loans to these associated companies.

Note 1: This statement of financial position is at 31 December 2009 as Uniliver South Africa has not included a statement of financial position in its quarterly report to 31 March 2010.

Note 2: The investments above represent 66% of the total carrying value of associated companies.

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMBH (Financial services) 2009	FirstRand (Financial services) 2009	Medi-Clinic (Industrial interests) 2009	Unilever South Africa (Industrial interests) 2009
Effective interest	25.0%	9.2%	45.9%	25.8%
	R million	R million	R million	R million
Carrying value of investments	6 027	5 728	3 533	2 950
Share of retained equity income				
– Current year	533	642	(558)	114
Normal income	761	816	294	229
Dividends	(382)	(348)	(163)	(116)
Non-recurring and capital items and impairments	55	51	–	1
Other changes in reserves and exchange rates	99	123	(689)	–
– Cumulative	2 701	2 972	1 470	240

Summarised financial information:

	Per Interim Report 31/12/2008	Per Interim Report 31/12/2008	Per Annual Report 31/03/2009	Per Quarterly Report 31/03/2009
				Note 1
STATEMENT OF FINANCIAL POSITION				
Assets				
Net advances, loans and bank-related securities	1 071	40 071	–	–
Intangible assets	26	5 284	6 293	10 423
Property, plant and equipment and other	116	8 805	32 479	1 875
Investments and loans	20 202	25 656	32	23
Net current assets/(liabilities)	–	(12 472)	(5 469)	(182)
	21 415	67 344	33 335	12 139
Equity and liabilities				
Shareholders' funds	21 415	53 181	7 989	11 643
Long-term debt	–	14 163	25 346	496
	21 415	67 344	33 335	12 139

	12 months ended 31/12/2008	12 months ended 31/12/2008	12 months ended 31/03/2009	12 months ended 31/03/2009
INCOME STATEMENT				
Headline earnings	3 043	8 779	627	898
Net profit for the year	3 262	9 338	639	894
Dividends paid	1 712	4 289	339	450

There are no loans to these associated companies.

Note 1: This statement of financial position is at 31 December 2008 as Uniliver South Africa has not included a statement of financial position in its quarterly report to 31 March 2009.

Note 2: The investments above represent 75% of the total carrying value of associated companies.

ANNEXURE D

INFORMATION ON SEGMENTS FOR THE YEAR ENDED 31 MARCH 2010

	2010			
R million	Revenue	Headline earnings	Assets	Liabilities
Financial services				
RMBH	–	720	6 400	–
FirstRand	–	635	6 026	–
Industrial interests				
Air Products South Africa	–	115	536	–
Distell Group[2]	–	281	1 798	–
Kagiso Trust Investments	–	128	1 213	–
Medi-Clinic Corporation	–	460	3 111	–
Nampak	–	73	1 205	–
PGSI	–	83	533	–
Rainbow Chicken	6 953	259	4 419	1 756
Total South Africa	–	42	631	–
Tsb Sugar	4 149	227	2 857	1 425
Unilever SA Holdings	–	279	3 109	–
Wispeco	747	63	533	175
Other industrial interests	–	(28)	343	16
Media interests				
Sabido	–	11	837	–
MARC[4]	–	5	187	–
Other media interests	–	1	50	–
Mining interests				
Implats	–	85	5 711	–
Trans Hex Group	–	11	65	–
Technology interests				
CIV group[3]	–	7	378	–
SEACOM[4]	–	–	721	–
Tracker[4]	–	–	574	–
Other technology interests	–	6	385	–
Other investments	–	(64)	573	–
Central treasury – cash at the centre	–	57	4 662	–
Other net corporate assets	–	(101)	1 419	821
	11 849	3 355	48 276	4 193
Elimination of loans to/from subsidiary companies			(218)	(218)
Consolidated			48 058	3 975

