Remgro
Limited

AUDITED SUMMARY CONSOLIDATED RESULTS

FOR THE YEAR ENDED 30 JUNE 2014 AND CASH DIVIDEND DECLARATION

SALIENT FEATURES

HEADLINE EARNINGS PER SHARE	+58.2%
HEADLINE EARNINGS PER SHARE EXCLUDING MEDICLINIC REFINANCING COST	+20.5%
ORDINARY DIVIDEND PER SHARE	+12.4%
INTRINSIC NET ASSET VALUE PER SHARE	+20.1%

Registration number 1968/006415/06 / ISIN ZAE000026480 / Share code REM

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R million	30 June 2014	30 June 2013 Restated	1 July 2012 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	**5 616**	5 390	3 502
Biological agricultural assets	**499**	407	318
Investment properties	**42**	42	37
Intangible assets	**5 811**	5 831	356
Investments – Equity accounted	**52 169**	45 408	38 123
– Other	**2 642**	2 168	1 587
Retirement benefits	**210**	184	164
Loans	**629**	497	115
Deferred taxation	**14**	4	7
	67 632	59 931	44 209
Current assets	**11 876**	12 575	13 678
Inventories	**2 408**	2 533	2 004
Biological agricultural assets	**539**	537	476
Debtors and short-term loans	**3 330**	2 929	2 059
Investments in money market funds	**1 171**	1 140	2 344
Cash and cash equivalents	**3 657**	4 188	6 485
Other current assets	**17**	472	136
	11 122	11 799	13 504
Assets held for sale	**754**	776	174
Total assets	**79 508**	72 506	57 887
EQUITY AND LIABILITIES			
Stated and issued capital	**3 605**	3 605	8
Share premium	**–**	–	3 597
Reserves	**62 802**	55 456	49 735
Treasury shares	**(372)**	(431)	(169)
Shareholders' equity	**66 035**	58 630	53 171
Non-controlling interest	**2 599**	2 015	849
Total equity	**68 634**	60 645	54 020
Non-current liabilities	**2 199**	7 827	1 068
Retirement benefits	**258**	265	213
Long-term loans	**436**	5 849	138
Deferred taxation	**1 505**	1 713	717
Current liabilities	**8 675**	4 034	2 799
Trade and other payables	**3 791**	3 429	2 487
Short-term loans	**4 661**	399	293
Other current liabilities	**37**	27	19
	8 489	3 855	2 799
Liabilities held for sale	**186**	179	–
Total equity and liabilities	**79 508**	72 506	57 887
Net asset value per share (Rand)			
– At book value	**R128.56**	R114.25	
– At intrinsic value (unaudited)	**R245.96**	R204.83	

Refer to note 2 for detail regarding the restatements.

SUMMARY CONSOLIDATED INCOME STATEMENT

R million	Year ended 30 June 2014	Year ended 30 June 2013 Restated
Sales	**24 621**	16 466
Inventory expenses	**(15 374)**	(11 610)
Staff costs	**(3 747)**	(2 707)
Depreciation	**(592)**	(428)
Other net operating expenses	**(4 238)**	(1 306)
Trading profit	**670**	415
Dividend income	**43**	34
Interest received	**326**	252
Finance costs	**(1 057)**	(181)
Negative goodwill	**–**	196
Net impairment of investments, loans, assets and goodwill	**22**	(158)
Profit/(loss) on sale of investments	**51**	(150)
Consolidated profit before tax	**55**	408
Taxation	**(57)**	(261)
Consolidated profit/(loss) after tax	**(2)**	147
Share of after-tax profit of equity accounted investments	**6 853**	4 035
Net profit for the year	**6 851**	4 182
Attributable to:		
Equity holders	**6 917**	4 179
Non-controlling interest	**(66)**	3
	6 851	4 182
EQUITY ACCOUNTED INVESTMENTS		
Share of after-tax profit of associated companies and joint ventures		
Profit before taking into account impairments, non-recurring and capital items	**8 584**	5 405
Net impairment of investments, assets and goodwill	**(262)**	(162)
Profit on the sale of investments	**174**	117
Other non-recurring and capital items	**201**	66
Profit before tax and non-controlling interest	**8 697**	5 426
Taxation	**(1 558)**	(1 199)
Non-controlling interest	**(286)**	(192)
	6 853	4 035

RECONCILIATION OF HEADLINE EARNINGS

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

EARNINGS AND DIVIDENDS

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

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

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

ADDITIONAL INFORMATION

	30 June 2014	30 June 2013
Number of shares in issue		
– Ordinary shares of no par value	**481 106 370**	481 106 370
– Unlisted B ordinary shares of no par value	**35 506 352**	35 506 352
Total number of shares in issue	**516 612 722**	516 612 722
Number of shares held in treasury		
– Ordinary shares repurchased and held in treasury	**(2 960 766)**	(3 433 101)
	513 651 956	513 179 621
Weighted number of shares	**513 404 676**	513 526 699

