

# *Remgro* *Limited*

## AUDITED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 30 JUNE 2013 AND CASH DIVIDEND DECLARATION

### SALIENT FEATURES

▶ HEADLINE EARNINGS PER SHARE	-14.1%
▶ HEADLINE EARNINGS PER SHARE EXCLUDING MEDICLINIC REFINANCING COST	+11.6%
▶ ORDINARY DIVIDEND PER SHARE	+10.2%
▶ INTRINSIC NET ASSET VALUE PER SHARE	+34.2%

ABRIDGED CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION

	30 June 2013 R'm	30 June 2012 R'm
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5 354	3 485
Biological agricultural assets	107	99
Investment properties	42	37
Intangible assets	5 831	356
Investments – Associated companies	45 678	38 321
– Joint ventures	276	130
– Other	2 168	1 587
Retirement benefits	184	164
Loans	497	115
Deferred taxation	9	6
	60 146	44 300
<b>Current assets</b>	12 613	13 727
Inventories	2 528	2 002
Biological agricultural assets	537	476
Debtors and short-term loans	2 939	2 071
Investments in money market funds	1 140	2 344
Cash and cash equivalents	4 221	6 484
Other current assets	472	136
	11 837	13 513
Assets held for sale	776	214
<b>Total assets</b>	72 759	58 027
<b>EQUITY AND LIABILITIES</b>		
Stated and issued capital	3 605	3 605
Reserves	55 936	50 018
Treasury shares	(431)	(169)
<b>Shareholders' equity</b>	59 110	53 454
Non-controlling interest	1 955	799
<b>Total equity</b>	61 065	54 253
<b>Non-current liabilities</b>	7 701	981
Retirement benefits	266	203
Long-term loans	5 774	105
Deferred taxation	1 661	673
<b>Current liabilities</b>	3 993	2 793
Trade and other payables	3 424	2 493
Short-term loans	361	279
Other current liabilities	29	21
	3 814	2 793
Liabilities held for sale	179	–
<b>Total equity and liabilities</b>	72 759	58 027
<b>Net asset value per share (Rand)</b>		
– At book value	R115.18	R103.93
– At intrinsic value (unaudited)	R204.83	R152.61

# ABRIDGED CONSOLIDATED INCOME STATEMENT

	Year ended 30 June 2013 R'm	Year ended 30 June 2012 R'm
Sales	16 446	13 532
Inventory expenses	(10 796)	(8 517)
Staff costs	(2 681)	(2 405)
Depreciation	(424)	(354)
Other net operating expenses	(2 183)	(1 484)
Trading profit	362	772
Dividend income	34	175
Interest received	250	243
Finance costs	(173)	(21)
Negative goodwill	196	–
Net impairment of investments, loans, assets and goodwill	(152)	(295)
Profit/(loss) on sale and unbundling of investments	(154)	4 421
Consolidated profit before tax	363	5 295
Taxation	(249)	(462)
Consolidated profit after tax	114	4 833
Share of after-tax profit of associated companies and joint ventures	4 313	4 532
<b>Net profit for the year</b>	<b>4 427</b>	<b>9 365</b>
<b>Attributable to:</b>		
Equity holders	4 438	9 284
Non-controlling interest	(11)	81
	<b>4 427</b>	<b>9 365</b>
<b>ASSOCIATED COMPANIES AND JOINT VENTURES</b>		
<b>Share of after-tax profit of associated companies and joint ventures</b>		
Profit before taking into account impairments, non-recurring and capital items	5 651	6 094
Net impairment of investments, assets and goodwill	(98)	(197)
Profit on the sale of investments	119	381
Other non-recurring and capital items	63	38
Profit before tax and non-controlling interest	5 735	6 316
Taxation	(1 236)	(1 405)
Non-controlling interest	(186)	(379)
	<b>4 313</b>	<b>4 532</b>