[1] *Previously the interests of the Group were classified into five main operating divisions/business segments – tobacco interests, financial services, industrial interests, mining interests and corporate and other. Following the adoption of IFRS 8: Operating Segments, the business segment analysis was amended to present significant investments as operating segments in their own right. For ease of reference, operating segments are still grouped together (in "reporting groups"). The acquisition of VenFin necessitated the introduction of two new reporting groups, "Media interests" and "Technology interests". A third new reporting group, "Other investments" was also created. In order to facilitate year on year comparison, the information presented for the comparative year has been adjusted accordingly.*

[2] *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*

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

[4] *No equity income accounted for the year ended 31 March 2010. These companies have June and December year-ends. Refer to the "Acquisition of VenFin" in the Report of the Board of Directors for further information.*

[5] *Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R1 943 million, are located in foreign countries.*

ANNEXURE D

INFORMATION ON SEGMENTS FOR THE YEAR ENDED 31 MARCH 2009

R million	Revenue	2009 Headline earnings	Assets	Liabilities
Tobacco interest[(2)]				
R&R	–	2 295	–	–
Financial services				
RMBH	–	761	6 027	–
FirstRand	–	815	5 728	–
Industrial interests				
Air Products South Africa	–	102	453	–
Distell Group	–	304	1 320	–
Kagiso Trust Investments	–	(139)	940	–
Medi-Clinic Corporation	–	288	3 533	–
Nampak	–	105	1 263	–
PGSI	–	40	368	–
Rainbow Chicken	6 811	235	4 182	1 693
Total South Africa	–	(25)	566	–
Tsb Sugar	3 732	188	2 229	972
Unilever SA Holdings	–	231	2 950	–
Wispeco	912	30	410	98
Other industrial interests	–	(41)	224	–
Mining interests				
Implats	–	346	4 223	–
Trans Hex Group	–	(182)	44	–
Other investments	–	(80)	415	–
Central treasury – cash at the centre	–	194	5 967	–
Other net corporate assets	–	(807)	1 274	566
	11 455	4 660	42 116	3 329
Elimination of loans to/from subsidiary companies			–	–
Consolidated			42 116	3 329

[(1)] Previously the interests of the Group were classified into five main operating divisions/business segments – tobacco interests, financial services, industrial interests, mining interests and corporate and other. Following the adoption of IFRS 8: Operating Segments, the business segment analysis was amended to present significant investments as operating segments in their own right. For ease of reference, operating segments are still grouped together (in "reporting groups").

[(2)] During the 2009 financial year, the investment in BAT was unbundled to shareholders. Accordingly the tobacco interest designation has been terminated.

[(3)] Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R734 million, are located in foreign countries.

SHAREHOLDERS' INFORMATION

STATISTICS AT 31 MARCH 2010

	2010 %	2010 Number of shares	2009 %	2009 Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Commissioner	**12.53**	**60 268 519**	15.60	68 544 387
Other	**87.47**	**420 837 851**	84.40	370 935 364
	100.00	**481 106 370**	100.00	439 479 751
B ordinary shares				
Rembrandt Trust (Pty) Limited	**100.00**	**35 506 352**	100.00	35 506 352
Total		**516 612 722**		474 986 103

No other shareholder held a beneficial interest of more than 5% in the ordinary shares in your Company on 31 March.

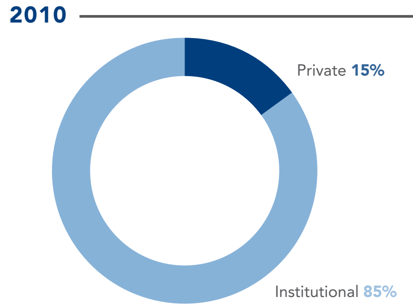
	2010	2009	2008	2007
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	**42 794**	41 686	41 832	28 728
Percentage of shareholders	**99.92**	99.93	99.94	99.90
Number of shares	**464 176 248**	430 447 901	433 151 212	432 253 223
Percentage of shares issued	**96.48**	97.94	96.47	96.31
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	**36**	28	27	29
Percentage of shareholders	**0.08**	0.07	0.06	0.10
Number of shares	**16 930 122**	9 031 850	15 852 394	16 548 984
Percentage of shares issued	**3.52**	2.06	3.53	3.69
Number of shareholders	**42 830**	**41 714**	**41 859**	**28 757**