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

R million	30 June 2014	30 June 2013 Restated
Listed investments		
Associated		
– Book value	36 601	30 758
– Market value	79 734	62 232
Other		
– Book value	880	823
– Market value	880	823
Unlisted investments		
Associated		
– Book value	11 090	10 693
– Directors' valuation (unaudited)	22 497	20 727
Joint ventures		
– Book value	4 478	3 957
– Directors' valuation (unaudited)	11 063	9 673
Other		
– Book value	1 762	1 345
– Directors' valuation	1 762	1 345
Additions to and replacement of property, plant and equipment	852	730
Capital and investment commitments	1 105	1 439
(Including amounts authorised, but not yet contracted for)		
Guarantees and contingent liabilities	306	348
Dividends received from equity accounted investments set off against investments	3 568	2 891

Fair value remeasurements

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

- Financial instruments available-for-sale and investment in money market funds: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies, being discounted cash flow, liquidation valuation and actual net asset value of the investment.
- Derivative instruments: The fair value of derivative instruments is determined by using mark-to-market valuations.

Financial instruments measured at fair value, are disclosed by level of the following fair value hierarchy:

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

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

R million	*Level 1*	*Level 2*	*Level 3*	Total
30 June 2014				
Assets				
Available-for-sale	**880**	**–**	**1 762**	**2 642**
Derivative instruments	**–**	**3**	**–**	**3**
Investment in money market funds	**1 171**	**–**	**–**	**1 171**
	2 051	**3**	**1 762**	**3 816**
Liabilities				
Derivative instruments	**–**	**10**	**–**	**10**
30 June 2013 (restated)				
Assets				
Available-for-sale	823	–	1 285	2 108
Assets at fair value through profit and loss	–	–	60	60
Derivative instruments	–	364	73	437
Investment in money market funds	1 140	–	–	1 140
	1 963	364	1 418	3 745
Liabilities				
Derivative instruments	–	26	–	26

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

R million	Available-for-sale	Assets at fair value through profit and loss	Derivative instruments	Total
30 June 2014				
Balances at the beginning of the year	**1 285**	**60**	**73**	**1 418**
Additions	**277**	**23**	**–**	**300**
Disposals	**(3)**	**–**	**(111)**	**(114)**
Exchange rate adjustments	**64**	**–**	**–**	**64**
Transfer to equity accounted investments	**–**	**(83)**	**–**	**(83)**
Fair value adjustments through profit and loss	**–**	**–**	**38**	**38**
Fair value adjustments through comprehensive income	**139**	**–**	**–**	**139**
Balances at the end of the year	**1 762**	**–**	**–**	**1 762**
30 June 2013 (restated)				
Balances at the beginning of the year	779	40	80	899
Additions	711	20	–	731
Disposals	(20)	–	–	(20)
Exchange rate adjustments	101	–	–	101
Fair value adjustments through profit and loss	–	–	(7)	(7)
Fair value adjustments through comprehensive income	(286)	–	–	(286)
Balances at the end of the year	1 285	60	73	1 418

There were no transfers between the different levels.

RESTATEMENT OF COMPARATIVE NUMBERS

Refer to note regarding "Changes in accounting policy" for further detail.

R million	For the year ended 30/06/2013 as previously reported	IFRS 10 and IFRS 11 adjustments	IAS 19 adjustments	**For the year ended 30/06/2013 Restated**
Impact on income statement				
Sales	16 446	20	–	**16 466**
Inventory expenses*	(11 519)	(91)	–	**(11 610)**
Staff costs	(2 681)	(29)	3	**(2 707)**
Depreciation	(424)	(4)	–	**(428)**
Other net operating expenses*	(1 460)	154	–	**(1 306)**
Interest received	250	2	–	**252**
Finance costs	(173)	(8)	–	**(181)**
Net impairment of investments, loans, assets and goodwill	(152)	(6)	–	**(158)**
Loss on sale of investments	(154)	–	4	**(150)**
Taxation	(249)	(10)	(2)	**(261)**
Share of after-tax profit of equity accounted investments	4 313	(197)	(81)	**4 035**
Net profit for the year	4 427	(169)	(76)	**4 182**
Attributable to:				
Equity holders	4 438	(183)	(76)	**4 179**
Non-controlling interest	(11)	14	–	**3**
		(169)	(76)	
Impact on headline earnings				
Headline earnings	4 387	(108)	(83)	**4 196**
Headline earnings, excluding Mediclinic refinancing cost	5 699	(108)	(83)	**5 508**
Impact on earnings per share (cents)				
Headline earnings per share	854.3	(21.0)	(16.2)	**817.1**
Headline earnings per share, excluding Mediclinic refinancing cost	1 109.8	(21.0)	(16.2)	**1 072.6**
Earnings per share	864.2	(35.6)	(14.8)	**813.8**