## RECONCILIATION OF HEADLINE EARNINGS

	Year ended 30 June 2013 R'm	Year ended 30 June 2012 R'm
<b>Net profit for the year attributable to equity holders</b>	<b>4 438</b>	9 284
Plus/(minus):		
– Negative goodwill	(196)	–
– Net impairment of associates and joint ventures	29	26
– Impairment of other investments	112	239
– Impairment of property, plant and equipment	4	3
– Recycling of foreign currency translation reserves	154	94
– (Profit)/loss on sale of associates and joint ventures	24	(1 056)
– (Profit)/loss on sale of other investments	(24)	(3 455)
– Net surplus on disposal of property, plant and equipment	(19)	(79)
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	(76)	(241)
– Net (surplus)/loss on disposal of property, plant and equipment	8	(19)
– Profit on the sale of investments	(119)	(381)
– Net impairment of investments, assets and goodwill	98	197
– Other non-recurring and capital items	(63)	(38)
– Taxation effect of adjustments	(61)	181
– Non-controlling interest	2	117
<b>Headline earnings</b>	<b>4 387</b>	5 113
Mediclinic refinancing cost	1 312	–
<b>Headline earnings, excluding Mediclinic refinancing cost</b>	<b>5 699</b>	5 113

## EARNINGS AND DIVIDENDS

	Year ended 30 June 2013 Cents	Year ended 30 June 2012 Cents
<b>Headline earnings per share</b>		
– Basic	854.3	994.6
– Diluted	838.5	974.3
<b>Headline earnings per share, excluding Mediclinic refinancing cost</b>		
– Basic	1 109.8	994.6
– Diluted	1 088.4	974.3
<b>Earnings per share</b>		
– Basic	864.2	1 805.9
– Diluted	846.7	1 783.7
<b>Dividends per share</b>		
Ordinary	346.00	314.00
– Interim	145.00	126.00
– Final	201.00	188.00

ABRIDGED CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 June 2013 R'm	Year ended 30 June 2012 R'm
Net profit for the year	4 427	9 365
Other comprehensive income, net of tax	3 312	(1 827)
<b>Items that may be reclassified subsequently to the income statement:</b>		
Exchange rate adjustments	889	792
Fair value adjustments for the year	(189)	(866)
Deferred taxation on fair value adjustments	(6)	199
Reclassification of other comprehensive income to the income statement	223	(3 000)
Other comprehensive income of associated companies and joint ventures	2 938	412
<b>Items that will not be reclassified to the income statement:</b>		
Change in reserves of associated companies and joint ventures	(543)	636
Total comprehensive income for the year	7 739	7 538
<b>Total comprehensive income attributable to:</b>		
Equity holders	7 750	7 457
Non-controlling interest	(11)	81
	7 739	7 538

ABRIDGED CONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY

	Year ended 30 June 2013 R'm	Year ended 30 June 2012 R'm
Balance at the beginning of the year	54 253	52 330
Total comprehensive income for the year	7 739	7 538
Dividends paid	(1 743)	(1 809)
Business acquired	331	–
Capital invested by minorities	822	6
Other movements	1	1
Purchase of treasury shares by wholly owned subsidiary	(405)	–
Long-term share incentive scheme reserve	67	84
Unbundling of investment	–	(3 897)
Balance at the end of the year	61 065	54 253

## ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 June 2013 R'm	Year ended 30 June 2012 R'm
Cash generated from operations	1 058	949
Taxation paid	(235)	(431)
Dividends received	2 919	3 150
Cash available from operating activities	3 742	3 668
Dividends paid	(1 743)	(1 819)
Net cash inflow from operating activities	1 999	1 849
Investing activities*	(4 558)	(495)
Financing activities	(236)	139
Net increase/(decrease) in cash and cash equivalents	(2 795)	1 493
Exchange rate profit on foreign cash	598	586
Cash and cash equivalents at the beginning of the year	6 394	4 315
Cash and cash equivalents at the end of the year	4 197	6 394
Cash and cash equivalents – per statement of financial position	4 221	6 484
Bank overdraft	(24)	(90)

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

## ADDITIONAL INFORMATION

	30 June 2013	30 June 2012
<b>Number of shares in issue</b>		
– Ordinary shares of no par value (2012: 1 cent each)	481 106 370	481 106 370
– Unlisted B ordinary shares of no par value (2012: 10 cents each)	35 506 352	35 506 352
Total number of shares in issue	516 612 722	516 612 722
<b>Number of shares held in treasury</b>		
– Ordinary shares repurchased and held in treasury	(3 433 101)	(2 279 155)
	513 179 621	514 333 567
<b>Weighted number of shares</b>	513 526 699	514 090 014

In determining earnings per share and headline earnings per share the weighted number of shares was taken into account.