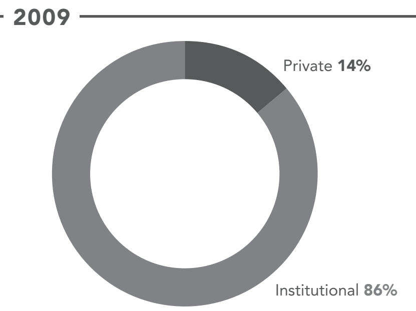
STATISTICS AT 31 MARCH 2010

	2010	2009	2008	2007
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of 1 cent each	**481 106 370**	439 479 751	449 003 606	448 802 207
Issued at 1 April	**439 479 751**	449 003 606	448 802 207	448 802 207
Issued during the year	**41 626 619**	–	201 399	–
Cancelled during the year	**–**	(9 523 855)	–	–
– Unlisted B ordinary shares of 10 cents each	**35 506 352**	35 506 352	35 506 352	35 506 352
Total number of shares in issue	**516 612 722**	474 986 103	484 509 958	484 308 559
Number of shares held in treasury	**(3 424 044)**	(3 500 000)	(11 972 555)	(11 948 372)
Ordinary shares repurchased and held in treasury	**(3 424 044)**	(3 500 000)	(8 554 019)	(8 554 019)
Ordinary shares purchased by The Remgro Share Trust and accounted for as treasury shares	**–**	–	(3 418 536)	(3 394 353)
	513 188 678	471 486 103	472 537 403	472 360 187
Weighted number of shares	**486 152 822**	471 798 001	472 052 993	474 123 689

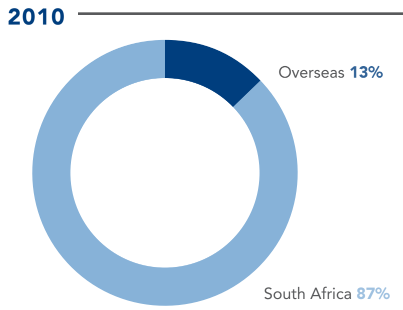
ADDITIONAL INFORMATION

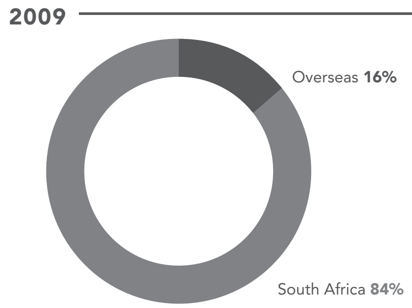
Institutional and private shareholding in Remgro Limited ordinary shares





Overseas and local shareholding in Remgro Limited ordinary shares





INTERESTS OF THE DIRECTORS IN THE ISSUED CAPITAL OF THE COMPANY

Ordinary shares

Directors	Direct beneficial	Indirect beneficial	Associates	Total
31 March 2010				
P E Beyers	**52 524**	**174 130**		**226 654**
W E Bührmann	**256 200**			**256 200**
J W Dreyer		**191 130**	**2 776**	**193 906**
J J Durand		**311 462**	**780**	**312 242**
G T Ferreira	**30 000**	**128 625**	**560 000**	**718 625**
P K Harris		**169 118**		**169 118**
E de la H Hertzog	**264 764**	**1 928 942**	**129 984**	**2 323 690**
J Malherbe	**26 826**		**1 049 101**	**1 075 927**
J A Preller	**111 059**			**111 059**
F Robertson		**7 000**		**7 000**
J P Rupert			**6 867 150**	**6 867 150**
T van Wyk	**131 640**		**100**	**131 740**
M H Visser	**114 164**	**994 124**		**1 108 288**
H Wessels			**4 500**	**4 500**
	987 177	**3 904 531**	**8 614 391**	**13 506 099**

On 5 August 2009 when Mr G D de Jager retired as an independent non-executive director, he held 57 740 ordinary shares in Remgro Limited.