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

R million	For the year ended 30/06/2013 as previously reported	IFRS 10 and IFRS 11 adjustments	IAS 19 adjustments	**For the year ended 30/06/2013 Restated**
Impact on statement of comprehensive income				
Net profit for the year	4 427	(169)	(76)	**4 182**
Items that may be reclassified subsequently to the income statement:				
Other comprehensive income of equity accounted investments	2 938	(25)	(9)	**2 904**
Items that will not be reclassified to the income statement:				
Actuarial gains and losses	–	–	8	**8**
Deferred taxation on actuarial gains and losses	–	–	(2)	**(2)**
Change in reserves of equity accounted investments	(543)	27	61	**(455)**
Total comprehensive income for the year	7 739	(167)	(18)	**7 554**
Total comprehensive income attributable to:				
Equity holders	7 750	(181)	(16)	**7 553**
Non-controlling interest	(11)	14	(2)	**1**
		(167)	(18)	

RESTATEMENT OF COMPARATIVE NUMBERS (continued)

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

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

COMMENTS

1. ACCOUNTING POLICIES

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

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

During the year under review various other new and revised accounting standards became effective, but their implementation had no impact on the results of either the current or prior year.

2. CHANGES IN ACCOUNTING POLICY

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

IFRS 10 and IFRS 11

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

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

IAS 19

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

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

Refer to the section "Restatement of comparative numbers" for further detail.

3. COMPARISON WITH PRIOR YEAR

During the previous financial year Mediclinic incurred material once-off charges relating to the comprehensive refinancing of its Swiss and South African debt. Remgro's share of these once-off items included in its results for the year ended 30 June 2013 amounted to a loss of R1 312 million.

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

4. RESULTS

Headline earnings

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

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

Contribution to headline earnings by reporting platform

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

Refer to Annexures A and B for segmental information.

Commentary on reporting platforms' performance

Food, liquor and home care

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

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

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

Banking

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

Healthcare

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

Insurance

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

Industrial

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

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

Media and sport
Media and sport interests primarily consist of the interests in Sabido and Premier Team Holdings (PTH). Sabido's contribution to Remgro's headline earnings amounted to R131 million (2013: R148 million). This decrease is mainly due to significant new business development costs incurred during the period under review. PTH's contribution to headline earnings amounted to a loss of R68 million (2013: R37 million loss).

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

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

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

5. INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share increased by 20.1% from R204.83 at 30 June 2013 to R245.96 at 30 June 2014. Refer to Annexure B for full details.

6. INVESTMENT ACTIVITIES

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

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

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

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

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

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

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

PG Group of Companies (PGSI)

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

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

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

Grindrod Limited (Grindrod)

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

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

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

The CIV group

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

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

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

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

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

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

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

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

There were no significant transactions subsequent to 30 June 2014.

7. TREASURY SHARES

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

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

At 30 June 2014, 2 960 766 Remgro ordinary shares (0.6%) were held as treasury shares.

8. CASH RESOURCES AT THE CENTRE

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

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

On 30 June 2014, approximately 40% (R425 million) of the available offshore cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position.

DIRECTORATE

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

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

REPORTS OF THE INDEPENDENT AUDITOR

The Company's directors are responsible for the preparation of a summary 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 summary 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. 28

Notice is hereby given that a final gross dividend of 233 cents (2013: 201 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2014.

The Company will be utilising STC credits amounting to 233 cents per ordinary share and 233 cents per unlisted B ordinary share. As a result there will be no dividend tax deducted from the final gross dividend for any Remgro shareholder.

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

Dates of importance:

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

Share certificates may not be dematerialised or rematerialised between Monday, 10 November 2014, and Friday, 14 November 2014, both days inclusive.

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

The Integrated Annual Report will be posted to members and will be available on Remgro's website at www.remgro.com during October 2014.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
17 September 2014

ANNEXURE A
COMPOSITION OF HEADLINE EARNINGS

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

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

ANNEXURE B
COMPOSITION OF INTRINSIC NET ASSET VALUE

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

(1) *Includes the investment in Capevin Holdings Limited.*
(2) *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods, TSB and Wispeco).*
(3) *The potential capital gains tax (CGT) liability is calculated on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and also taking into account the corporate relief provisions. Deferred CGT on investments "available-for-sale" is included in "other net corporate assets" above.*
(4) *For purposes of determining the intrinsic net asset value, the unlisted investments are shown at directors' valuation and the listed investments are shown at stock exchange prices.*
(5) *Intrinsic net asset values have not been audited.*

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF REMGRO LIMITED

The summary consolidated financial statements of Remgro Limited, set out on pages 1 to 13 and 22 of the audited consolidated results, which comprise the summary consolidated statement of financial position as at 30 June 2014, the summary consolidated income statement and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Remgro Limited for the year ended 30 June 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 17 September 2014. Our auditor's report on the audited consolidated financial statements contained an "Other Matter" paragraph: "Other reports required by the Companies Act" (refer below).

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

Directors' responsibility for the summary consolidated financial statements

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

Auditor's responsibility

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

Opinion

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

Other reports required by the Companies Act

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

PricewaterhouseCoopers Inc.
Director: N H Döman
Registered Auditor

Stellenbosch
17 September 2014

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 Morobe*, F Robertson*, H Wessels* *(*Independent)*

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

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)

www.remgro.com