### Statutory matters

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

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

## ADDITIONAL INFORMATION (continued)

	30 June 2013 R'm	30 June 2012 R'm
<b>Listed investments</b>		
<b>Associated</b>		
– Book value	31 164	25 713
– Market value	62 232	40 601
<b>Other</b>		
– Book value	823	768
– Market value	823	768
<b>Unlisted investments</b>		
<b>Associated</b>		
– Book value	14 514	12 608
– Directors' valuation (unaudited)	30 187	23 464
<b>Joint ventures</b>		
– Book value	276	130
– Directors' valuation (unaudited)	276	130
<b>Other</b>		
– Book value	1 345	819
– Directors' valuation	1 345	819
<b>Additions to and replacement of property, plant and equipment</b>	701	771
<b>Capital and investment commitments</b>	1 439	5 678
(Including amounts authorised, but not yet contracted for)		
<b>Guarantees and contingent liabilities*</b>	348	2 420
<b>Dividends received from associated companies and joint ventures set off against investments</b>	2 893	2 942

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

## 1. ACCOUNTING POLICIES

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS), including IAS 34: *Interim Financial Reporting*, and in accordance with the requirements of the Companies Act (No. 71 of 2008), as amended, and the Listings Requirements of the JSE Limited. The financial statements have been prepared under the supervision of the Chief Financial Officer, Leon Crouse CA(SA).

These financial statements incorporate accounting policies that have been consistently applied to both years presented, with the exception of the implementation of the amendments to IAS 1: *Presentation of Financial Statements*. The adoption of the amended accounting standard only affected disclosure and had no impact on the results of either the current or prior years.

## 2. COMPARISON WITH PRIOR YEAR

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

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

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

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

## 3. RESULTS

### Reporting platforms

During the year under review the platforms under which the results of investee companies are being reported, were changed. This change

aligns public reporting with internal reporting to the Remgro Board. Comparative figures have been presented accordingly.

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

### Headline earnings

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

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

### Contribution to headline earnings

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

Refer to Annexures A and B for segmental information.



### *Food, liquor and home care*

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

### *Banking*

The contribution from the banking division amounted to R2 052 million (2012: R1 770 million), representing an increase of 15.9%. It should be noted that Remgro's interest in RMBH reduced since December 2011 due to Remgro facilitating the RMBH empowerment transaction by selling a portion of its interest to Royal Bafokeng. Both FirstRand and RMBH reported good headline earnings growth of 19.6% and 20.3% respectively, mainly due to strong operational performances in FNB, WesBank and RMB.

### *Healthcare*

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

### *Insurance*

RMI Holdings is the only investment being reported under insurance interests. During December 2011 Remgro also sold a portion of its interest in RMI Holdings to Royal Bafokeng. RMI Holdings reported a decline of 8.7%

in headline earnings, with 21.5% and 3.2% lower earnings in OUTsurance and Discovery respectively, partly offset with good earnings growth by MMI Holdings (14.2%).

### *Industrial*

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

### *Infrastructure*

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

### *Media and sport*

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

### *Mining*

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

### *Other investments*

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

#### *Central treasury and other net corporate costs*

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

#### *Total earnings*

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

#### **4. INTRINSIC NET ASSET VALUE**

Remgro's intrinsic net asset value per share increased by 34.2% from R152.61 at 30 June 2012 to R204.83 at 30 June 2013. Refer to Annexure B for full details.

#### **5. INVESTMENT ACTIVITIES**

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

##### *Mediclinic International Limited (Mediclinic)*

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

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

##### *RCL Foods Limited (RCL Foods)*

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

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

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

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

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

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

#### Pembani Remgro Infrastructure Fund (PRIF)

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

#### Kagiso Tiso Holdings Proprietary Limited (RF) (KTH)

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

#### Dark Fibre Africa Proprietary Limited (Dark Fibre)

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

#### Grindrod Limited (Grindrod)

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

#### Business Partners Limited (Business Partners)

During the year under review Remgro acquired a further 21 768 223 Business Partners shares

for a total amount of R120.3 million. On a fully diluted basis, Remgro's interest in Business Partners increased to 42.5% (2012: 29.0%).

#### Capevin Holdings Limited (Capevin Holdings)

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

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

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

### 6. TREASURY SHARES

At 30 June 2012, 2 279 155 Remgro ordinary shares (0.5%) were held as treasury shares by a wholly owned subsidiary company of Remgro. As previously reported, these shares were acquired for the purpose of hedging Remgro's share incentive schemes.

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

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

### 7. CASH RESOURCES AT THE CENTRE

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

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

On 30 June 2013, approximately 55% (R690 million) of the available offshore cash at the centre was invested in money market

funds which are not classified as cash and cash equivalents on the statement of financial position.