Directors	Direct beneficial	Indirect beneficial	Associates	Total
31 March 2009				
P E Beyers	70 024	204 130		274 154
W E Bührmann	255 880			255 880
G D de Jager	57 740			57 740
J W Dreyer		191 130	2 600	193 730
P K Harris		169 118		169 118
E de la H Hertzog	228 245	1 671 903	129 984	2 030 132
J Malherbe	26 826		246 711	273 537
J A Preller	111 059			111 059
F Robertson		5 000		5 000
J P Rupert			916 972	916 972
T van Wyk	131 640		100	131 740
M H Visser	114 164	994 124		1 108 288
H Wessels			4 500	4 500
	995 578	3 235 405	1 300 867	5 531 850

B ordinary shares

Mr J P Rupert is a director of Rembrandt Trust (Pty) Limited which owns all the issued unlisted B ordinary shares.

Since the end of the financial year to the date of this report the interests of directors remained unchanged.

SHAREHOLDERS' INFORMATION

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	31 March
Annual general meeting	Wednesday, 18 August 2010

FINANCIAL REPORTS

Announcement of interim results	November
Interim report	December
Announcement of annual results	June
Annual financial statements	July

DIVIDENDS

Interim dividend	
– declared	November
– paid	January
Final dividend	
– declared	June
– paid	August

FINAL DIVIDEND NUMBER 20

Ordinary dividend per share	125 cents
Last day to trade in order to participate in the final dividend	Friday, 13 August 2010
Trading on or after this date will be ex the final dividend	Monday, 16 August 2010
Record date	Friday, 20 August 2010
Payment date	Monday, 23 August 2010

COMPANY INFORMATION

SECRETARY

M Lubbe

BUSINESS ADDRESS AND REGISTERED OFFICE

Carpe Diem Office Park
Quantum Street
Techno Park
Stellenbosch
7600

PO Box 456
Stellenbosch
7599

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107

AUDITORS

PricewaterhouseCoopers Inc.
Cape Town

LISTING

JSE Limited
Sector: Industrials – Diversified Industrials

AMERICAN DEPOSITARY RECEIPT (ADR) PROGRAM

Cusip number 75956M107
ADR to ordinary share 1:1

Depositary:
The Bank of New York
101 Barclay Street
New York, NY 10286

SPONSOR

Rand Merchant Bank
(A division of FirstRand Bank Limited)

WEBSITE

www.remgro.com

The 2010 Annual General Meeting of Remgro Limited ("the Company") will be held on Wednesday, 18 August 2010, at 15:30 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 of the Company and the Group for the year ended 31 March 2010 be accepted and approved.

2. REAPPOINTMENT OF AUDITOR

Ordinary Resolution Number 2

Resolved that the reappointment of PricewaterhouseCoopers Inc. as the Company's auditor, as nominated by the Company's Audit and Risk Committee, is approved and to note that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2011 is Mr C J Matthee.

3. APPROVAL OF DIRECTORS' REMUNERATION

Ordinary Resolution Number 3

Resolved that directors' fees for services rendered as directors for the financial year ending 31 March 2011 be determined on the following basis:

Type of fee	Existing fee for the year ended 31 March 2010 R	Proposed fee for the year ending 31 March 2011 R
Board Member	**172 000**	186 000
Chairman of the Audit and Risk Committee	**116 000**	125 000
Member of the Audit and Risk Committee	**58 000**	63 000
Member of the Remuneration and Nomination Committee	**29 000**	31 000

4. ELECTION OF DIRECTOR

Ordinary Resolution Number 4

Resolved that Mr M H Visser who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

5. ELECTION OF DIRECTOR

Ordinary Resolution Number 5

Resolved that Mr J W Dreyer who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

6. ELECTION OF DIRECTOR

Ordinary Resolution Number 6

Resolved that Mr F Robertson who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

7. ELECTION OF DIRECTOR

Ordinary Resolution Number 7

Resolved that Mr J Malherbe who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

8. ELECTION OF DIRECTOR

Ordinary Resolution Number 8

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

9. ELECTION OF DIRECTOR

Ordinary Resolution Number 9

Resolved that Mr J J Durand who retires in terms of article 31.4.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

10. ELECTION OF DIRECTOR

Ordinary Resolution Number 10

Resolved that Mr G T Ferreira who retires in terms of article 31.4.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

11. ELECTION OF DIRECTOR

Ordinary Resolution Number 11

Resolved that Mr N P Mageza who retires in terms of article 31.4.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

12. ELECTION OF DIRECTOR

Ordinary Resolution Number 12

Resolved that Mr P J Moleketi who retires in terms of article 31.4.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

13. ELECTION OF DIRECTOR

Ordinary Resolution Number 13

Resolved that Dr M A Ramphele who retires in terms of article 31.4.1.1 of the Company's Articles of Association and who has offered herself for re-election, be re-elected as a director of the Company.

Biographical details of all directors of the Company are set out on pages 8 and 9 of the Annual Report.

14. UNBUNDLING OF SHARES IN TRANS HEX GROUP LIMITED ("Trans Hex")

Ordinary Resolution Number 14

This resolution is to be read in conjunction with the unbundling circular dated 26 July 2010 which has been posted together with and forms part of the Annual Report ("the unbundling circular")

Resolved that the Company be and is hereby authorised to unbundle 30 215 000 Trans Hex ordinary shares of no par value which equate to 28.49% of the entire issued share capital of Trans Hex ("Trans Hex shares") to the Company's ordinary shareholders and "B" ordinary shareholders ("shareholders") by way of a distribution in terms of section 90 of the Companies Act, No. 61 of 1973, as amended ("Companies Act"), in the ratio of 5.85 Trans Hex shares for every 100 Remgro ordinary shares or "B" ordinary shares held by shareholders on the unbundling record date as defined in the unbundling circular ("the unbundling").

The Company's directors have considered the effect of the unbundling and confirm that there are no reasonable grounds to believe that:

- the Company and the Group will not be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the approval of the unbundling circular;
- the assets of the Company and the Group will not exceed their liabilities for a period of 12 months after the date of the approval of the unbundling circular. 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 not have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the approval of the unbundling circular;
- the working capital of the Company and the Group will not be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the unbundling circular.

15. AUTHORITY TO REPURCHASE SHARES

Special Resolution Number 1

Resolved that the Board of Directors of the Company be hereby authorised, by way of a renewable general authority, to approve the purchase of its own ordinary shares by the Company, or to approve the purchase of ordinary shares in the Company by any subsidiary of the Company, provided that:

- this general authority shall be valid until the Company's next Annual General Meeting or for 15 months from the date of passing of this resolution, whichever period is shorter;
- the ordinary shares be purchased through the order book of the trading system of the exchange operated by the JSE Limited ("JSE") and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty, provided that if the Company purchases its own ordinary shares from any wholly owned subsidiary of the Company for the purposes of cancelling such treasury shares pursuant to this general authority, the above provisions will not be applicable to such purchase transaction;
- an announcement complying with paragraph 11.27 of the Listings Requirements of the JSE ("Listings Requirements") be published by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the ordinary shares in issue as

at the time when the general authority was given ("the initial number") and (ii) for each 3% in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries;
- the repurchase by the Company of its own ordinary shares shall not in the aggregate in any one financial year exceed 20% of the Company's issued ordinary share capital of this class, provided that the acquisition of ordinary shares as treasury shares by a subsidiary of the Company shall not exceed 10% in the aggregate of the number of issued ordinary shares of the Company at the relevant times;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- subject to the exceptions contained in the Listings Requirements, the Company and the Group will not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period; and
- such repurchases will be subject to the provisions of the Companies Act (No. 61 of 1973), as amended ("Companies Act"), the Company's Articles of Association and the Listings Requirements.