## DIRECTORATE

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

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

## REPORTS OF THE INDEPENDENT AUDITOR

The Company's directors are responsible for the preparation of an abridged version of the audited consolidated financial statements.

The annual financial statements have been audited by PricewaterhouseCoopers Inc. and their unqualified audit report on the comprehensive annual financial statements is available for inspection at the registered office of the Company and the report on the abridged annual financial statements is attached.

The auditor's report does not necessarily report on all the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

## DECLARATION OF CASH DIVIDEND

### Secondary tax on companies (STC) and dividend tax

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

### Declaration of Dividend No. 26

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

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

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

### Dates of importance:

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

Share certificates may not be dematerialised or rematerialised between Monday, 11 November 2013 and Friday, 15 November 2013, both days inclusive.

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

The Annual Report will be posted to members and will be available on Remgro's website at [www.remgro.com](http://www.remgro.com) during October 2013.

Signed on behalf of the Board of Directors.

**Johann Rupert**  
Chairman

**Jannie Durand**  
Chief Executive Officer

Stellenbosch  
18 September 2013

## DIRECTORATE

### Non-executive directors

Johann Rupert (*Chairman*), E de la H Hertzog (*Deputy Chairman*),  
G T Ferreira\*, P K Harris\*, N P Mageza\*,  
J Malherbe, P J Moleketi\*, M M Morobe\*,  
F Robertson\*, H Wessels\*  
(\*Independent)

### Executive directors

J J Durand (*Chief Executive Officer*),  
W E Bührmann, L Crouse, J W Dreyer

## CORPORATE INFORMATION

### Secretary

M Lubbe

### Listing

JSE Limited  
Sector: Industrials – Diversified Industrials

### Business address and registered office

Millennia Park  
16 Stellentia Avenue  
Stellenbosch 7600  
(PO Box 456, Stellenbosch 7599)

### Transfer Secretaries

Computershare Investor Services Proprietary Limited  
70 Marshall Street  
Johannesburg 2001  
(PO Box 61051, Marshalltown 2107)

### Auditors

PricewaterhouseCoopers Inc.  
Stellenbosch

### Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

## ANNEXURE A

### COMPOSITION OF HEADLINE EARNINGS

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

#### Notes

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

## ANNEXURE B

### COMPOSITION OF INTRINSIC NET ASSET VALUE

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

#### Notes

- Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.
- Includes the investments in CIV Fibre Network Solutions Proprietary Limited, CIE Telecommunications Proprietary Limited, CIV Power Proprietary Limited, Central Lake Trading No. 77 Proprietary Limited and Dark Fibre Africa Proprietary Limited.
- Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods, TSB and Wispeco).
- The potential capital gains tax (CGT) liability is calculated on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and also taking into account the corporate relief provisions. Deferred CGT on investments "available-for-sale" is included in "other net corporate assets" above.
- 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 values have not been audited.

## REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF REMGRO LIMITED

The abridged consolidated financial statements, which comprise the abridged consolidated statement of financial position as at 30 June 2013, the abridged consolidated income statement and the abridged consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, as set out on pages 1 to 7 and 14, are derived from the audited consolidated financial statements of Remgro Limited for the year ended 30 June 2013. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 18 September 2013. Our auditor's report on the audited consolidated financial statements contained an "Other Matter" paragraph (refer below).

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

### Directors' responsibility for the abridged consolidated financial statements

The Company's directors are responsible for the preparation of an abridged version of the audited consolidated financial statements in accordance with the requirements of Section 8.57 of the JSE Limited Listings Requirements for abridged reports and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

### Auditor's responsibility

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

### Opinion

In our opinion, the abridged consolidated financial statements derived from the audited consolidated financial statements of Remgro Limited for the year ended 30 June 2013 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of Section 8.57 of the JSE Limited Listings Requirements for abridged reports and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

The "Other Matter" paragraph in our audit report dated 18 September 2013 states that as part of our audit of the consolidated financial statements for the year ended 30 June 2013, we have read the Directors' Report, the Audit Committee's Report and the Statement by the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The "Other Matter" paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The "Other Matter" paragraph does not have an effect on the abridged consolidated financial statements or our opinion thereon.

### PricewaterhouseCoopers Inc.

**Director: N H Döman**

*Registered Auditor*

Stellenbosch

18 September 2013

# www.remgro.com