It is the intention of the Board of Directors to use this general authority should prevailing circumstances (including the tax dispensation and market conditions) warrant it in their opinion.

The Company's directors undertake that they will not implement any such repurchases while this general authority is valid, unless:
- the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the general repurchase;
- the assets of the Company and the Group will exceed their liabilities for a period of 12 months after the date of the general repurchase. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the Company's latest audited annual group financial statements;
- the Company and the Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the general repurchase;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase; and
- upon entering the market to proceed with the repurchase, the Company's sponsor has confirmed the adequacy of the Company's working capital for the purposes of undertaking a repurchase of shares in writing to the JSE.

Reason for and effect of Special Resolution Number 1

The reason for and the effect of Special Resolution Number 1 is to grant the Company's 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 1 and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below has been included in the Annual Report, in which this notice of Annual General Meeting is included, at the places indicated:
- Directors and management (pages 8 and 9);
- Major shareholders (page 152);
- No material changes;
- Directors' interests in securities (page 154);
- Share capital of the Company (pages 123 and 152);
- The directors, whose names are set out on pages 8 and 9 of this report, collectively and individually accept full responsibility for the accuracy of the information contained in this Special Resolution Number 1 and certify, to the best of their knowledge and belief, that there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable queries in this regard and that this resolution contains all information required by law and the Listings Requirements;
- There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware), which may have or have had a material effect on the Company and the Group's financial position over the last twelve-month period.

16. AUTHORITY TO ENTER INTO DERIVATIVE TRANSACTIONS

Special Resolution Number 2

Resolved that, subject to the passing of Special Resolution Number 1, the Board of Directors of the Company be authorised, by way of a general renewable authority, to enter into derivative transactions which will or may lead to the Company being required to purchase its own shares, subject to the provisions of the Companies Act and the Listings Requirements (in particular the limitations contained in paragraph 5.84(a) of the Listings Requirements).

Reason for and effect of Special Resolution Number 2

The reason for and the effect of Special Resolution Number 2 is to grant the Company's directors a general authority to, subject to the provisions of the Companies Act and the Listings Requirements, enter into derivative transactions which will or may lead to the Company being required to purchase its own shares.

And to transact any other business that may be transacted at an Annual General Meeting.

Members who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies (for which purpose a form of proxy (green) is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a member of the Company. Proxy forms must be lodged with the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Monday, 16 August 2010, at 15:30 (South African time).

Proxy forms must only be completed by members who have not dematerialised their shares or who have dematerialised their shares with "own name" registration.

On a show of hands, every member of the Company present in person or represented by proxy shall have one vote only. On a poll, every member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Members who have dematerialised their shares, other than those members who have dematerialised their shares with "own name" registration, should contact their Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Equity securities held by a share trust or scheme will not have their votes taken into account for the purposes of resolutions passed in terms of the Listings Requirements.

By order of the Board of Directors.

M Lubbe
Secretary

Stellenbosch
21 June 2010

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 286(1) of the Companies Act (No. 61 of 1973), as amended ("Companies Act"), the directors are obliged to present the Company's annual financial statements and Group annual financial statements to the members at the annual general meeting for consideration.

Ordinary resolution number 2

Reappointment of auditor

In terms of the provisions of section 270(1) of the Companies Act, a company shall at every annual general meeting appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting of the Company.

In terms of the provisions of section 274(3) of the Companies Act, when a firm is appointed as auditors the appointment should also specify the name of the individual registered auditor who undertakes the audit.

Ordinary resolution number 3

Approval of directors' remuneration

In terms of the provisions of article 29.2.1 of the Company's Articles of Association, the remuneration payable to the directors must be determined by the members of the Company.

Ordinary resolutions numbers 4 – 13

Election of directors

In terms of the provisions of article 31.1.1 of the Company's Articles of Association, one-third of the directors, or if their number is not a multiple of three, then the number nearest to but not less than one-third are required to retire at each annual general meeting. In terms of the provisions of article 31.4.1.1, a person appointed as director by the directors shall retire at the following annual general meeting and shall not form part of the one-third of directors who are required to retire by rotation. Directors may offer themselves for re-election. Biographical details of all the directors of the Company are set out on pages 8 and 9 of the Annual Report.

Ordinary resolution number 14

Unbundling of Trans Hex shares

In terms of the provisions of paragraph 5.85 of the Listings Requirements, the distribution by Remgro of its Trans Hex shares to its shareholders in terms of the provisions of section 90 of the Companies Act requires the approval of its shareholders by an ordinary resolution.

SPECIAL RESOLUTIONS

Special resolution number 1

General authority to repurchase shares

The annual renewal of this authority is required in terms of the provisions of the Listings Requirements and section 85 of the Companies Act. The existing authority to the directors is due to expire at the forthcoming annual general meeting, unless renewed.

Special resolution number 2

General authority to enter into derivative transactions

The general authority is given to the directors to enable them, subject to the provisions of the Companies Act and the Listings Requirements, to enter into derivative transactions, which may or will lead to the Company being required to purchase its own shares.

Remgro Limited

(Incorporated in the Republic of South Africa)
(Registration number 1968/006415/06)
(Share code: REM   ISIN: ZAE000026480)
("the Company")

FORM OF PROXY

THIS FORM OF PROXY IS ONLY FOR USE BY:

1. **REGISTERED MEMBERS WHO HAVE NOT YET DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES; AND**
2. **REGISTERED MEMBERS WHO HAVE ALREADY DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES AND ARE REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S SUBREGISTER. ***

* See explanatory note 3 overleaf.

For completion by the aforesaid registered members who hold ordinary shares of the Company ("member") and who are unable to attend the 2010 Annual General Meeting of the Company to be held on Wednesday, 18 August 2010, at 15:30 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 of the Company and at any adjournment thereof, as follows (see note 2 and instruction 2 overleaf):

	Insert an "X" or the number of votes exercisable (one vote per ordinary share)		
Ordinary resolutions	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Reappointment of auditor			
3. Approval of directors' remuneration			
4. Election of director – Mr M H Visser			
5. Election of director – Mr J W Dreyer			
6. Election of director – Mr F Robertson			
7. Election of director – Mr J Malherbe			
8. Election of director – Mrs J A Preller			
9. Election of director – Mr J J Durand			
10. Election of director – Mr G T Ferreira			
11. Election of director – Mr N P Mageza			
12. Election of director – Mr P J Moleketi			
13. Election of director – Dr M A Ramphele			
14. Unbundling of Trans Hex shares			
Special resolutions			
1. Authority to repurchase shares			
2. Authority to enter into derivative transactions			

Signed at ______________________________ on ______________________________ 2010

Signature/s ____

Assisted by ____
(where applicable)

Please read the notes and instructions overleaf.

NOTES

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.

2. Every member present in person or by proxy and entitled to vote at the annual general meeting of the Company shall, on a show of hands, have one vote only, irrespective of the number of shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.

3. Members registered in their own name are members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Limited as their Central Securities Depository Participant ("CSDP") with the express instruction that their uncertificated shares are to be registered in the electronic subregister of members **in their own names**.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided overleaf, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the member. Should this space/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 member's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that member 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 member's exercisable votes. A member or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the member or by his/her proxy.

3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.

4. To be valid, the completed forms of proxy must be lodged with the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited at 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Monday, 16 August 2010, at 15:30 (South African time).

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.

6. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.

8. The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a member wishes to vote.

Designed and produced by Greymatter & Finch

Printed in South Africa by Trident Press

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GREYMATTER & FINCH # 5096

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